



Integrated Report

2023

Building a
sustainable future



TECNICAS REUNIDAS



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2023

Building a
sustainable future



TECNICAS REUNIDAS

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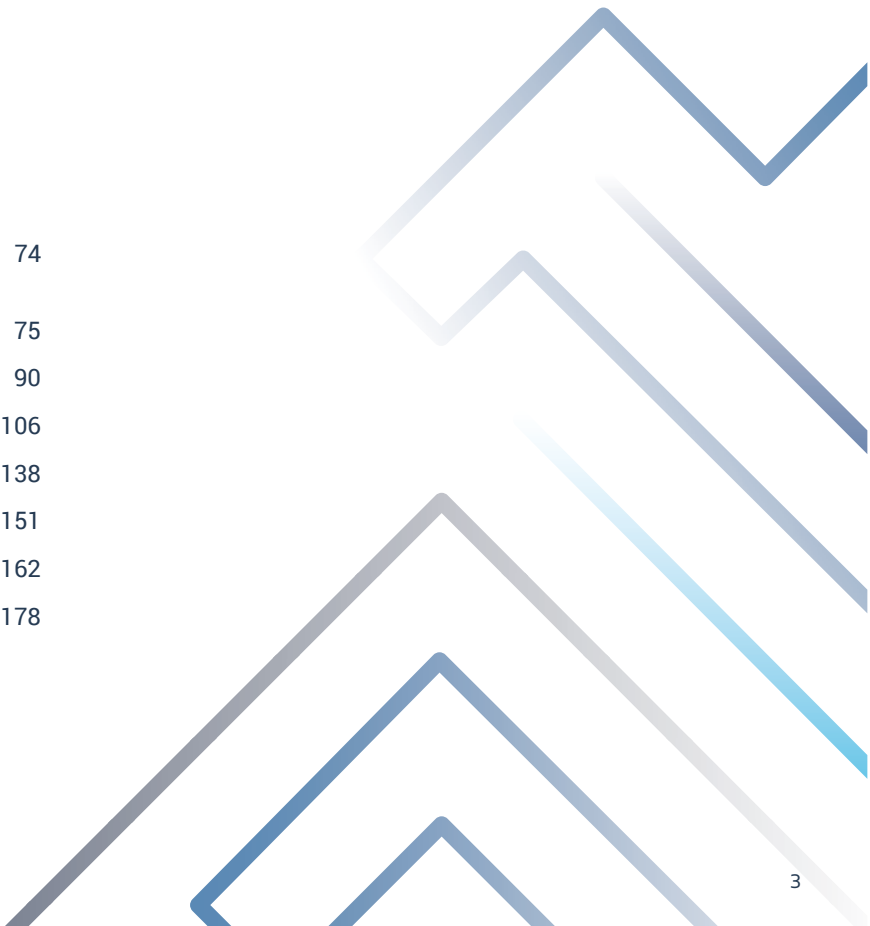
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LETTER FROM THE EXECUTIVE CHAIRPERSON

GRI [2-22]

Dear friends:

It is a pleasure for Técnicas Reunidas to put at your disposal our eighth Integrated Report, in which we would like to offer you a global vision of the Técnicas Reunidas Group in 2023, highlighting the achievements attained and the multitude of initiatives that were already paving the way for the new plan launched in 2024 that seeks to generate more value for the shareholder and for the Company.

During fiscal year 2023, trends have been consolidated in the field of energy that directly affect Técnicas Reunidas, both in its current activity and in its future strategy. In particular, the International Energy Agency and the McKinsey Energy Solutions Global Energy Perspective have confirmed an annual growth forecast for energy demand by between 3% and 12% until 2050 depending on the scenario, accompanied by a substantial and accelerated decarbonization of the economy in that period, as well as a global investment in energy of 2,200 billion dollars between 2025 and 2030.

Técnicas Reunidas is prepared to face this scenario. Among other measures, in 2023 Técnicas Reunidas formally launched track, its unit dedicated to providing services to our clients in key decarbonization technologies such as hydrogen and its derivatives, CO₂ capture and sustainable fuels. Although these services had already been offered to our clients previously, this specific unit consolidates our determined commitment to this activity, in which we have the suitable professionals and the specific knowledge to accompany our clients in achieving their decarbonization objectives reaching 1,000 full-time employees linked to this activity by 2024.

With the purpose of strengthening and developing this activity, in 2023 we successfully completed a capital increase that, with a great response from our shareholders and investors, allowed us to reinforce the company's financial situation in order to guarantee its leadership in the face of the imminent onset of the investment supercycle related to energy and decarbonization that now begins. This action, among others developed in recent years such as the resizing and optimization of our capabilities at a global level, the functional restructuring of our organization and management team, the protection of our portfolio and our commitment to Sustainability, have undoubtedly contributed to increase Técnicas Reunidas' resilience.

There is a strong investment drive among our clients, both in traditional ones that focus their efforts on decarbonizing their activities through investments to optimize their processes, and in others that develop specific decarbonization activities with great support from public financing such as the IRA program of the United States which has a global budget of 415 billion dollars, or the programs implemented by the European Union that exceed 580 billion euros, both destinations are priorities in our commercial action.

To successfully carry out all these actions, the Company has the best professionals, as proven by our clients, who will be reinforced by the incorporation of more than 2,000 engineers in the coming years. Técnicas Reunidas has a diverse and inclusive team present in multiple countries and continents, with a wide variety of cultures belonging to more than 80 countries that share a common objective.

Our leadership position in the fields of engineering and sustainability is the result of the integration of sustainability as an essential element in the development of our strategy. In 2023 we have advanced in our decarbonization plan and validated our objectives of reducing emissions by more than 40% by 2030 and being net zero by 2040 with the Science Based Target Initiative (SBTi) - Our leadership in environmental performance has been recognized by Climate Disclosure Project (CDP) scoring Técnicas Reunidas with an A, the highest possible rating.

This year we have continued to advance in the objectives set, reinforcing our corporate governance system through the Group's Human Rights Policy and renewing the certifications of our Criminal Compliance, Environmental, Occupational Health and Safety, Information Security as well as Quality Management Systems in compliance with UNE19601, ISO 14001:2015, ISO 45001, ISO 27001:2013 and ISO 9001 standards, respectively.

At Técnicas Reunidas we convey our commitment to responsible conduct with regards to the value chain through our Supply Chain Code of Ethics. We also include in our supplier approval process requirements in all areas of sustainability that set the guidelines for our suppliers, subcontractors and business partners to follow.

All these elements make up our strategy for the coming years, in which, in addition to influencing our great technical capacity to provide high added value decarbonization services to our clients, we will use two other essential elements in our business strategy, which are integration of digitalization and artificial intelligence in our projects and operations to take advantage of their potential, respecting principles of responsible, transparent, full and impartial use of these technologies. Among our competitive advantages we have digitalization tools through projects highly demanded by our clients such as digital twins, robots for carrying out inspection activities at height and at sea, 3D laser scanner of modules or augmented reality in project execution locations.

Técnicas Reunidas is prepared today, with its technology, with its capacity, and with its more than 10,000 male and female professionals, to whom I want to convey through this means my deepest gratitude, to welcome an inspiring future.

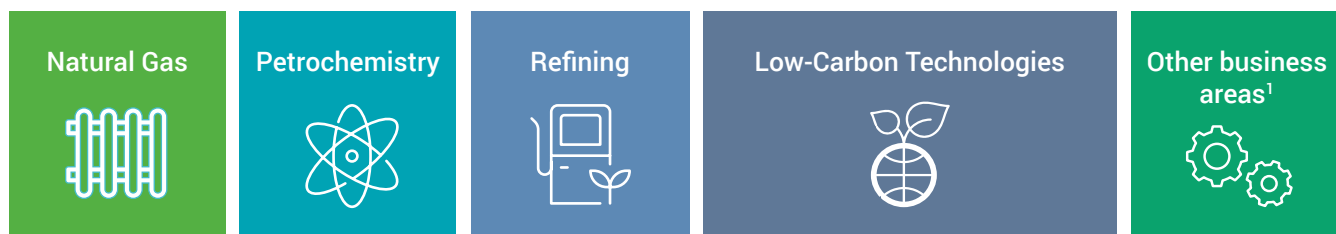
Juan Lladó Arburúa
Executive Chairperson

2 OUR OPERATION IN 2023

GRI [2-1] [2-6]

Técnicas Reunidas is a global company that designs, develops, and modernizes highly efficient industrial plants in the energy sector. Through its expertise and technical capabilities, the Company helps a wide range of international clients to optimize their industrial processes, and achieve their emission reduction targets.

Business areas



MAIN FIGURES IN 2023		
<p>€ 4,135 million in revenue 4,233 in 2022 (- 2.32% v. 2022)</p>	<p>€ 158.6 million in EBIT 8.7 in 2022 (+ 1,700% v. 2022)</p>	<p>100% of Board members attending Board meetings 100% in 2022</p>
<p>8,490 employees 7,053 in 2022 (+ 20.37% v. 2022)</p>	<p>80 nationalities 64 in 2022 (+ 25% v. 2022)</p>	<p>€ 12.23 million investment in R&D&I 9.82 in 2022 (+ 24.54% v. 2022)</p>
<p>0.063 accident rate (TRIR)² 0.046 in 2022 (+ 36.96% v. 2022)</p>	<p>85% of purchases and subcontracts to local companies 72% in 2022 (+ 19% v. 2022)</p>	<p>€ 3,027 million of purchases and subcontracts 3,352 in 2022 (- 9.68% v. 2022)</p>
<p>€ 299,595 dedicated to social action projects³ 198,215 in 2022 (+ 51.15% v. 2022)</p>	<p>€ 9,355 million of portfolio⁴ 9,515 in 2022 (- 1.69% v. 2022)</p>	<p>99% recurrence in terms of projects awarded 99% in 2022</p>

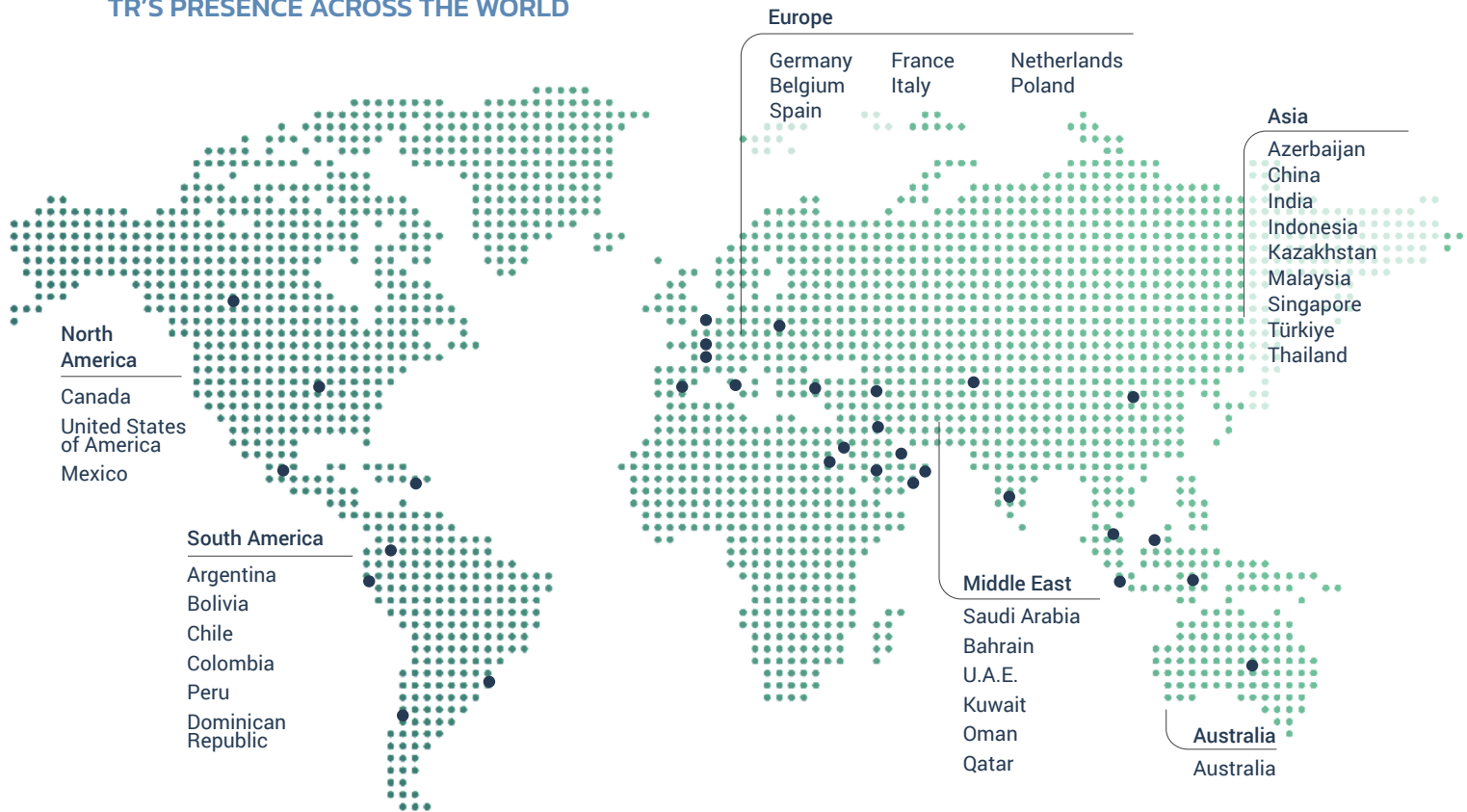
¹ The main activities included are water treatment, port infrastructures and oil production. It also covers those projects whose completion was not achieved as a result of the client's termination through the execution of guarantees.

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

³ Collaboration with organizations in the promotion of education, health, social business initiatives, as well as programs in the field of culture and civil society. In addition, contributions from corporate volunteering initiatives in the social framework of various projects are included.

⁴ Portfolio as of 31 December 2023.

TR'S PRESENCE ACROSS THE WORLD



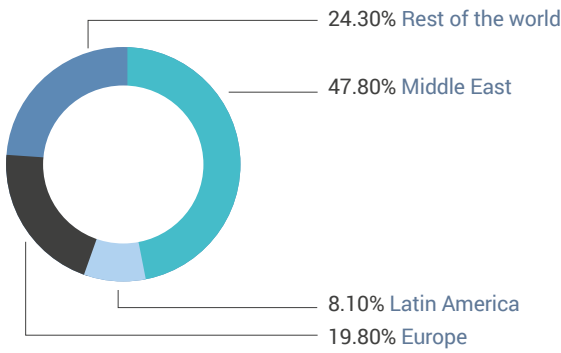
In its 64-year history, Técnicas Reunidas has designed and managed the construction of more than 1,000 industrial plants in more than 50 countries, including state and multinational companies among its clients.

The diversified, low-risk awards won during 2023 underpin the Company's growth strategy in the coming years.

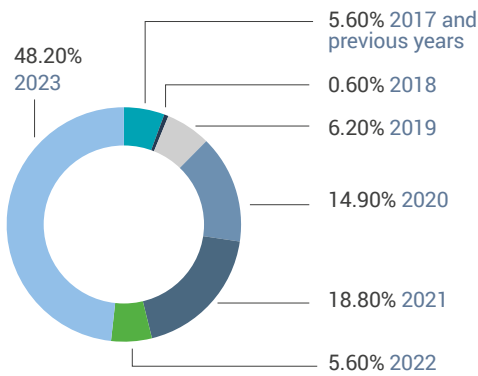
> Main awards in 2023

- E-fuels pilot plant in the Basque Country for clients Repsol and Saudi Aramco, which also awarded packages 1 and 2 of the Riyadh project (Saudi Arabia) to the Company.
- FEED-OBE contract for the development of the largest ammonia production plant in Kazakhstan.
- Construction of the regasification terminal for liquefied gases in the river port of Stade (Germany) for Hanseatic Energy Hub.
- Implementation of additional off-plot facilities for the North Field South project for QatarEnergy.
- Hydrogen-ready combined cycle power plant for RWE (Germany).
- New MERAM gas processing facility in Abu Dhabi for client ADNOC to maximize ethane recovery from the gas and enable its monetization.
- Zero carbon nitrogen fertilizer plant in the USA for Atlas Agro.
- Electrification of large machinery at Repsol's industrial complexes in Sines (Portugal) and Tarragona (Spain).
- Second generation biofuels plant in Huelva (Spain) for Cepsa.
- CO₂ capture project in Canada for Suncor.

Projects backlog per region



Backlog per award year



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

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

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

The 64% of clients (63% in 2022) are concentrated in large state or multinational oil companies, while 36% belong to large multinationals in the energy sector. The constant increase in the percentage of clients of large multinationals in the sector during last years is mainly due to the development of multiple projects related to the energy transition as, in general, many of these clients have accelerated their strategic investment plans in the short term to meet emission reduction targets and increase energy investments to improve self-sufficiency in the energy industry.

FLAGSHIP PROJECTS

In 2023, the Company continued to execute flagship projects such as Riyas (Saudi Arabia) and was awarded other innovative projects such as Holmaneset (Norway) and Pacific Green Fertilizer (United States). With the development of these projects, Técnicas Reunidas contributes to the development of complex technical solutions that meet the energy and industrial needs of these countries, while complying with high standards, and generating a positive socio-economic impact on the place of execution.

➤ Pacific Green Fertilizer, United States

The Green Plant Fertilizer by Atlas Agro Pacific is a pioneering initiative by Atlas Agro to revolutionize the fertilizer industry in the United States. The project aims to increase the national availability of nitrogen fertilizers while significantly reducing the industry's carbon footprint.

The project is designed to produce 0.7 million tons of carbon-free nitrate fertilizer per year, mainly for the Pacific Northwest region, and will only use air, water, renewable electricity, and limestone or dolomite as the sole raw materials to create a carbon-free liquid ammonium nitrate (AN) solution, liquid calcium nitrate (CN), and granulated ammonium nitrate and calcium fertilizer (CAN).

The produced fertilizers are more efficient and environmentally friendly, do not require soil nitrification, and are compatible with precision agriculture techniques for green crops.

Flagship projects



➤ Holmaneset, Norway

Fortescue, a global company focused on green technologies, energy, and metals, has selected Técnicas Reunidas to execute a competitive Front End Engineering Design (FEED) for the development of a green hydrogen and green ammonia production plant in Nordgulen fjord. The Holmaneset project will result in one of Norway's most important green energy facilities and is considered to be strategically significant for the country's energy transition.

The project includes a 300 MW hydrogen production plant, consisting of multiple electrolyzer modules; a green ammonia production plant with a nominal capacity of 675 tons per day (tpd); and ammonia storage facilities, water treatment, and maritime infrastructure, including an import and export port.

This development will involve over 70,000 hours of highly skilled chemical engineering and confirms Técnicas Reunidas' commitment to energy transition and its track initiative.

This project further demonstrates Técnicas Reunidas' intensified activities in energy transition and decarbonization undertaken in recent years, a drive that has been reinforced through track in the last twelve months.

➤ Riyas, Saudi Arabia

Aramco, the Saudi state oil company, awarded Técnicas Reunidas and Sinopec the development of natural gas liquids (NGL) fractionation facilities in Riyas, Saudi Arabia.

The work will be carried out based on two Engineering, Procurement, and Construction (EPC) contracts. One contract is for the execution of the Riyas NGL Fractionation Trains (referred to as Package 1), and the other is for the development of the Riyas NGL Common Facilities (referred to as Package 2), which includes public utility infrastructure, storage, and export facilities.

The estimated duration of the project is around 46 months for Package 1 and about 41 months for Package 2, with a total maximum commitment of 575 engineers, of which over 70% will be from Técnicas Reunidas.



3 OUR ACTIVITY



3.1 BUSINESS AREAS GRI [2-6]; [3-3]

The success and leadership of Técnicas Reunidas is the result of over 64 years of international experience in the design and construction of industrial plants. The ability to apply complex technical solutions and offer the latest technologies available on the market enables the Company to meet the high expectations of its clients and society.

Contribution of Técnicas Reunidas to achieving the SDGs



NATURAL GAS

The Natural Gas area obtained ordinary revenues in 2023 of €2,347.4 million, an increase of 44% from 2022 (€1,632 million), amounting to the highest sales figure with 57% of the total.

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

Natural gas is the cleanest fossil fuel, and it plays a key role in achieving decarbonization goals by enabling a staged energy transition to renewable energy until low-carbon alternatives are accessible to all.

Nowadays, renewable energies need alternative sources for intermittent periods, and demand peaks to guarantee energy supply during these periods. In this regard, Técnicas Reunidas' advanced natural gas technologies are an optimal solution, as they reduce carbon dioxide emissions, sulfur, and nitrogen oxides.

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

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

Types of projects

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

Key figures in 2023

More than
440 units
worldwide.

€2,347 million
in sales.

59%
in the pipeline.

Projects in the pipeline

Project	Country	Client
CBR Suncor	Canada	Suncor
González Ortega / Mérida / San Luis Río Colorado / Valladolid	Mexico	CFE
Sewa	U.A.E.	Sumitomo/GE
Adgas	U.A.E.	ADNOC LNG
Meram	U.A.E.	ADNOC
Riyas	Saudi Arabia	Saudi Aramco
Northfield packages 3 & 4	Qatar	Qatargas
Regassification terminal	Germany	Hanseatic Energy Hub
GT5	Kuwait	KNPC



PETROCHEMICALS

The Petrochemicals area reached €611,6 million, a decrease of 27% over the previous year (€843 million), accounting for close to 15% of sales in 2023.

The Petrochemicals area of Técnicas Reunidas provides direction, management, engineering, procurement, construction management, start-up, operation, and maintenance services for facilities dedicated to the production of basic chemical materials used in water distribution, pharmaceuticals, health, food, energy efficiency in buildings and transportation systems, among others. The refining production plants are integrated with petrochemical operations and processes, supplying both markets efficiently and flexibly and optimizing the consumption of natural resources.

The petrochemical industry plays an essential role in enabling other industries to reduce their greenhouse gas emissions through its products.

Técnicas Reunidas covers a broad spectrum of petrochemical processes.

Types of projects

The petrochemical processing units include processes for the entire value chain of ethylene, polypropylene, and their derivatives, aromatics, urea, and ammonia. Additionally, the Company has various advanced technologies for nitric acid, ammonium nitrate, monoammonium phosphate, diammonium phosphate, and NPK fertilizers.

Key figures in 2023

More than **160 units** worldwide.

€611.6 million in sales.

18% in the pipeline.

Projects in the pipeline

Project	Country	Client
New Pta Complex	Türkiye	Sasa Polyester
Ceyhan	Türkiye	Rönesans / Sonatrach
Ethylene plant	Belgium	INEOS
EPC Orlen	Poland	Orlen
Fertilizers plant	Kazakhstan	Kazazot





REFINING

Sales from the Refining area reached €947.5 million in 2023, 34% less than in 2022 (€1,426 million), representing 23% of the Company's total revenues.

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

In addition to construction, Técnicas Reunidas offers its clients the possibility of upgrading existing plants to improve their efficiency, considerably reducing carbon emissions, and to move forward with the sustainability actions and commitments they have decided to adhere to.

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

Types of projects

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

Key figures in 2023

More than 590 units worldwide.

€ 947.5 million in sales.

17% in the pipeline.

Projects in the pipeline

Project	Country	Client
Sitra	Bahrain	BAPCO
Duqm Refinery	Oman	DRPIC
Ac Sulf BioBio	Chile	Enap
CRISP	Singapore	Exxon Mobil
Minatitlán	Mexico	Pemex
Socar Haor D.	Azerbaijan	SOCAR
EPC YPF NEC	Argentina	YPF
HASSI MESSAOUD	Algeria	Sonatrach





LOW-CARBON TECHNOLOGIES

Sales from the Low-Carbon Technologies area reached € 42 million in 2023, an increase of 637% over ordinary revenues in 2022.

Key figures in 2023

More than **21 hydrogen projects** and **2 amine CO₂ capture projects**.

€ 42 million in sales.

5% in the pipeline.

€ 659 million in the pipeline, to be converted to EPC.

Projects in the pipeline

Project	Country	Client
AMA	Netherlands	G.I. Dynamics – AMA
Second generation biofuel plant	Spain	Cepsa
Electrification of industrial complexes	Spain and Portugal	Repsol
Nitrogen fertilizer plant	U.S.A.	Atlas Agro

This area comprises the following three lines of activity:



Hydrogen



Carbon Capture and Storage



Circular Economy and Bioproducts



Hydrogen

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

Hydrogen is one of the fundamental pillars for creating a clean, safe, and affordable energy system.

Depending on its production process, it is classified by color: blue (gray hydrogen with carbon capture and storage), green (water electrolysis with renewable energy), and pink (nuclear-powered water electrolysis) are classified by the low-carbon means of hydrogen production.

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

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

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

> Types of projects

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

✓ Carbon Capture and Storage

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

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

The International Energy Agency (IEA) reports that there are currently about 51 operational capture facilities¹, so the operational CO₂ capture capacity in 2023 is 69.65 Mt CO₂ per year. However, it warns that to meet the targets of the Net Zero scenario, this capture capacity must be increased exponentially to 1,286 Mt CO₂ per year by 2030² and 6,2 Gt per year by 2050³. Therefore, it evidences the growth prospects of these facilities in the short and medium term.

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

> Types of projects

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

✓ Circular Economy and Bioproducts

Through the activities of the Circular Economy and Bioproducts line, Técnicas Reunidas provides services to produce biomethane and convert biomass and waste into fuels (biodiesel and biokerosene), chemical products, power generation, and steam. Técnicas Reunidas actively participates in the structuring of projects involving these technologies to integrate them into its clients' existing value chains.

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

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

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

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

> Types of projects

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

¹ The IEA indicates that in 2024 there are 51 operational CO₂ capture facilities, 44 under construction and 744 in the concept and feasibility phase.

² IEA (2023), Carbon Capture, Utilization and Storage, IEA, Paris. Available at the following [link](#)

³ IEA (2023), World Energy Outlook 2022, IEA, Paris. Available at the following [link](#).



OTHER BUSINESS LINES

This line achieved sales of € 186.6 million in 2023, a decrease of 43% compared to the previous year (€ 327 million), representing 4% of the Company's total ordinary revenues in 2023.

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

Types of projects

The main activities covered by this line are water treatment, port infrastructure construction management, oil production or metallurgic activities, R&D, fertilizers, ammonia, or heat transfer. The purpose of this inclusion is to avoid distorting the analysis of the other lines of business. This segment also includes projects whose completion was not achieved as a result of the client's termination.

Key figures in 2023

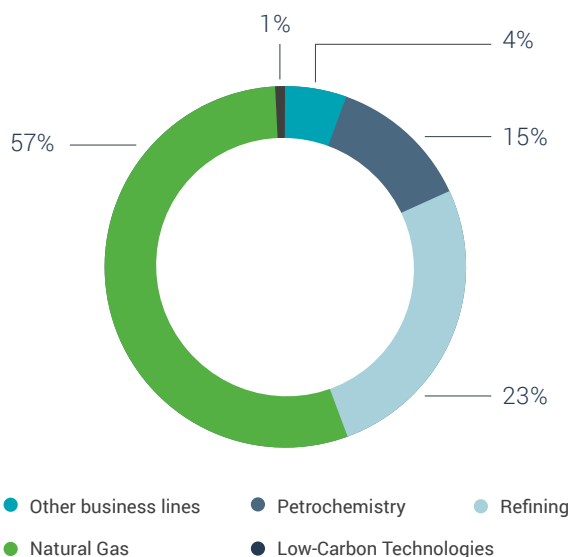
1% in the pipeline.

€ 186,6 million in sales.

Projects in the pipeline

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

Distribution of revenues by business area in 2023



3.2 OPERATING ENVIRONMENT

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

Contribution of Técnicas Reunidas to achieving the SDGs



MARKET ENVIRONMENT

Técnicas Reunidas operates in an ever-changing environment, marked by increasing energy demands from emerging countries, ongoing adaptation to new environmental standards, and the need for plants to evolve towards more complex, and profitable models.

At the same time, this operational context is becoming more challenging due to increasingly stringent sustainability criteria, the development of new technologies, and increasing competition. Therefore, the Company's projects are becoming increasingly complex, with highly demanding contractual terms concerning technical specifications, deadlines of execution, and scope of work.

The global economic recovery is proving consistent, albeit uneven across countries, after the pandemic, the conflict in Ukraine, and the price increase due to the supply shortage, generated by external shocks. Inflation is declining faster than expected after peaking in 2022 and is having less of an impact on employment and economic activity due to favorable supply-side developments and policy tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates as compared to two years ago, coupled with the withdrawal of fiscal support in a context of high public and private debt, are expected to dampen growth in 2024.

According to the latest IMF report, world growth will remain above 3.1% in 2024 and then increase slightly to 3.2% in 2025 (coming from 3.1% for 2023). However, the projection for global growth in 2024 and 2025 is below the historical annual average (3.8%), due to tight monetary policies and the withdrawal of tax support, as well as low productivity growth.

Specifically, the energy sector has significantly recovered pre-pandemic levels of demand. Liquid fuels have reached an average demand of 101 million barrels per day at the end of December 2023, and it is estimated that demand may continue to grow during this decade and start to decline from 2030 onwards.

As for natural gas, its global consumption is expected to continue to increase compared to 2022. Natural gas will continue to play a major role in the decarbonization of energy, replacing other more polluting fossil fuels, and an annualized growth of 10%, according to McKinsey Energy 2022, is expected in the period 2022-2040.

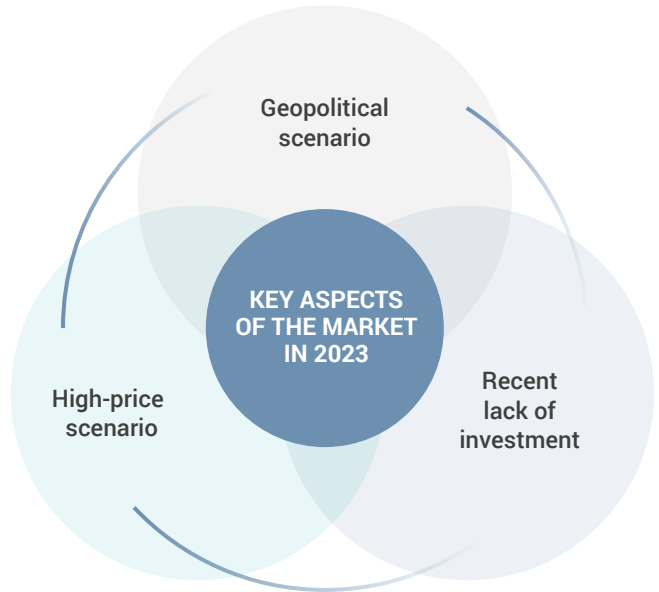
Energy-producing raw material rates have also reached price increase scenarios in recent years. Oil prices have risen from \$ 50 per barrel at the end of 2020 to \$ 116 at the end of June 2022, closing 2023 at around \$ 77 per barrel. As for natural gas, the price at the Henry Hub closed in June 2022 at \$ 6.5 per MBtu, compared to \$ 3.8 per MBtu at the end of 2021, and at the end of December 2023 at around \$ 2.49 per MBtu. Leading analysts and institutions that monitor the evolution of energy commodities foresee a sustained scenario of high prices for energy and its derivatives.

The scenario arising from the conflict in Ukraine involves important decisions in Europe regarding the diversification of its energy, oil, and natural gas supply, which will result in additional investments to meet European energy demand, replacing supplies originating in Russia, as we will see later in the section on awards. Before the disruption caused by the conflict in Ukraine, major companies in the sector, both private and national companies, were pointing to a strong investment cycle resulting from the lack of investment since the mid-2010s and supported by a scenario of high crude oil and natural gas prices. These three factors (geopolitical scenario, lack of recent investment, and high price scenario) point to significant investment activity in the energy industry in the coming years, even in a scenario of slower economic growth.

To supply a growing energy demand - and to ensure that it is environmentally sustainable - investments are needed to construct, update, and improve the efficiency of existing facilities, where the Company has an advantageous position and has the credentials required by investors, the technical

capacity and a proven experience over more than sixty years worldwide, and, in particular, in the regions where most investments are expected to make happen. In this regard, the Company increased its workforce in 2023 and plans to continue growing in 2024, including in other important areas due to its proximity to the clients.

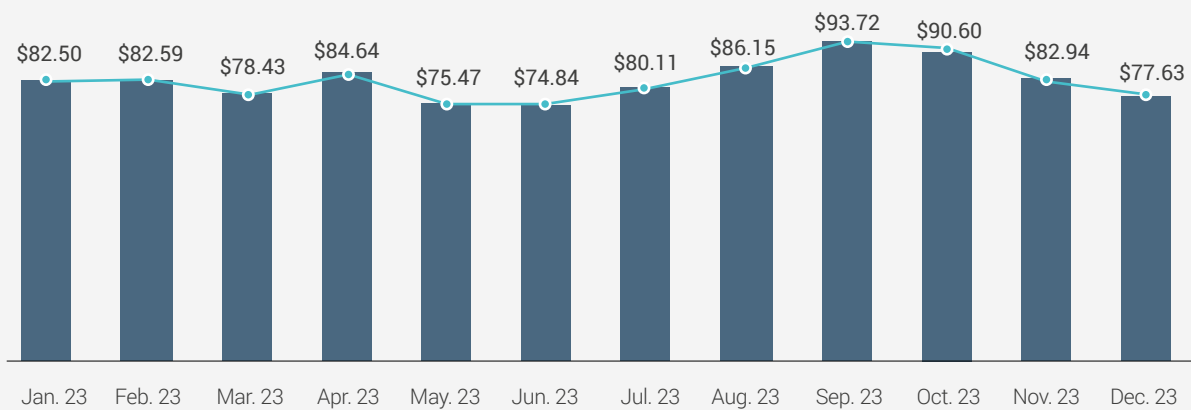
The reactivation and increase of the awards to Técnicas Reunidas is particularly noteworthy in the field of renewable energies and the energy transition being implemented by the market.



Growth in Brent crude oil price in 2023

In line with the market environment, the price of Brent crude oil has remained at higher levels than in previous years. It started the year at around \$ 82.50/barrel, peaking in September (\$ 93.72/barrel) and closing the year with prices slightly lower than at the beginning of 2023 (\$ 77.63/barrel).

Growth in Brent crude oil price in 2023 (\$/barrel)



Source: Energy Information Administration (2023). Europe Brent Spot Price FOB (Dollars per Barrel).

A STRATEGY ADAPTED TO ITS ENVIRONMENT

After several years of delays in final investment decisions by the clients, during the first half of the year there was an acceleration of the bidding processes. The macroeconomic environment has made it advisable to adopt alternative solutions in these situations, such as, for example, developing changes in strategy to avoid cost increases, promoting work in prefabrication workshops, compensatory measures, etc.

The Company currently manages a portfolio of more than € 10.5 billion, diversified geographically and by type of client. The recovery of investment in the industry has resulted in a significant volume of successful bids, which in 2023 amounts to approximately € 4 billion. This is a set of projects diversified by services and region, by the Company's strategy, with a very attractive risk profile due to the different execution strategies, and in which Técnicas Reunidas has significantly reduced the risk associated with construction.

Moreover, significant growth in all of the Group's business lines is expected by 2024. In this sense, global instability has led to the acceleration of the companies' strategic investment plans in the short term and an exacerbation of investments to improve self-sufficiency and make up for the energy shortages resulting from the impact of the instability, as well as to accelerate the energy transition.

These growth projections are in line with those of international organizations, which conclude that global energy demand and consumption will continue to grow in the medium and long term.

Técnicas Reunidas is well positioned, thanks to its commitment in terms of climate change, the diversification of its activities, and its adaptation to new trends, being one of the companies with the capacity to lead this industry.



2023 MILESTONES

- Significant increase in opportunities in the markets with a tendency to keep a very active pace of new projects in the short and medium term.
- Increase in successful bids in the field of renewable energies and energy transition by the market, mainly services.
- Contracting in Central Asia (Kazakhstan), Germany, and the USA.
- Significant number of service contracts (EW -Early Works-, BE -Basic Engineering-, FEED -Front End Engineering Design-, FS -Feasibility studies- and EPCm -Engineering, Procurement, Construction management).
- Consolidation of partnerships with construction companies to reduce risks.
- Opening of a new office in Spain (Bilbao).



2024 GOALS

- Developing an intensive commercial analysis and bidding activity on the most relevant opportunities for the Company in the super-investment cycle.
- Achieving a high number of awards, in general and in the field of energy transition.
- Influencing commercial activity in the field of energy transition in the territorial areas of the European Union, the Middle East, and North America.
- Expanding alliances with construction companies and technologists to enable the Company to continue offering its clients cutting-edge solutions in the field of energy transition that serve them as a path forward development of their sustainability and decarbonization policies.

> PROJECT BUSINESS MANAGEMENT & CONTROL DEPARTMENT

This Department develops actions to reinforce the Project Control Systems in the Operations Department.

The project control and monitoring system is divided into three levels:

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



Técnicas Reunidas provides services to its clients in all stages of project development, from conceptual analysis to complete execution, including basic engineering services for unitary processes, such as FEED or PMC.

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

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



Técnicas Reunidas' innovation in engineering design

As part of its commitment to creating high-added-value solutions, the Company carries out numerous conceptual designs, feasibility studies, basic engineering, and FEED studies that enable it to work with clients right from the initial stages of project implementation. Projects of this type awarded in 2023 include:

- FEED for the development of a zero-carbon nitrogen fertilizer plant in the USA for the fertilizer company Atlas Agro. The plant will use the Company's patented technology for the main process units. Once the FEED has been finalized, the project has been approved and the financing has been closed by the client, the EPC will be managed on an open-book basis. The potential investment in EPC would amount to around € 1 billion. It will be the world's first large-scale zero-carbon nitrogen plant, using only zero-carbon air, water, and electricity as raw materials.
- Kazazot, a leading company in Kazakhstan's fertilizer industry, selected the Company in January to develop a new complex of ammonia, urea, nitric acid, and ammonium nitrate. With a total investment of approximately \$1 billion, the plant will be located in southwestern Kazakhstan. Técnicas Reunidas will first carry out the engineering design under a FEED OBE contract, which will require some 200,000 engineering hours and will be executed in its Madrid office. Upon completion of the FEED, the Company will execute the complete engineering, procurement, and construction of the plant through an EPC contract.
- FEED for a 300 MW electrolyzer facility to produce green ammonia with the capacity to produce green hydrogen in Norway for the company Fortescue.
- FEED for a 500 MW electrolyzer facility to produce green hydrogen in Andorra (Teruel) for the investment fund Copenhagen Infrastructure Partners.

On the other hand, it should be noted that the Company continues with its Efficiency Plan for the period 2022-2024, the next stage of the Plan launched in 2019, which identifies opportunities for the Company to become more efficient. This Plan is aligned with the strategy of Técnicas Reunidas and includes several objectives according to the temporary horizon.

- In the short and medium term, customized execution, and digitalization. Solutions related to digital transformation, advanced analytics and KPIs, and adaptation of execution methodologies to new trends: modular projects, energy transition projects, etc.
- In the long term, know-how and talent. Knowledge management and its application to projects, specific programs for knowledge collection, and development of operational project leaders.


In 2022, Técnicas Reunidas launched an ambitious Efficiency Plan, which has continued its implementation in 2023.





OTHER ASPECTS RELATED TO THE OPERATING ENVIRONMENT

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

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

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
<p>TRENDS</p> 	<ul style="list-style-type: none"> Contracting and execution models that delay collections from clients (billing by milestones instead of progress, decrease in advance payments, delays in responses to claims, and increased volume of performance bonds). Macroeconomic uncertainty and market volatility (inflation, high interest rates). Increasing the tax burden on governments to compensate for deficits and new rules with minimum tax rates. Volatility of certain emerging currencies. Evolution of the USD, the baseline currency of the Company. Increased perceived risk by financial entities and insurance companies in the engineering and construction industry of turnkey projects. Uncertainty regarding the evolution of the economic cycle. OCDE regulation on taxation (BEPS). Optimization and search for efficiency. Clients' cashflow preservation policies. 	<ul style="list-style-type: none"> Uncertainty about the price of crude oil, which impacts investment decisions and the execution of projects. Decrease in the uncertainty derived from the increased price of raw materials, energy costs, and transportation costs. Geopolitical uncertainty: Middle East, Russia, China, Latin America, and North Africa. Increased competition in turnkey projects. Increased litigiousness from clients and subcontractors. New client demands in project execution structures (e.g. joint ventures or revamping). Critical negotiations with clients and suppliers in the later stages of a project. Preference of certain clients to advance the participation of contractors before tenders (early engagement). Clients need to seek funding for their projects. Trend towards the use of renewable energies and low-carbon emission processes. Commitment to petrochemicals by many markets. Investment in energy transition projects (hydrogen, ammonia, and/or biofuels) and other decarbonization activities. Implementation of tax incentives for green hydrogen generation. Increased use of technologies and digitalization of manual processes as a more efficient alternative to conventional in-person work. Global scarcity of engineering resources needed for project development. Increased customer requirements for the implementation of digital twins in their plants. 	<ul style="list-style-type: none"> Adaptation to local occupational safety requirements. Greater demands from clients regarding the qualifications and requirements for on-site staff with health and safety responsibilities. Need for practical on-site training programs on occupational safety. Addition of new technologies for better performance and follow-up of health and safety conditions in projects. 	<ul style="list-style-type: none"> Increasing concern of clients regarding requirements of projects related to sustainability. More stringent environmental and social requirements from entities such as clients, the World Bank, financial entities, and ECAs. Increased environmental and social legislative pressure. Report according to the EU Taxonomy (Regulation 2020/852 and its technical annexes on mitigation, adaptation, water resources, circular economy, pollution, and biodiversity). Increasingly demanding, detailed, and in-depth analysis by financial institutions and analysts of ESG requirements ("E" for environmental, "S" for social, and "G" for governance). A firm commitment to process units focused on highly efficient designs, oriented to carbon capture, minimizing emissions, and reusing waste, supporting a circular economy model, among others.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
<p>HOW IS THE COMPANY PREPARED?</p> 	<ul style="list-style-type: none"> • Maintenance of financing lines. • Management of clients and suppliers (payment and collection deadlines, discounts, confirming). • Development of policies aimed at allocating profits to the countries in which they are generated (BEPS). • Exchange rate and raw materials coverage policy via forward contracts. • Development of a highly diversified pool of banks, with a strong regional and international presence of local banks. • Continuous process of efficiency optimization and improvement. • Project contracting for an amount of more than 6 billions during 2023. • Expansion and diversification of liquidity sources. • Obtaining mechanisms that strengthen the Company's capital structure and liquidity (SEPI) and capital increase carried out in 2023. 	<ul style="list-style-type: none"> • Efficiency optimization and improvement. • Geographic diversification of services and projects. • Experience in sustainable technologies. • Selective management of potential projects. • Greater integration with clients from the initial phase. • Technical capabilities and proven experience to perform highly complex designs. • Know-how and consolidated working procedures. • Knowledge of markets where the Company carries out its projects, including local providers and suppliers. • Alliances with partners for the execution of certain projects. • Diversification of activities aimed at decarbonization. • Leverage through proprietary technologies. • Strengthening of the legal team and involvement in the various phases of project implementation. • Support for clients seeking sources of financing for the implementation of their projects, including financing using export credit insurance policies provided by Export Credit Agencies (ECAs). • Flexibility and high capacity of responsiveness in adapting to local requirements and constraints, as well as changes in project schedule. • Adaptation of commercial and operating structures to optimize the possibilities of successful bids and start executing them immediately. • Risk control system with predictive analyses for key decision-making aspects. • Reorganization of the Project Control area to simplify its structure and facilitate the provision of services to the Company's projects. • Prioritize the purchase of local materials and equipment to reduce emissions from upstream transportation and distribution, and manpower to enhance local social action. • Implementation of the circular economy strategy: use of natural resources, waste reduction, and its reuse. • Empowerment of the Delay Analysis area to strengthen claims in the Company's projects. • Simplification of reporting by the Project Economic Management area to speed up the execution of its tasks. • Reduced construction risk through service projects and partnerships with other companies. • Growth plan in strategic country offices, where the Company believes it can obtain commercial, financial, operational, or strategic advantages. • Formal establishment of the track business area, specializing in energy transition activities. • Opening or reactivation of commercial offices in countries with high investment prospects, such as the United States or Kazakhstan. • Development of an intensive commercial analysis and bidding activity on the most relevant opportunities for the Company in the super-investment cycle. • Achieve a high number of successful bids, in general, and, in particular, in the field of energy transition. • To influence commercial activity in the field of Energy Transition in the territorial areas of the European Union, the Middle East, and North America. • Expand alliances with construction companies and technologists to enable the Company to continue offering its clients cutting-edge solutions in the field of transition that allow them to develop their sustainability and decarbonization policies. • Use of mobile technologies, process robotization, Cloud applications and artificial intelligence technologies. • Collaboration with universities and other training centers to develop future professionals. • Development of new technologies in the field of energy storage and purification of basic materials in industry. 	<ul style="list-style-type: none"> • Implementation of a Regulatory Compliance system that considers criminal risks. • Continuous training for project managers on international health and safety standards. • Strengthening of collaboration between Human Resources and the rest of departments involved in the construction, commissioning, and start-up phases. • Acquisition of specific software and transfer of periodic reports for the internal management of occupational Health and Safety. • Linkage of 10% of executive directors' variable remuneration to health and safety criteria. • Occupational Health and Safety Management System in accordance with ISO 45001 certification. 	<ul style="list-style-type: none"> • Strengthening the system to assess the capacity of local providers for social and environmental matters. • Internal and external audits of the Environmental Management System during the design and construction phases in environmental matters. Internal audits to ensure the correct implementation of corporate processes and procedures (CRM - Corporate Requirements Monitoring) during the engineering phase of projects. • Identification of ESG risks and monitoring of environmental risks and opportunities. • Linkage of 10% of executive directors' variable remuneration to environmental criteria. • Leading position in the sustainability and the fight against climate change. • Exhaustive compliance with current local, national, and international legislation, as well as international environmental and sustainability standards.

	SUPPLY CHAIN AND SUBCONTRACTORS	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
<p>TRENDS</p> 	<ul style="list-style-type: none"> • Growing geopolitical uncertainty. Volatility in raw material prices and foreign currencies. • Selection of competitive assembly and construction companies. • Protectionism of companies towards local practices. • Supplier and subcontractor litigiousness. • Risk of return of difficulties in the global supply chain. • Reduction of the financial strength of subcontractors. • Tightening of manpower movement measures worldwide. • Increased energy and industrial production process costs. • Focus on raw materials, particularly certain materials deemed critical or strategic for relevant industries of the energy world. • Emission reductions in nitric acid plant regulations for greenhouse gases (NOx, N2O). • Improved recovery of effluents with high nitrate levels at ammonium nitrate plants to minimize the risk of soil contamination. • Establishment of lines of collaboration with clients, partners, suppliers, and subcontractors. • Use of byproducts derived from energy transition technologies, such as hydrogen-derived green ammonia, and ammonia byproducts, such as nitric acid and nitrates. • Increasing requirements from clients due to the emergence of the "digital twin" concept and the subsequent data standardization. 	<ul style="list-style-type: none"> • Decarbonization plans for the main economic sectors (energy, steel, cement...) • Growing importance of low-carbon emission technologies (e.g. green and blue hydrogen and its derivatives, biofuels, carbon capture). • Strong financial sector interest in investing in decarbonization opportunities. • Implementation of tax incentives in the United States and public funds in Europe to finance investments in decarbonization. • Importance of digitalization and use of new technologies to increase efficiency, provide faster response to clients, and decrease costs, among others. • Sustainability, environmental legislation, and circular economy as new business opportunities for the development of technologies related to waste management. 	<ul style="list-style-type: none"> • Quantitative and qualitative increase in disseminating information and in sustainability due to Directive 2022/2464 (CSRD). • Development and updating of the European Taxonomy regulation. • Increased requirements in regulatory compliance, including the fight against corruption, fraud, money laundering, and the financing of terrorism. • Impact on diversity in the Company's management bodies. • Increased relevance of stakeholder aspects. • Increased activity of corporate governance bodies and the need to strengthen internal monitoring systems and risk management, including criminal risks. • Increased shareholder involvement in the Company's general meetings, particularly in matters related to sustainability and emissions control. • Increased relevance of sustainability issues for significant stakeholders. • Special consideration of sustainability in the decision-making process. • Supervision of the implementation of the Criminal Compliance Management System by the Audit and Control Commission. 	<ul style="list-style-type: none"> • Global difficulty in attracting and retaining talent due to an increasingly complex labor market and the need for qualified profiles in almost all industries. • Digitization needs. • Increasing demand to maintain employment flexibility and work-life balance criteria. • Demand for highly technically qualified human resources, who are skilled in management matters as well as client- and result-oriented.



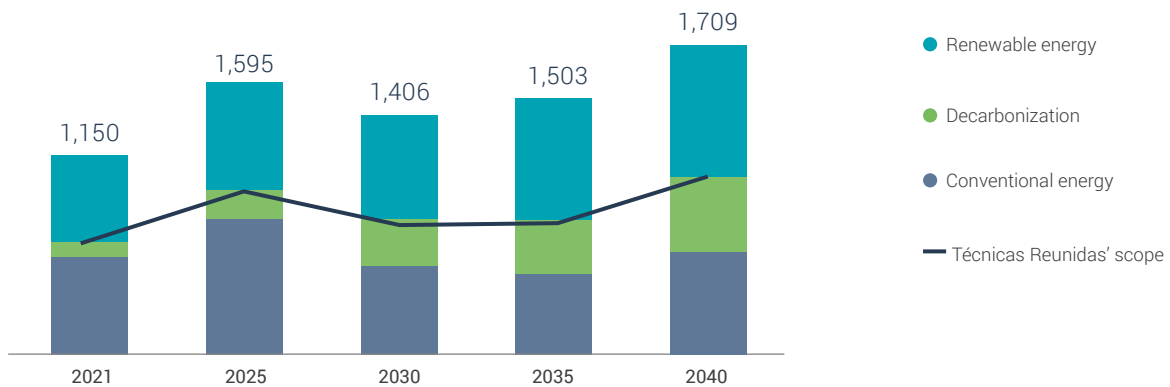
	SUPPLY CHAIN AND SUBCONTRACTORS	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
<p>HOW IS THE COMPANY PREPARED?</p> 	<ul style="list-style-type: none"> • Strengthening of the synergy report with a greater focus on the financial status of suppliers. • Maximized use of insurance to minimize raw material price volatility. • Expansion and updating of the Company's global subcontractor database, as well as a deeper analysis of their financial capacity and the risks associated with this capacity. • Technical and material analyses to ensure subcontractors' capacity to carry out construction work. • Subcontractor cash flow analysis in new successful bids. • Models of subcontracts and contracts with lower risk derived from the increased costs of production processes. • Establishment of consortiums and strategic alliances with engineering and construction companies in the sector. 	<ul style="list-style-type: none"> • Proprietary developments in all areas of operations and in relation to energy transition (e.g., green and blue hydrogen, CO₂ capture and valorization, circular economy, and critical raw materials). • Digitalization strategy for boosting competitiveness, adapting to clients' demands and optimizing processes. • Specialists in the management of R&D&I and expertise in the areas of development. • Provision of optimal technical solutions for the development of efficient industrial plants that enable clients to implement their sustainability and emission control and reduction strategies. • Upgrading of the José Lladó Technology Center, with specialized capacities and resources in strategic areas of research. • Opening of a Product Hub, a test and demonstration environment for pilot/prototype equipment mainly related to H₂ production and decarbonization. • Ad-hoc agreements with catalyst suppliers concerning treatments for minimizing greenhouse gases in nitric acid plants. • In-depth analysis of projects to plan their management throughout the implementation period. • Introduction of virtual reality in the design and implementation of projects for their management throughout their execution period. • Technology watch and continuous economic intelligence in the strategic areas of development with a focus on detecting new business opportunities. • Participation in the development of decarbonization projects of green ammonia activities using ESPINDESA's proprietary technologies for green ammonia derivatives (nitric acid, ammonia nitrate, ammonium-calcium nitrate, and nitro sulfate). • Agreements with electrolyzer and ammonia technology experts to complement the production chain with proprietary ammonia-derived nitric and nitrate technologies, maintaining an active presence in the business of industrial ammonia plants. 	<ul style="list-style-type: none"> • Development of a multidisciplinary European Taxonomy Committee, reporting to the Sustainability area, which classifies all the Company's activities in accordance with the regulations. • Implementation of the Company's Sustainability Policy and deepening of the principles of responsible action. • Execution of the Sustainability Plan and follow-up of the various specific and coordinated actions among the different areas. • Review of the Policies and procedures that comprise the Criminal Compliance Management System. • Development of new policies and commitments such as the Human Rights Policy. • Consolidation of the role of the Board's Committees, mainly in sustainability matters. • Development and ongoing adaptation of internal documentation in line with best practices in corporate governance. • Supervision by governance bodies of fiscal risks and information security. • Strengthening of communication with the main stakeholders. • Reporting and verification of information on sustainability according to the most demanding standards. • Consolidation of the Sustainability Area. • Ongoing adaptation of the Management System for Criminal Compliance and the prevention of criminal risks, and its supervision by the Audit and Control Commission. • Approval of new Corporate Governance System policies. • Approval of new Criminal Compliance policies. • Addition of parameters related to sustainability in the variable remuneration system of executive directors. • Review of third parties to ensure they have a regulatory compliance culture, particularly regarding the fight against corruption and fraud. • Third-party diagnosis of the suitability of the Criminal Compliance Management System with proposals for improvement where needed, particularly regarding the fight against corruption and fraud. 	<ul style="list-style-type: none"> • Specific training of managers to handle new ways of working in organizations. • Development of work-life balance measures. • Search for suitable profiles for the tasks entrusted, with a special emphasis on technical profiles. • Signing of agreements with various universities and training centers to identify and attract young talent.

3.3 ENERGY TRANSITION

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

In the energy sector, certain segments are expected to evolve differently. On the one hand, investment in the renewable energy segment is expected to grow by over 85%. At the same time, investment in decarbonization technologies, which include green and blue hydrogen, biofuels, and e-fuels, and carbon dioxide capture, use and sequestration, is expected to grow almost fourfold, to approximately \$400 billion by 2040. In other words, this segment accounts for 60% of the growth in total energy investments and is a key factor in the decarbonization of the world economy¹.

Expected investment in the energy sector
US Bn \$



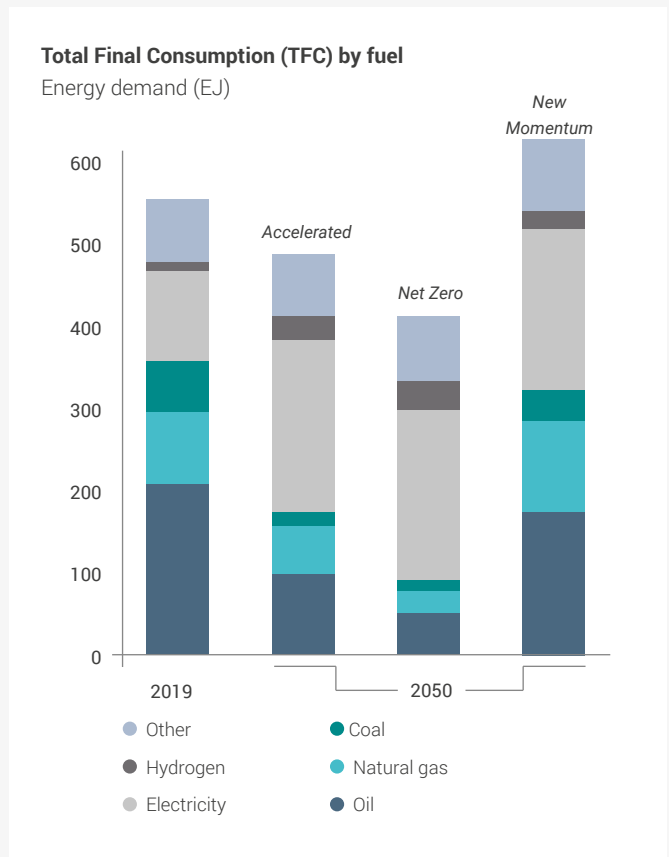
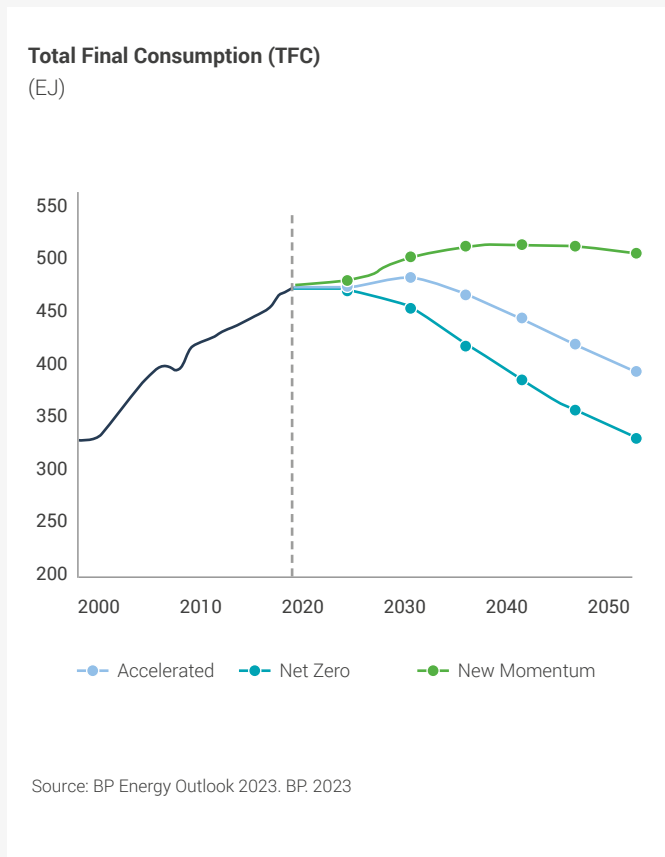
¹ Source: McKinsey Global Energy Perspective Report 2023.



Global Energy Consumption

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

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



> Energy Infrastructures

The requirements associated with energy transition entail a significant increase in demand for critical minerals such as copper, lithium, and nickel for activities such as the construction of wind and solar facilities, batteries, hydrogen, and CO₂ pipelines and new storage facilities.

In this regard, growth in demand is expected from the electrification of road transport and low-carbon energy, which requires substantial expansion of the grid and distribution systems.

THE COMPANY'S STRATEGY FOR ENERGY TRANSITION

Técnicas Reunidas consolidates its position as a benchmark in energy transition in 2023

Between 2022 and 2023, the Company's commitment to a low-carbon energy supply has accelerated, guiding further investment deployment with the ultimate goal of achieving a zero-emissions global energy supply by 2050.

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

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

In line with its approach, during 2023 Técnicas Reunidas has continued to strengthen its R&D&I in new technologies and its low carbon technologies business line: hydrogen, circular economy, bioproducts, CO₂ capture and storage. As per current estimations, Técnicas Reunidas' offer covers 52% of the demand foreseen by 2050 to meet the decrease in emissions required to achieve commitment to the International Energy Agency's zero-emissions scenario.

Técnicas Reunidas has an Energy Transition Unit, which coordinates the actions of the entire Company in this area.

This Unit currently employs more than 45 people who collaborate with the other corporate areas and is expected to continue to grow in the coming years.



MAIN INDICATORS

INDICATOR	DATA 2023	EVOLUTION 2022-2023
Professionals dedicated to energy transition (equivalent figure).	45	+ 40.6%
No. of bids/proposals in the field of energy transition.	67	+ 6%
No. of energy transition projects awarded.	18	- 14%



2023 MILESTONES

- Significant awards have been obtained in projects related to low-carbon technologies: hydrogen value chain, carbon capture and projects related to the circular economy.
- The service offerings have been diversified to other industries, especially cement and steel.
- The implementation of energy transition has been strengthened in the United States and Europe.
- Configuration of project structuring teams in Europe and the United States
- Signing of a Memorandum of Understanding (MoU) with IFC, a member of the World Bank Group, for the joint development of transition-related projects in Eastern Europe.
- Establishment of a strategy for monitoring and controlling methane emissions.
- The service and strategy for recurring services associated with carbon capture.
- Signing of collaboration agreements with suppliers of maritime carbon transport and underground storage.
- Through the Proprietary Technology Development Division, technologies focused on the energy transition have been developed.
- track Academy has been launched to capture and disseminate knowledge on issues related to the energy transition.



2024 GOALS

- Make use of Técnicas Reunidas' industrial presence to structure projects in decarbonization technologies: hydrogen value chain, bioproducts, carbon and methane capture.
- Diversify Técnicas Reunidas' services towards other industries (cement, steel, etc.) and strengthen its implementation in energy transition in certain regions (United States and Europe).
- Lay out new services and business models for the decarbonization of production chains, such as carbon management and methane management.
- Advance and increase the number of research projects in the field of energy transition and submit projects for funding in PERTE, Horizon, Innovation Funds, etc.
- Position Técnicas Reunidas as a benchmark company in the field of energy transition and increase the external and internal visibility of its capabilities in this area.

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

- Offer technologies and services to large, energy-intensive companies and infrastructure funds to promote projects associated with the energy transition that attract third-party investment and are executed in FEED and EPC phase by the Company.
 - Técnicas Reunidas' clients have announced ambitious plans for the decarbonization of their activities and the Company will help them achieve their decarbonization goals.
- Provide engineering services in investment opportunities related to low-carbon technologies such as hydrogen, biofuels, or carbon sequestration and capture.
- Promote and structure low-emission technology projects from their initial conception to the EPC stage.
 - The team specialized in project structuring offers a comprehensive service to ensure success in the development of large-scale complex projects, addressing all their dimensions (technical, economic, environmental, financial, etc.) to achieve financeability.
- Identify and structure recurring services associated with energy transition. Técnicas Reunidas is currently working on two lines of business:
 - Outsourcing the management of carbon captured in processes of large industrial plants.
 - Identification, measurement, and management of methane emissions. Técnicas Reunidas is providing the first services to their clients for the definition of methane emissions management frameworks.





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

Its main features are:

- track is identifying new opportunities in energy transition and decarbonization and transforming its resources to develop new services in emerging markets and new industries. To this end, it has the capacity of its technological hub in Madrid, with more than 4,500 professionals specialized in energy technologies, which, together with its global presence, is an ideal platform for tackling new challenges in energy transition and decarbonization.
- track is already working on its four lines of action:
 - More than 30 projects implemented avoiding a potential emission of 8 million tons of carbon in hydrogen technologies, 1 million tons in circular economy technologies, and 16 million tons in carbon capture projects.
 - Developing two important green ammonia production projects: one in Spain with an investment of close to 900 million euros and the creation of more than 350 jobs; another one in the Gulf of Mexico.
 - New services for carbon and methane management.
- track is present in the most relevant markets for decarbonization, with a special focus on Spain, Europe, and the United States.
 - In Europe, during fiscal year 2023, it has strengthened its activity through a collaboration agreement with IFC (World Bank) for the identification and joint development of projects in Eastern Europe.
 - In the United States, it has strengthened its presence with a dedicated project structuring team at the new Houston headquarters.
 - In Spain, projects are being developed for major clients such as Cepsa and Repsol.
- track positions Técnicas Reunidas in the financing markets as a dynamic and relevant company in energy transition, with a differential approach.

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

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

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

In 2023 the Company has continued its intense commercial activity in this area and, as a result, the commercial activity related to the energy transition projects has grown significantly. The Company was awarded 18 energy transition projects (feasibility studies, basic engineering, and FEEDs), including important strategic projects related to circular economy, decarbonization, biomethanol, green ammonia and green hydrogen production and compression, both in Spain and abroad.

- Among the projects secured in 2023, those directly related to energy transition and decarbonization amount to more than 300 million euros.
- Several of them are being developed in Spain for first-level clients, such as Repsol (electrification of machines to decarbonize its Tarragona and Sines complexes, among other projects), Cepsa (construction of the largest biofuels plant in Spain at La Rábida), ENCE (biomass) and some of the main companies in the electricity sector.
- In terms of international projects, Técnicas Reunidas will design and execute the largest industrial decarbonization project in Europe, promoted by a large international company; it has also obtained contracts for projects for the North American company Atlas Agro (green fertilizers) and the Canadian company Pembina (hydrogen and blue ammonia).

- Técnicas Reunidas' clients in previous energy transition and decarbonization projects include, among others, a US company (low carbon ammonia), a Canadian company (carbon capture), Enagas and Naturgy (Catalina green hydrogen project in Aragon), the Dutch company Global Industrial Dynamics (AMA bioethanol project in Amsterdam) and the British company SSE (carbon capture projects in Peterhead and Keadby).

The Company contemplates a portfolio of opportunities of more than €11 billion in low-emission technology projects. In addition, the projects already completed or ongoing involve potential savings of 30 million tons of CO₂ per year, equivalent to 12% of Spanish emissions in 2022.

In the project development line, during 2023 Técnicas Reunidas:

- Has set up project structuring teams in Europe and the United States.
- It has signed a Memorandum of Understanding (MoU) with IFC, a member of the World Bank Group, to accelerate the decarbonization of East European countries, whose needs in this field total more than 35 billion euros.
- Concerning the Técnicas Reunidas projects in the structuring phase, we must highlight the following:
 - A green ammonia and e-methanol production project in Almeria.
 - A green ammonia production project in the Gulf of Mexico.
- An e-methanol project in Almeria (€220 million), in co-development with CETAER (NASCAR project).

In line with the structuring of recurring services associated with the transition, during 2023, Técnicas Reunidas:

- Has defined the service and strategy for monitoring and controlling methane emissions. Currently, it continues to make progress in the optimization of the commercial offer, working with five satellite measurement providers, two piloted aircraft measurement providers, two drone measurement providers and five sensor providers. In addition, a first project has been carried out for the Oman subsidiary of the U.S. company OXY. A second phase continuity proposal has been submitted to OXY.
- Regarding the carbon capture and sequestration service, collaboration agreements have been reached with suppliers of maritime carbon transport (Ecolog) and underground storage (Storegga). In addition, contacts have been established with the first companies in the cement and steel sector and proposals have been submitted for feasibility studies as the first step for a subsequent proposal for the provision of services.

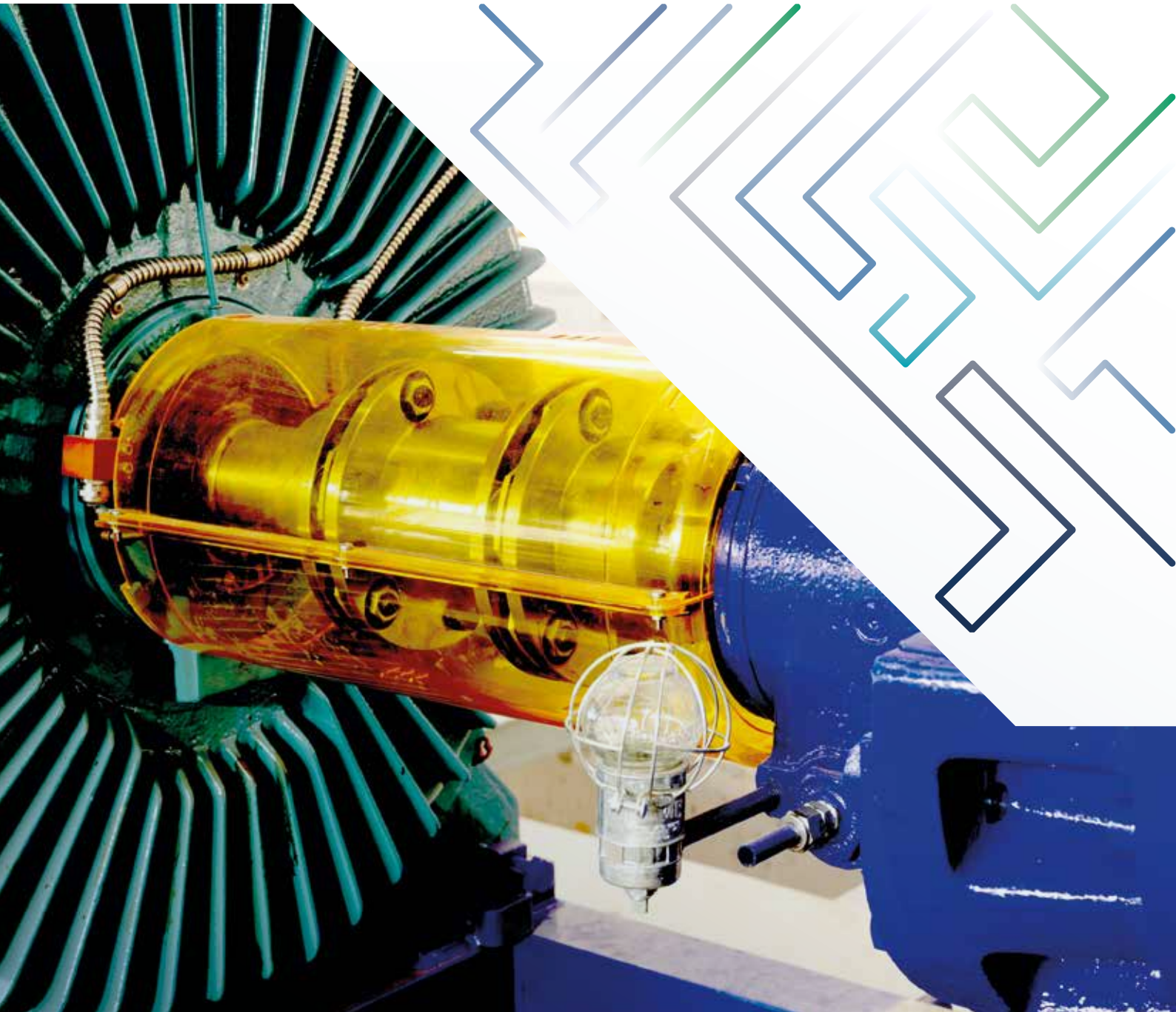
➤ **Técnicas Reunidas' involvement in energy transition projects**

Técnicas Reunidas is a benchmark in energy transition and decarbonization, with more than sixty projects completed or underway. In 2023, awards related to energy transition projects amounted to more than €300 million. Among these awards are:

- Engineering services for a Cepsa biofuels project at the La Rábida refinery.
- Repsol projects for the electrification of compressors at its Tarragona and Sines plants.
- Green fertilizer project in the United States for Atlas Agro.
- A confidential project for the production of biofuels at a refinery in southern Europe.
- Service projects for green and blue ammonia production plants in Spain, Saudi Arabia, the United States, and Canada.
- Analysis of carbon capture technologies for refining processes in Canada.

Other projects awarded to Técnicas Reunidas that contemplate the future use of low-carbon technologies are the combined cycle in Germany for the company RWE, which will use a fuel mix of 50% natural gas and 50% hydrogen, and the Hanseatic Energy Hub regasification terminal, designed for the future storage of green ammonia (contract value €500 million).

4 BUSINESS MODEL AND STRATEGIC PILLARS



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

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

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

This business model allows the Company to provide to its clients the necessary high technical and technological capabilities to implement its transition plans, depending on the circumstances of each of them and countries in which they are present, thus becoming a key actor.

Within the Técnicas Reunidas business model, the role of its suppliers and subcontractors, who participate mainly in the supply and construction phases of the industrial plants, is fundamental. Due to the large scale of the projects, for their performance these phases require a large number of workers from its suppliers and subcontractors.

In addition, the Company also collaborates with other engineering and construction companies in joint ventures to assign project responsibilities based on the specialty of each partner, combine their financial (access to guarantees, financing, etc.) and technological capabilities as well as professionals for successful bidding in international projects. Joint ventures aim to undertake large projects, either due to the size or positioning of the client or country, in which it is convenient to collaborate and work with other partners, such as subcontractors. Técnicas Reunidas usually holds a leadership position in the management of all its projects.



Note: Photographs from Técnicas Reunidas' employees submitted to the "Environmental Photography Contest" are used throughout the Integrated Report.

Técnicas Reunidas has the following resources...

PEOPLE

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

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

KNOWLEDGE AND TECHNOLOGY

- Experience in the management of complex projects.
- Designing know-how included in standards, procedures and internal methodologies.
- Thorough knowledge of the worldwide market of suppliers and subcontractors.
- Golden Rules¹ for complex units.
- Pioneering and innovative in-house software in the industry and integrated EPC tools.

For more information, please refer to chapters 6.3 and 6.6.

FINANCIAL CAPITAL

- A resilient balance sheet.
- Stable liquidity policies.

For more information, please refer to chapters 5.2 and 6.1.

MATERIALS AND ENERGY

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

For more information, please refer to chapter 6.4.

RELATIONS

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

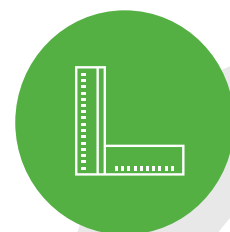
For more information, please refer to chapters 6.6 and 6.7.

...which are used and transformed throughout all value chain activities...

VALUE CHAIN

DESIGN

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



START-UP

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



Distinctive values of Técnicas Reunidas

- Commitment to sustainability.

¹ The Golden Rules of Técnicas Reunidas are internally disseminated documents that include good practices and lessons learned that the Company has developed for certain process units, specifically those in which it has greater experience, ensuring maximum efficiency and quality of work from the launch of the project.

... with the aim of generating value for its main stakeholders groups.

PROCUREMENT AND SUBCONTRACTS

- Procurement and subcontract management throughout the project cycle.
- Improvement processes with strategic suppliers and subcontractors for construction.



CONSTRUCTION

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



• Provision of the required technical and technological capabilities to customers for developing their decarbonization plans.

• Service customization according to the circumstances of each client and country.

SHAREHOLDERS

- Focus its activity on value creation.

For more information, please refer to chapters 5.1 and 6.1.

CLIENTS

- Adapt to their needs and the fulfillment of their commitments.
- Guarantee their satisfaction and recurrence.

For more information, please refer to chapters 6.1 and 6.3.

EMPLOYEES

- Contribute to their personal and professional development.
- Foster an inclusive and diverse work environment.
- Protect their health and safety.
- Retain the best talent.

For more information, please refer to chapter 6.2.

SUPPLIERS AND SUBCONTRACTORS

- Generate business and promote its innovation.
- Enhance their international exposure.

For more information, please refer to chapter 6.6.

LOCAL COMMUNITY

- Contribute to the economic development of local communities.
- Organize corporate volunteering actions.
- Develop initiatives adapted to the characteristics of each project and the needs of the region.

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



INTEGRATED REPORT CHAPTERS REFERRED TO:

- 5.1 Governance model
- 5.2 Risk management
- 6.1 Control and management of financial capital
- 6.2 People, the Company's main asset
- 6.3 Innovation and digital transformation
- 6.4 Excellence in environmental performance
- 6.5 Occupational health and safety
- 6.6 Efficient supply chain management
- 6.7 Relationship with society in general and the stakeholders

4.2 | STRATEGIC PILLARS

Técnicas Reunidas' strategy is grounded on four fundamental pillars: methodology, know-how, diversification, quality and safety.

THE 4 STRATEGIC PILLARS OF TÉCNICAS REUNIDAS



Methodology and know-how

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

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

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



Diversification

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

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

The diversity and breadth of its services and markets are also critical to success. The Company offers comprehensive solutions for multiple sectors, allowing it to adapt to changing market needs and mitigate risks by boosting innovation.



Quality

Técnicas Reunidas is a synonym of quality.

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



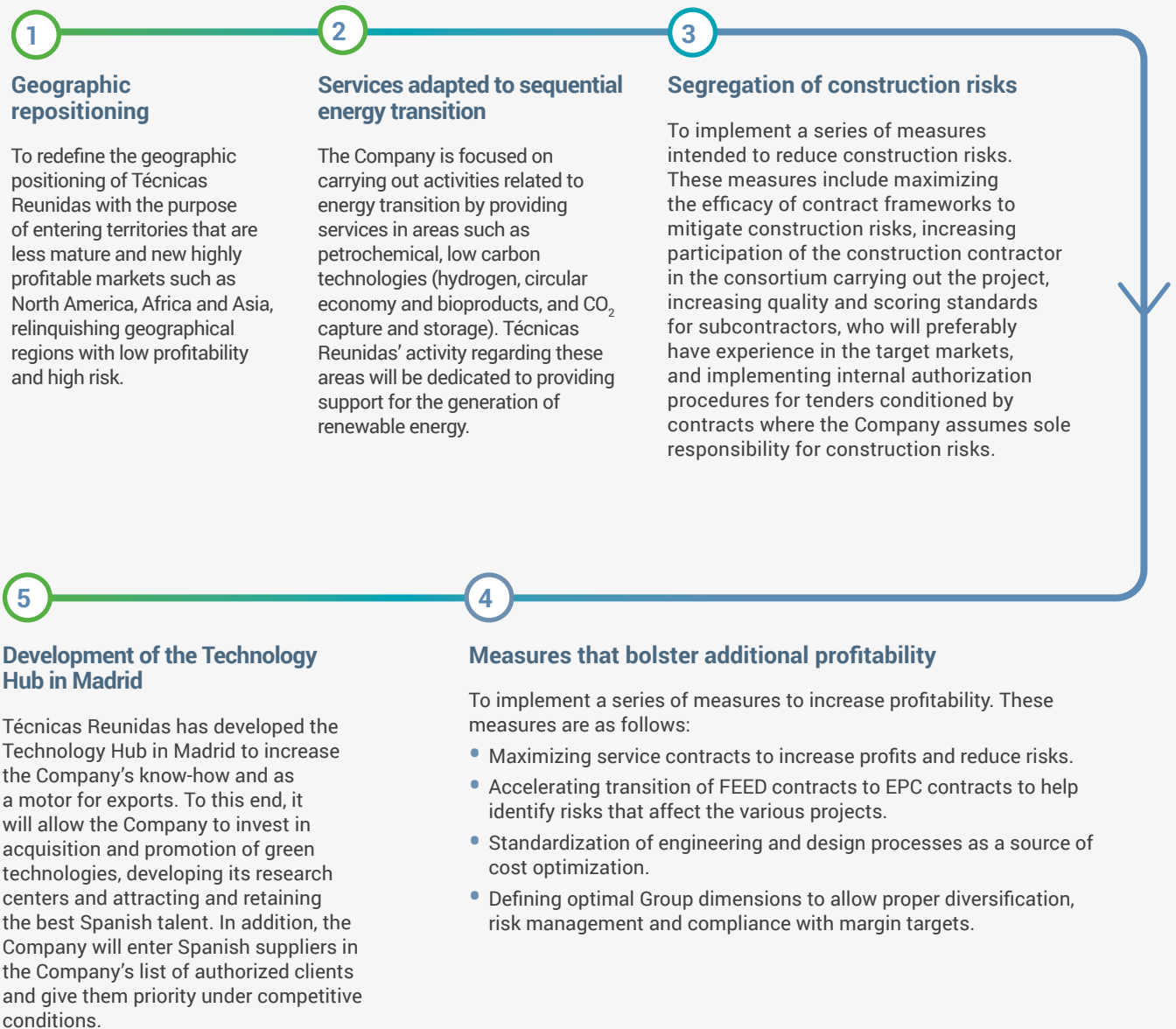
Safety

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

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

STRATEGIC GOALS

The four strategic pillars intend to achieve the following goals:



SPECIAL CONSIDERATION OF SUSTAINABILITY IN TÉCNICAS REUNIDAS

The year 2023 has allowed Técnicas Reunidas to further focus on sustainability and consolidate it as one of the Company's pillars, prioritizing initiatives that contribute to achieving the Sustainable Development Goals (SDG), particularly those that have the greatest impact for the Company.

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

The Company's clients need to implement its sustainability policies and transition strategies by having efficient facilities available. Técnicas Reunidas plays a key role in meeting these needs thanks to its high technical and technological qualifications. It offers sustainable and efficient solutions across the entire scope of

energy generation, including hydrogen production or the capture of carbon dioxide, which will undergo significant development in the coming years.

Another essential factor of Técnicas Reunidas' activity is its contribution to the communities in the locations where the Company carries out its activities. In this area, the SDGs are the most significant point of reference for decision-making processes.

Sustainability Policy



Sustainability strategy GRI [2-12]

In 2020, the Board of Directors approved Técnicas Reunidas' Sustainability Policy, which sets forth the general operational principles and is the basis of the sustainability strategy. Its purpose is to guarantee that all the Company's corporate and operational activities are carried out to boost long-term value creation for all the stakeholders¹.

The supervision, development and periodic review of this Policy is performed by the Board of Directors. In turn, Secretary of the Board - Sustainability area is responsible for implementing and applying the Policy, including planning, coordination and control of the execution of the specific actions among the various areas and departments of the Company. This body reports the progress made in sustainability and the efficacy of non-financial information review processes to the Board of Directors when necessary².

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

plants that are efficient and environmentally friendly, that contribute to fighting against climate change and to the development of new technologies associated with transition towards a low-carbon economy, taking advantage of the business opportunities derived from their high qualification and demonstrating their commitment to Sustainable Development Goals.

On the other hand, the Company's senior managers propose and coordinate the strategies, initiatives and objectives within their corresponding areas, along with Secretary of the Board – Sustainability area. This collaboration ensures coordinated actions and participation in the development of the Company's sustainability strategy.

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

¹ For more information, please refer to the [Sustainability Policy](#). Within the framework of these principles, the Company's Board of Directors is involved in promoting the participation of stakeholders through the Secretary of the Board - Sustainability area. This area is in charge of ensuring the participation of stakeholders in the process, whether directly or through third parties with authority in certain matters.

² The Company's Board of Directors receives information from the Secretary of the Board – Sustainability area regularly about the result of these processes. It also monitors and ensures that they have enabled detection and dealing with the effects on the economy, the environment and people and reserves the option, if necessary, of introducing changes in these diligence processes to ensure that the final goal is achieved.

Lines of action and goals of the Sustainability Plan 2021-2023

1 Climate neutrality

Reducing carbon footprint by more than 40% by 2030 and achieving carbon neutrality by 2040.

2 Environmental neutrality

Achieving a net positive impact on natural capital.

3 Sustainable financing

Expanding our presence in the field of sustainable financing.

4 ESG risk culture

Incorporating ESG risks into the Company's risk control and management model.

5 Talent diversity, equity and security

Being perceived as progressive regarding people and diversity.

6 Sustainability governance

Alignment of ESG governance and management structure with the most advanced practices in this field.

7 Sustainability culture

Expanding the culture of commitment to sustainability.

8 Improving reputation and communication

Being one of the companies with the best reputation in Spain.

9 Improving ESG certifications

Being recognized by investors as leaders in sustainability.

10 Contribution to SDGs

Linking at least 80% of the Company's social initiatives to SDGs.

11 Code of Conduct

Reinforcing the Company's commitment to ethics and integrity.

12 Sustainable supply chain

Making the most of ESG potential in the supply chain.

● Environmental ● Social ● Governance ● Cross-sectional

This Plan includes and coordinates the goals of the various areas and responsible individuals, such as the CEO, Financial Management, Commercial Management, HR Management and Operational Management (HSE, Procurement, Business Management & Control and Construction) and Compliance, among others. For each line of action, the opportunities are analyzed, the specific actions are designed, and the performance indicators are defined and established for follow-up.

In 2023, the Company has continued to develop its actions and to fulfill its commitments. It is important to mention the continuous review by the Company of its Sustainability Plan to adapt it to the changes in the surroundings and in the Company itself to meet the expectations and needs of its main stakeholders.

Thanks to its Sustainability Policy, the Company integrates ESG risk management into its operating systems and processes, implementing rigorous practices and mechanisms to ensure regulatory compliance and the highest environmental and social standards, strengthening its position and competitiveness in the market. To this end, Técnicas Reunidas has developed

a methodology for identifying and quantifying risks by developing a map that classifies them according to their impact and probability of occurrence. Based on the results, the Company defines and develops specific management and mitigation plans for these risks and an evaluation procedure in the relationship with counterparties. This framework allows the Company not only to mitigate its exposure to risks and prevent possible negative impacts, but also to make informed decisions and establish the necessary strategies and mitigation plans, placing Técnicas Reunidas at the forefront of risk management and meeting the expectations of its stakeholders.

In 2023, Técnicas Reunidas made progress in the implementation of its Sustainability Plan by carrying out specific initiatives in all lines of action.

Técnicas Reunidas' association with the SDGs

Among the goals of the Company's Sustainability Policy is the promotion of sustainability values and boosting and contributing to the fulfillment of the Sustainable Development Goals. The Company is firmly committed to all of them and, in particular, to those in which Técnicas Reunidas' activity may be most significant.

In 2023, on the occasion of the 8th anniversary of the SDGs, Técnicas Reunidas carried out an internal dissemination campaign among its employees with a video of the CEO and by placing informative posters at the main entrances to its buildings and headquarters in Madrid expressing in this way its commitment to the SDGs as part of its corporate culture.

With the focus placed on Técnicas Reunidas' technical and technological capacity, the following most important Sustainable Development Goals have been identified:



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





SDG 9: Industry, innovation and infrastructure: associated with the goal above, developing industrial plants with innovative and sustainable technologies.

SDG 13: Climate action: calculation and an action plan for Técnicas Reunidas' emissions to contribute to decarbonization, enabling its clients to implement its sustainability policies, have more efficient plants and thereby promoting proper use of natural resources.

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

Main SDGs and goals in which Técnicas Reunidas has the strongest impact

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Técnicas Reunidas' contribution in 2023
 <p>1 NO POVERTY</p> <p>“END POVERTY IN ALL ITS FORMS EVERYWHERE”</p>	<ul style="list-style-type: none"> Promoting contracting of local suppliers and subcontractors to generate a positive social and economic impact in the geographical areas where the Company operates. Motivating and training suppliers and subcontractors in order to improve their performance and strengthen their competitiveness, which will enable better business opportunities in the future. <p>+ For more information, please refer to chapter 6.6 Efficient supply chain management.</p>	<ul style="list-style-type: none"> Investment in training in Saudi Arabia in 2023 at the amount of €2.05 million. € 2,586.56 million in purchases to local suppliers and subcontractors.
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>“ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES”</p>	<ul style="list-style-type: none"> Making a firm commitment to occupational health and safety as a strategic pillar. Relying on a solid Occupational Health and Safety System that is certified according to ISO 45001 and helps to minimize occupational accidents and diseases, and that includes subcontractors. Setting more demanding and ambitious occupational safety goals each year, strengthening Técnicas Reunidas' commitment in this area. Training employees and subcontractors in occupational health and safety and strengthening the Company's culture of safety through awareness raising campaigns. <p>+ For more information, please refer to chapter 6.5 Occupational health and safety.</p>	<ul style="list-style-type: none"> Accident rates below the Company's and the sector's targets. ISO 45001 certification of Técnicas Reunidas' Occupational Health and Safety System. Culture of prevention.

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Técnicas Reunidas' contribution in 2023
 <p>4 QUALITY EDUCATION</p> <p>“ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL”</p>	<ul style="list-style-type: none"> • Offering training adapted to the needs of employees that helps them make the most of their skills and boost their professional growth. • Establishing agreements with universities and learning centers to offer practical learning opportunities to students, making the most of their employment opportunities and helping them to become a part of the job market. • Assisting institutions and initiatives that foster education in sustainable growth and the efficient use of energy. • Performing specific actions in STEM training. <p>+ For more information, please refer to chapter 6.2 People, the Company's main asset and 6.7 Relationship with the society and stakeholders.</p>	<ul style="list-style-type: none"> ▶ 18.5 average annual hours of training per employee³. ▶ Collaboration with institutions representing the fields of culture, science, research and education. ▶ Approximately 270 students in apprenticeship contracts.
 <p>5 GENDER EQUALITY</p> <p>“ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS”</p>	<ul style="list-style-type: none"> • Guaranteeing equal opportunities and recognition of people for their worth and professionalism. • Conducting STEM training for women. • Generating an inclusive work climate that respects diversity in all its forms. • Conducting awareness and training campaigns about inclusive language and unconscious bias. <p>+ For more information, please refer to chapter 6.2 People, the Company's main asset.</p>	<ul style="list-style-type: none"> ▶ Técnicas Reunidas' Board of Directors Selection and Diversity Policy ▶ Equality plan for Initec Plantas Industriales. ▶ Sexual and Discriminatory Harassment Action Protocol.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>“ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY”</p>	<ul style="list-style-type: none"> • Developing efficient energy infrastructures for our clients that enable them to offer affordable, non-contaminating energy. • Collaborating in R&D&I projects that contribute to achieving more efficient use of energy resources or enhancing the development of ecological and low-cost batteries for electric vehicles. • Offering energy transition solutions to decarbonize the economy and develop hydrogen production installations. • Increasing the renewable energy used in offices. <p>+ For more information, please refer to chapter 6.3 Innovation and digital transformation.</p>	<ul style="list-style-type: none"> ▶ Industrial plant modernization projects that optimize their operation and make them sustainable. ▶ R&D&I projects focused on sustainable action (ZINCEX™ and PHOS4LIFE™). ▶ MISSIONS projects.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>“PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL”</p>	<ul style="list-style-type: none"> • Offering employment opportunities for engineers and other STEM profiles. • Adopting a globalized approach to Human Resources management in order to align the policies applied by the Company. • Establishing a plan to increase the workforce, including a strategy for growth in geographical regions that are relevant due to their proximity to the client. • Boosting the development of local business fabric by encouraging local purchases and subcontracting within the framework of the projects and training local community professionals to increase their employment opportunities. • Promoting sustained, inclusive and sustainable economic growth and decent work for all. <p>+ For more information, please refer to chapter 6.2 People, the Company's main asset and 6.7 Relationship with the society and stakeholders.</p>	<ul style="list-style-type: none"> ▶ More than 40,000 people, mostly subcontractor employees, worked in the Company's projects. ▶ 91% of permanent contracts with the Company.

³This indicator includes the real training hours conducted for office workers.

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Técnicas Reunidas' contribution in 2023
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>“BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION”</p>	<ul style="list-style-type: none"> • Developing technologies and processes that optimize sustainable performance of industrial plants and generate less environmental impact through the reduction of emissions, efficient use of resources and by minimizing and optimizing the waste that is generated. • Using a company-owned technological center and collaborating with third parties in R&D&I projects associated with massive storage of energy, recovery of metals from waste or petrochemicals from biomass. • Fostering decarbonization of the economy. <p>+ For more information, please refer to chapter 6.3 Innovation and digital transformation.</p>	<ul style="list-style-type: none"> ▶ More than 12 million euros invested into R&D&I. ▶ 102 professionals dedicated to R&D&I.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>“MAKE CITIES MORE INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE”</p>	<ul style="list-style-type: none"> • Boosting circular economy activities. • Reducing the environmental impact of generated waste and air quality. • Enhancing the preservation of cultural and natural heritage. • Developing technologies that improve the resilience of cities (such as innovative energy storage projects). • Promoting efficient waste management. <p>+ For more information, please refer to chapters 6.3 Innovation and digital transformation and 6.4 Excellence in environmental performance.</p>	<ul style="list-style-type: none"> ▶ Reduction of CO₂ emissions by 46.2% between 2019 and 2030⁴. ▶ To be Net Zero in 2040. ▶ Exclusive consumption of renewable energy supply in all offices in Spain.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>“ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS”</p>	<ul style="list-style-type: none"> • Guaranteeing sustainable production patterns. • Committing to the circular economy. • Promoting responsible use of natural resources among employees, suppliers and subcontractors. • Implementing an Environmental and Safety Management System in accordance with the ISO 14001 certification. • Ensuring environmental management from the engineering phase. Extension of this assurance to suppliers and subcontractors through audits and training. <p>+ For more information, please refer to chapter 6.4 Excellence in environmental performance.</p>	<ul style="list-style-type: none"> ▶ A certified Environmental Management System (ISO 14001:2015) implemented in 100% of business processes.

⁴ This goal takes into account scopes 1, 2 and 3 of the Company's carbon footprint.

SDG and goal	How does Técnicas Reunidas collaborate to achieve this goal?	Técnicas Reunidas' contribution in 2023
 <p>13 CLIMATE ACTION</p> <p>“TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS”</p>	<ul style="list-style-type: none"> • Developing in-house technologies to reduce NO₂ and NO_x generated during the production of nitric acid. • Optimizing the use of energy resources in the Company's activities through measures such as: energy audits, preventive machine maintenance, efficient lighting and computer equipment. • Placing the Company's excellent technical engineering capacities at the disposal of its clients to enable solutions for the development of their sustainability activities and emission reduction initiatives by, for example, modernizing their existing industrial installations. • Maintaining the most advanced technical processes that enable project execution in extreme environmental conditions, such as those demonstrated in Saudi Arabia and Canada. • Transparent reporting about the Company's performance as regards climate change by participating in initiatives such as CDP. • Supporting the struggle against climate change in all corporate areas. <p>+ For more information, please refer to chapters 6.3 Innovation and digital transformation and 6.4 Excellence in environmental performance.</p>	<ul style="list-style-type: none"> ▶ A score of A in CDP (climate change) which places the Company among leading companies worldwide. ▶ Participation of Técnicas Reunidas in the Shine-Fleet project, which aims to develop technologies used to supply hydrogen generators for the heavy transportation industry. ▶ Presentation of the track energy transition and decarbonization strategy.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>“PROMOTE JUST, PEACEFUL AND INCLUSIVE SOCIETIES”</p>	<ul style="list-style-type: none"> • Having a Code of Conduct that reflects the Company's commitment to act in accordance with legislation, human rights and internationally accepted ethical practices in all its operations. • Developing and applying the Criminal Prevention Management System in all its activities. UNE 19601 certification for Criminal Compliance Management Systems. • Having an Internal Information System (formerly the Whistleblower Channel) through which anyone can inform of activities contrary to the Company's ethical and regulatory framework and other legal provisions that may apply. • Establishing internal regulations and training to manage the integrity of the professionals. • Requiring suppliers and subcontractors to comply with environmental, human rights, health and safety and anticorruption and fraud prevention requirements. All of the above included in the Supply Chain Ethics Code. <p>+ For more information, please refer to chapter 5.1 Business model.</p>	<ul style="list-style-type: none"> ▶ Training in Code of Conduct content onboarding for all employees. ▶ Existence of a Supply Chain Ethics Code. ▶ UNE 19601 certification for Criminal Compliance Management Systems. ▶ Approval of a Human Rights Policy, disseminating among the employees and educating them about its content. ▶ Development of a Business Secrets and Confidentiality Policy and a Corporate Governance and Group Definition Policy.
 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>“REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT</p>	<ul style="list-style-type: none"> • Collaborating with leading worldwide in the field of sustainability. • Aligning the Sustainability Policy with the SDGs. • Committing to continue improving the measurements of its contribution to the SDGs to define more ambitious goals. <p>+ For more information, please refer to chapter 6.7 Relationship with the society and stakeholders.</p>	<ul style="list-style-type: none"> ▶ Active collaboration with entities such as the Global Compact, SERES Foundation or the Sustainability Excellence Club.

Analysis of ESG performance

Técnicas Reunidas participates in a variety of initiatives that demonstrate its serious commitment to sustainability.

In 2023, the Company was evaluated by several prestigious analysts and agencies, showing a clear improvement in its sustainability performance and in the information reported to shareholders and other stakeholders.

Notable among the aforementioned evaluating agencies are the Carbon Disclosure Project (CDP), a non-profit organization that manages a system which analyzes climate

change performance and other environmental aspects of leading listed worldwide companies; S&P which uses the CSA evaluation to analyze corporate sustainability practices in over 10,000 companies all over the world; MSCI, which evaluates company sustainability performance to help investors understand ESG risks and opportunities; Moody's ESG which has evaluated over 290 million entities during the 35 years since its foundation; and SBTi, a global initiative to measure and reduce carbon emissions.



Carbon Disclosure Project (CDP) has recognized Técnicas Reunidas for its approach and work to avoid climate change with a rating of A, demonstrating the Company's environmental leadership. This analyst highlights the following points:

- The information on emissions provided by Técnicas Reunidas is complete and detailed as well as the strategies that the Company is implementing to address climate change and waste management, and the establishment of clear and measurable sustainability objectives.
- Regarding risk management, Técnicas Reunidas has identified and managed the environmental and climate risks that may affect its operations and supply chain.



In the evaluation of Técnicas Reunidas, MSCI has highlighted that Company's operations in engineering and construction are less emissions-intensive compared to other companies in the sector. In addition, it points out the Company's commitment to the safety and health of both people and the environment.



In 2023, EthiFinance has evaluated Técnicas Reunidas based on data from 2022, obtaining a combined score of 76 points, higher than the sector's average.



Achilles has awarded a score of 76 points in 2023 to Técnicas Reunidas, highlighting the efforts that the Company is making in the field of the environment and the prevention of occupational risks, as well as the excellent economic results obtained during the year. In particular, it highlights the progress made in reducing the carbon footprint, the implementation of a certified environmental management system and the existence of a formal risk assessment process.



During the 2023 evaluation cycle, Técnicas Reunidas obtained a score of 3 out of 5 points from FTSE. This analyst recognizes the Company's good practices and high standards in terms of corporate governance, the measures it is promoting regarding anti-corruption and its labor standards.



Sustainalytics has lowered the Company's risk exposure level with a score of 22.3 in 2023. This analyst evaluates the prevention, identification, mitigation and management measures that Técnicas Reunidas implements throughout its value chain to address the sector's material ESG risks, especially the health and safety of its employees.



Moody's has awarded Técnicas Reunidas a score of 61 for its sustainability performance in 2023.

The rating awarded by Moody's reflects the agency's confidence in Técnicas Reunidas and places it well ahead of the average score for its sector (48), highlighting its performance in all the areas evaluated, such as environmental (58 compared to an average of 45), social (63 compared to 42) and governance (61 compared to 56).

S&P Dow Jones Indices

A Division of S&P Global

In 2023, the Company participated again in the S&P CSA, obtaining a total of 56 points (96 percentile). This analyst highlights the progress and quality of the Company's sustainability report and its good practices in transparency, the circular economy strategy it is implementing and the efforts to reduce its emissions, including its climate strategy.



In 2023, SBTi has validated the emissions reduction objectives of Técnicas Reunidas, including it in the exclusive group of companies that pass the exhaustive SBTi process, in which none of its peers are found. This recognition represents a boost in terms of sustainability and business for the Company, which is already developing its decarbonization plan.

The validation by SBTi implies that Técnicas Reunidas' objectives are ambitious and in line with scientific recommendations to keep the increase in global temperature within safe limits. Furthermore, this approval implies that the objectives established by the Company are supported by science and contribute significantly to the mitigation of climate change, evidencing the commitment and seriousness of the company on environmental impact.



➤ **Global compact values the work of Técnicas Reunidas in climate action**

The Forward Faster initiative of the Global Compact has recognized Técnicas Reunidas for its work in climate action, taking the necessary climate measures to help prepare the Company for a sustainable future.

This initiative, launched in September 2023, includes partner companies that are taking ambitious and credible measures to achieve the SDGs, the 2030 Agenda and corporate sustainability. Its objectives include increasing accountability and transparency by calling on companies to publicly declare their commitments and highlight the actions they will take to meet their objectives.

The Forward Faster for Climate Action seal calls on companies to take urgent action to set corporate emissions reduction targets and contribute to a just transition by taking concrete actions to address the social impacts of climate change mitigation and adaptation measures.

Following the approval by the SBTi of the Company's Climate Action targets, the Global Compact has recognized Técnicas Reunidas as a company involved in environmental improvement, since one of its public commitments is to reduce its emissions by more than half by 2030 and to be Net Zero by 2040.



ESG analysts



Técnicas Reunidas' main ESG analysts

ESG analyst	Results 2022	Results 2023	Evolution 2022-2023
	A-*/A-**	A-*/A**	+1 position
	N/A***	61/100	N/A
	24.2	22.3	+1.9 points****
	AA	AA	=
	59/100	56/100	- 3 points
	N/A	63/100	N/A
	N/A	76/100	N/A
	N/A	3/5	N/A
	N/A	76/100	N/A

* Value chain.

** Climate change.

*** Not applicable.

**** Sustainalytics measures risk exposure and its management, so the lower the rating, the greater your confidence in the company evaluated.

➤ **Técnicas Reunidas is among the top international companies in the industry as regards sustainability and the fight against climate change**

In the 2023 edition of the CDP questionnaire, Técnicas Reunidas obtained the highest score with A in the Climate Change category. The Company is among the leading companies as regards the struggle against climate change with a maximum score (A) in six of the eleven factors analyzed and the second highest (A-) in another two factors.

On the other hand, during the 2023 fiscal year, the Company has achieved recognition by SBTi of the validation of its emissions reduction objectives, both in 2030 and achieving Net Zero in 2040.

5

RESPONSIBLE MANAGEMENT



5.1 GOVERNANCE MODEL

Técnicas Reunidas has a solid Corporate Governance System thanks to its internal regulations, aligned with stakeholder expectations, which is key to promoting long-term sustainable growth.

In 2023, Técnicas Reunidas reached 33% of women on its Board of Directors. It is expected to take the necessary actions to reach 40% by 2024.

Contribution of Técnicas Reunidas to achieving the SDGs



MAIN INDICATORS¹

INDICATOR	DATA 2023	EVOLUTION 2022-2023
Independent Directors (%)	66.7	-
Good Governance Code recommendations adopted (%) ¹	99.4	+0.11%
Business units analyzed from the perspective of ethics and integrity (%) [205-1].	100	-
Votes against agenda items on the Annual General Meeting (%)	0.68	-64.21%
Issues received through the Internal Information System that have been resolved (%)	72.2	-27.80%



2023 MILESTONES

- Consolidation of the mixed in-person and remote attendance model for General Shareholders Meetings.
- Increase in the percentage of independent non-executive directors.
- Increase in the percentage of female directors of up to 33.33%, compared to 25% during the previous fiscal year.
- Approval of the Human Rights Policy.
- Drawing up and development of new policies that are part of the Company's Corporate Governance System, such as the Internal Information System Policy, the Information Management Procedure and the Tax Compliance Policy.
- A high percentage of votes in favor of items on the agenda of 2023 General Meeting (69.95%).



2024 GOALS

- Approving and implementing the Sustainability Plan 2024-2026, in particular those actions to be developed in the short term.
- Approving a Due Diligence Procedure and, in relation to this, review the Sustainability Policy from a corporate governance perspective, including the Human Rights Policy.
- Promoting the Board of Directors' Selection and Diversity Policy.
- Approving an Information Protection and Intangible Assets Policy, including but not limited to trade secrets, cybersecurity and artificial intelligence.
- Promoting the approval of the Corporate Governance and Group Definition Policy.
- Promoting the Information, Communication, Contact and Implication with Shareholders, Institutional Investors, Vote Advisors and Other Stakeholders Policy.
- Maintaining a high percentage of votes in favor of items on the Annual General Meeting's agenda 2024.
- Developing the necessary actions for the implementation of the CSRD Directive.
- Implementing a general sustainability tool in Técnicas Reunidas.
- Optimizing the Company's risk mitigation program through insurance policies.
- Rationalizing the structure of domestic and foreign subsidiaries.
- Maintaining UNE 19601 certification for Criminal Compliance Management Systems.
- Updating the Corporate Code of Conduct based on the best practices of organization's sector of activity, particularly regarding human rights.
- Continuing to deploy compliance's role in those geographic areas where it is required due to volume, business continuity or opening as well as regulatory obligations.
- Deployment of the Third-Party Integrity Assessment Policy at the local level.

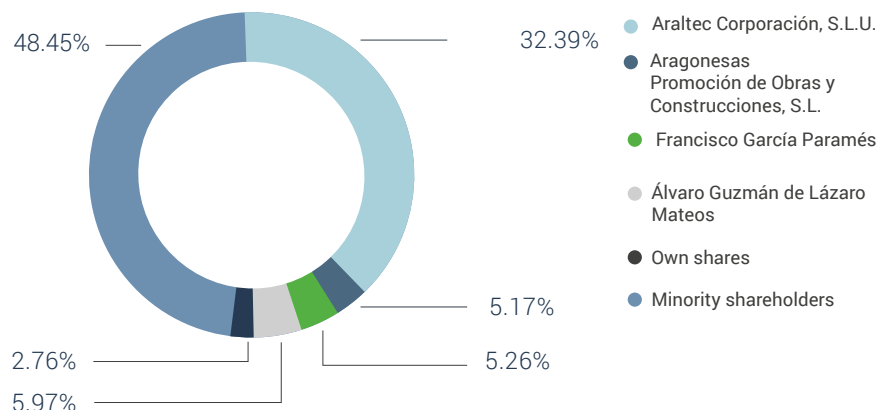
¹ Percentage of recommendations from the Listed Companies Good Governance Code, that the Company fully or partially complies with. Excluded from this calculation are any recommendations that do not apply to Técnicas Reunidas. For more information, please see the [2023 Annual Corporate Governance Report](#).

OWNERSHIP STRUCTURE GRI [2-1]

Técnicas Reunidas' capital is comprised of 80,301,265 shares. 48.45% are held by minority shareholders. On the other hand, the Board of Directors holds 0.04%, thus maintaining stability in the share capital structure over the last several years.

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

Structure of the share capital of Técnicas Reunidas (as of December 31, 2023)



➤ Técnicas Reunidas successfully closed its 150 million euros capital increase

In May 2023, the Parent Company carried out a capital increase of 150,092,000 euros, which as of December 31, 2023, was fully subscribed and paid up. This capital increase is part of Group's strategy to strengthen its equity and liquidity in order to face the wave of energy investments and decarbonization that the Group is undertaking.

As a result of this capital increase, the company's financial and solvency situation has been strengthened. From a liquidity management point of view, the amount of the increase has been used to cover debt maturities in the amount of 47.5 million euros, and the rest of the increase, net of expenses, has been used proportionally to strengthen the Company's cash levels and to finance the operating expenses associated with the launch of the low-carbon technologies segment in a combined amount of approximately 95 million euros.

It should also be noted that, together with the capital increase, the company's liquidity position has also been strengthened thanks to the recovery in activity and financial flows since the second half of 2022 and especially in 2023, as well as the progress of projects in accordance with the schedules agreed with clients, the smooth execution of the recently contracted projects, the progress of the ongoing plans to improve the efficiency of the Group's activities, the conversion into cash in 2023 of change orders and claims, as well as the various financial measures adopted by the Group in recent periods (most notably the 340 million euros obtained in 2022 from the Strategic Companies Solvency Support Fund).

The Group constantly monitors its liquidity needs and ensures that it has the necessary funds to cover its operational needs. In this context, the Parent Company's Directors consider that the Group's liquidity and solvency position will be strengthened in the coming quarters as a result of the progress under normal conditions of the ongoing projects, the development of the new portfolio of awarded projects and the conversion into cash of the work executed pending invoicing.

Annual Shareholders' Meeting 2023. Main resolutions passed

Técnicas Reunidas held its Annual Shareholders Meeting on June 28, 2023, through a mixed attendance model; in other words, in-person at its corporate headquarters in Madrid while also making the necessary mechanisms available to shareholders to participate remotely.

The main resolutions passed included:

- Election of Deloitte as the statutory auditor of the Company and its consolidated group for the fiscal year 2023.
- The establishment of the number of members of the Board of Directors as ten.
- Approval of the 2022 Annual Report on the Remuneration of Directors.

The Annual Shareholders' Meeting 2023 was certified as a sustainable event according to the ISO 20121 standard, in this way Técnicas Reunidas once again reflects its commitment to sustainability, ensuring that this event has a positive impact on society.

COMPOSITION AND FUNCTIONING OF GOVERNING BODIES

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

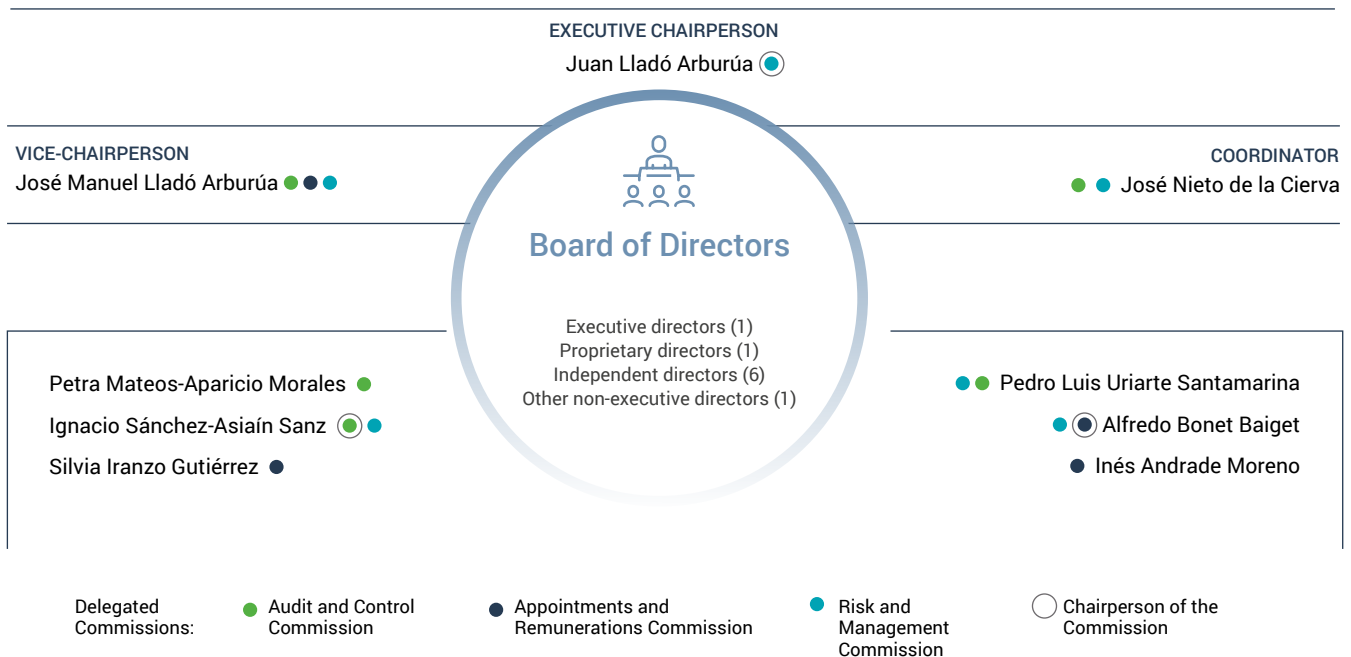
Governance structure

The General Shareholders Meeting, the Board of Directors and its three Delegated Commissions: Audit and Control Commission, Appointments and Remunerations Commission and Risk and Management Commission are the main bodies comprising the Company’s governing structure². They all did significant work in fiscal year 2023.

The Board’s Commissions are responsible for decision-making, supervision and managing impacts in different fields: economics, finance and sustainability (Audit and Control Commission and Risk and Management Commission), Criminal Compliance Management System (Audit and Control Commission), environmental matters (Audit and Control Commission and, as concerns the

assessment of compliance with variable remuneration parameters linked to the environment, the Appointments and Remunerations Commission) and people (the Appointments and Remunerations Commission). Nonetheless, pursuant to the organizational structure, management of the impacts of the activity is delegated to senior management, which reports to the Board directly or through one of its Management Commissions on a quarterly basis. At the same time, meetings of the Board and its Delegated Commissions review the fulfillment of the objectives in the organization’s different management areas.

Composition of the Board of Directors of Técnicas Reunidas



Técnicas Reunidas is 94.4% fully or partially compliant with the applicable Good Governance Code recommendations.

² For more information on the duties and powers of governing bodies, see the [2023 Annual Corporate Governance Report](#).

MEMBERS OF THE BOARD ³	POSITION	CATEGORY	FIRST APPOINTMENT	LAST APPOINTMENT
Juan Lladó Arburúa ⁴	Chairperson	Executive	10/05/2006	25/06/2020
José Manuel Lladó Arburúa	1st Vice-Chairperson	Proprietary	10/05/2006	25/06/2020
Pedro Luis Uriarte Santamarina	Director	Other non executive	22/06/2011	25/06/2020
Petra Mateos-Aparicio Morales	Director	Independent	29/02/2016	25/06/2020
Alfredo Bonet Baiget	Director	Independent	27/06/2018	28/06/2022
José Nieto de la Cierva ⁵	Director	Independent	27/06/2018	28/06/2022
Inés Andrade Moreno	Director	Independent	25/06/2020	25/06/2020
Ignacio Sánchez-Asiaín Sanz	Director	Independent	25/06/2020	25/06/2020
Silvia Iranzo Gutiérrez	Director	Independent	28/06/2022	28/06/2022

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

The Company has a Board of Directors' Selection and Diversity Policy aimed at determining the criteria that the Board of Directors must take into account when selecting, appointing and re-electing Directors, as well as the criteria and requirements for the adequate and diverse composition of this body, always pursuant to the applicable regulations, internal Company policies, and good corporate governance practices and recommendations⁶.

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

Appointments and Remunerations Commission and the Board of Directors participate in the processes to select members of the Board and its Commissions. Likewise, shareholders' opinion is also sought, since the appointment of the Directors is approved by the shareholders at the General Meeting, that has the power to remove them of their office, except in cases of early vacancy, in which they will be appointed by the Board of Directors by the co-option system, and, in any case, will be subsequently ratified by the General Meeting. Directors are elected for a period of four years, yet they may be re-elected one or more times for equal periods.

Since the approval of the Board of Directors' Selection and Diversity Policy, the Company has maintained a high percentage of independent Directors, respecting the principles of gender diversity within its Board of Directors. The Board of Técnicas Reunidas is representative of the most relevant social groups in its business, as per the Company's main characteristics.

³ For more information on each Board member's profile, please see the [website](#) or the [2023 Annual Corporate Governance Report](#).

⁴ The Chairperson of the Board of Directors is the Company's lead executive and has been delegated all delegable powers by the Board of Directors.

⁵ Técnicas Reunidas has an Independent Coordinator Director who has special powers to call Board of Directors meetings and include items on the agenda for meetings already announced, as well as to coordinate and gather designated non-executive directors and manage, where appropriate, the periodic evaluation of the President of the Board of Directors. Thus, in accordance with the law, the Independent Coordinator Director has been granted sufficient powers to prevent and mitigate any conflict of interest given that the President of the Board of Directors is also the Company's lead executive.

⁶ For more information, see the Técnicas Reunidas, S.A. [Board of Directors' Selection and Diversity Policy](#).

As concerns stakeholders' representation and pursuant to applicable regulations, significant shareholders are also duly represented on the Company's Board of Directors through the presence of an Executive Chairperson and a Proprietary Director.

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

To this end, Técnicas Reunidas has an Information, Communication, Contact and Implication with Shareholders, Institutional Investors, Vote Advisors

and Other Stakeholders Policy⁷, which sets forth the general framework for the Company's relations with these stakeholders and the markets in general so as to foster fluid and trustworthy communication to promote the satisfaction of their needs, all in compliance with the law and the recommendations and criteria of corporate governance. Moreover, the Commission supervises how the Company communicates and relates with minority shareholders, and periodically evaluates and reviews the Company's Corporate Governance System for it to fulfill its mission of promoting corporate interests and take into account, as appropriate, the legitimate interests of the remaining stakeholders.

Board of Directors and Commissions' knowledge and self-assessment

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

As concerns the Board's knowledge, skills and experience, the Company has designed and established a training plan through its Appointments and Remunerations Commission so Directors can receive training on new knowledge and subjects relevant to the needs of the business (especially in Digitalization and AI, Sustainability and Compliance) during Board meetings or at any other time deemed appropriate, further fostering the implementation of programs to update the competencies of Company Directors to optimize their performance when advisable.

Técnicas Reunidas conducts, through an external renowned consultant, annual performance self-assessments for the Board of Directors and its Delegated Commissions regarding their functioning, composition, and performance, in order to consolidate positive aspects and design plans for improvement with specific actions⁸.

The aspects of the Board of Directors assessed in 2023 were as follows: its functioning, structure, and composition, responsibilities, and finally, its information, debates, and agenda.

During 2023, the Company developed an update of the Directors' competency matrix, in which their training, knowledge and previous experience, their competencies were evaluated (with a breakdown by topics - such as financial, legal and regulatory, governance, strategic leadership, risk management or diversity and inclusion - and horizontally - in senior management, governance, regulation and public policies, training and education regulation and public policies, training and education and experience on Boards of Directors), as well as diversity

in their composition and duration of their mandate as directors. The result of this exercise showed that it was advisable to incorporate international profiles with knowledge and experience in Técnicas Reunidas' sector of activity, as well as in other industries.

The assessment of the functioning of the Board of Directors and its Commissions in 2023 coincides in general terms with the evaluations from prior years. In particular, the following were very highly assessed, among other matters: the general functioning of the Board, and the quality of the debate, the excellent Company's management team and the performance of the CEO, the satisfaction with the work done by the Delegated Commissions, the consensus on the Company's strategy and priorities as well as the improvements in the Board's skills and capabilities.

As a result of the self-assessment of the Board and the Commissions, it has been agreed to launch an Action Plan that involves the development of actions in the main areas of improvement identified, among which the following stand out:

- Increasing interaction with the management team, especially those responsible for major projects.
- Reviewing the sustainability responsibilities assigned to the Board in accordance with the CSRD.
- Increasing the diversity of the Board of Director's profiles and competencies, with a special focus on the sector.
- Establishing an annual thematic calendar with monographic sessions.

⁷ For more information, see the [Information, Communication, Contact and Involvement with Other Stakeholders Policy](#).

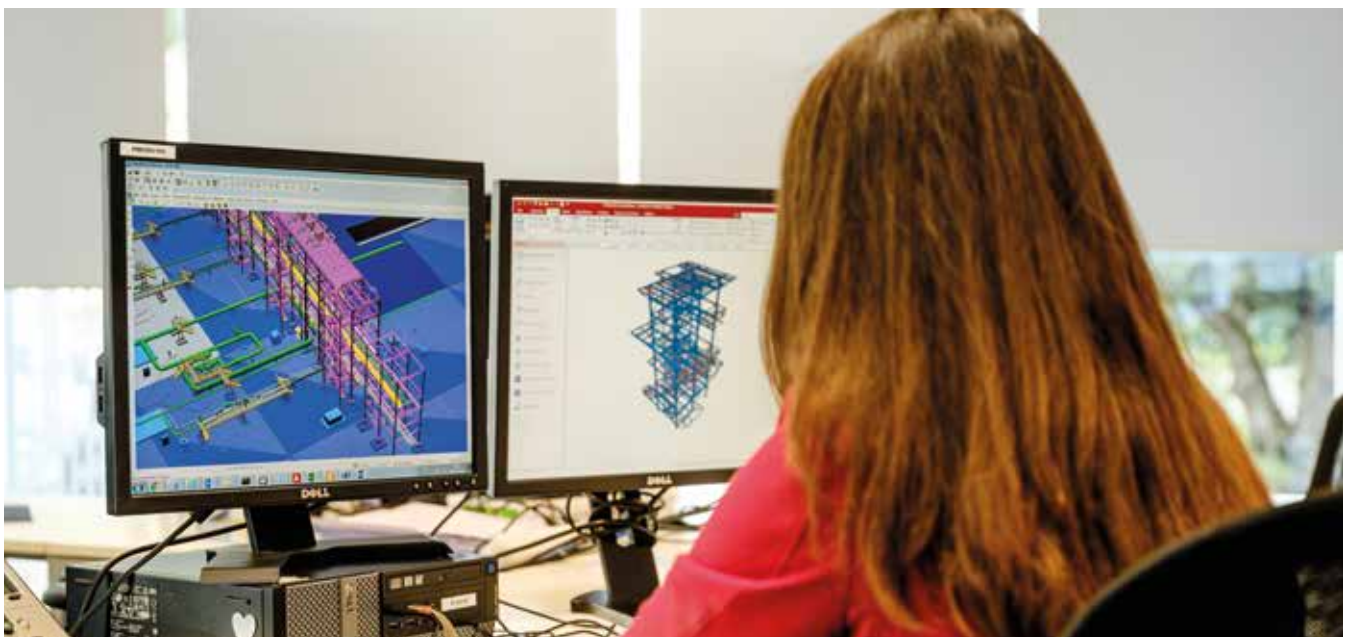
⁸ For more information on the process followed for annual assessments and the participating bodies, see the [Board of Directors Regulations](#).

The main issues handled by the Board and its Commissions

In 2023, the Board of Directors and its Delegated Commissions held a total of 38 meetings. These were with 100% attended.

➤ Main issues discussed by the Board and its Commissions in 2023

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



Board Commissions

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

CHAIRPERSON OF THE COMMISSION

Ignacio Sánchez-Asiain Sanz ●

Petra Mateos-Aparicio
Morales ●

Pedro Luis Uriarte
Santamarina ●

José Nieto de la Cierva ●

José Manuel Lladó
Arburúa ●



Audit and Control Commission

- Independent directors (3)
- Other non-executive director (1)
- Proprietary director (1)



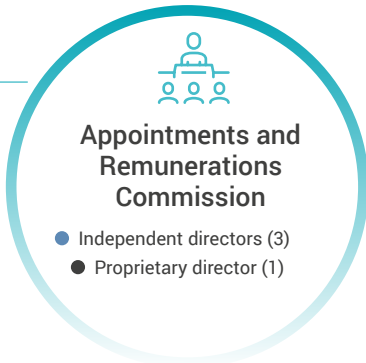
➤ Main activities in 2023⁹

- Reporting favorably on the individual and consolidated yearly financial statements, including the status of non-financial information.
- Receiving periodical information on Internal Control over Financial Reporting System (SCIIF).
- Periodically supervising the progress of the audit work, with the appearance of external auditors, where appropriate, to report on issues such as: (i) adjustments and reclassifications identified; (ii) project estimates; (iii) revision of the SCIIF; (iv) main impacts of the audited period and their breakdown; (v) analysis and evolution of the main projects; (vi) litigation and arbitration status, as well as tax status; (vii) planning of audit work and (viii) public information.
- Supervising various issues in the field of financial and non-financial information, including: (i) the advance of year-end data; (ii) the Company's cash position, in which regard there were several interventions by the directors to make certain points or questions; (iii) financial presentations to analysts; (iv) tax filings; (v) regulatory compliance presentations; and (vi) information regarding the Group's subsidiaries.
- Analyzing and supervising the efficacy of internal control systems.
- Supervising the Corporate Governance System, internal codes of conduct and the Company's sustainability strategy.
- Supervising the monitoring, study and analysis of the process opened to strengthen the Company's financial capacity, with support from the SEPI.
- Unanimously approving the Report on Related Party Transactions.
- Receiving periodic information on the supervision of management and risk control.
- Periodically receiving information on the status of implementation of the Regulatory Compliance objectives, as well as communications received through the Internal Information System.
- Reviewing, supervising, and periodically receiving information on the Company's Criminal Compliance Management System.

⁹ For more information on the main activities undertaken by the Audit and Control Commission in 2023, see [the report](#) on its functioning.

CHAIRPERSON OF THE COMMISSION

Alfredo Bonet Baiget ●



Silvia Iranzo Gutiérrez ●

José Manuel Lladó Arburúa ●

Inés Andrade Moreno ●

- Independent directors (3)
- Proprietary director (1)

> Main activities in 2023¹⁰

- Evaluating the skills, knowledge and experience required of the Board of Directors and the composition of Delegated Commissions.
- Reviewing the Board of Directors' composition, as well as the Board's competency matrix.
- Ensuring that corporate policies are oriented towards a target of representation for the gender least represented on the Board of Directors.
- Analyzing the convenience of submitting the various corporate policies on human rights and corporate governance to the Board of Directors for approval.
- Analyzing and approving remuneration for directors, including a remuneration plan linked to the evolution of the Company's shares on the stock market for the years 2023, 2024 and 2025.
- Proposing members that should be part of each of the Commissions and other Board offices.
- Unanimously approving the Annual Report on the Directors' Remuneration corresponding to the year 2023.
- Searching for candidates for directors and evaluate their CVs.

Risk and Management Commission is considered executive due to its powers and composition, as it is headed by the Executive Chairperson of the Board of Directors and includes among its members the chairpersons of other Board of Directors Delegated Commissions, as well as the independent coordinator director, José Nieto de la Cierva.

CHAIRPERSON OF THE COMMISSION

Juan Lladó Arburúa ●

VICE-CHAIRPERSON OF THE COMMISSION

Pedro Luis Uriarte Santamarina ●



Alfredo Bonet Baiget ●

José Nieto de la Cierva ●

José Manuel Lladó Arburúa ●

Ignacio Sánchez-Asiaín Sanz ●

Risk and Management Commission

- Executive director (1)
- Independent directors (3)
- Other non-executive directors (1)
- Proprietary directors (1)

> Main activities in 2023¹¹

- Follow-up on the evolution and management of various projects, including the analysis of all the projects, the most relevant of which are analyzed in more detail.
- Follow-up of corporate operations.
- Analysis of the impact that the conflict in Ukraine and the execution of guarantees in Algeria have had on the Company's activity.
- Monitoring of the Company's economic, financial and treasury planning.
- Follow-up of the 2023-2025 strategic planning.

¹⁰ For more information on the main activities of the Appointments and Remunerations Commission in 2023, see the [Report on its functioning](#).

¹¹ For more information on the main activities of the Risk and Management Commission in 2023, see the [Report on its functioning](#).

REMUNERATION AND PERFORMANCE MODEL GRI [2-19]; [2-20]; [2-21]

Técnicas Reunidas has a remuneration model for the Board of Directors consisting of a fixed annual component for membership of the Board of Directors, a fixed annual allowance for the chairmanship of the Commissions and attendance allowances. Likewise, for directors who perform executive functions, the model includes a variable component both in the short term linked to different parameters, among which sustainability criteria are taken into account, since 10% of its amount is linked to environmental aspects and another 10% to health and safety parameters, and another variable component in the long term¹². Pursuant to the provisions of the Remuneration Policy, the Company's Board of Directors determines the elements of each director's individual remuneration following a report by the Appointments and Remunerations Commission.

Following the expiration of the 2020-2022 Directors' Remuneration Policy, the Annual Shareholders Meeting approved the new Directors' Remuneration Policy in 2022 for fiscal years 2023, 2024 and 2025 with 89.28% of votes in favor. The Policy aims for Directors' remuneration to encourage contributions to the Company's long-term strategy, interests, and sustainability¹³.

In 2023, Técnicas Reunidas also submitted the 2022 Annual Report on Directors' Remuneration for consideration by the Company's Annual Shareholders Meeting as an advisory item. It was approved by the shareholders¹⁴ with 96.64% votes in favor.



¹² The remuneration model does not include hiring bonuses, contract incentive payments or reimbursements.

¹³ For more information, see the [Técnicas Reunidas Directors' Remunerations Policy](#). When preparing it, the Company relied on the participation of an external advisor and did benchmarking of comparable companies. You may also refer to the [Brochure](#) issued for the capital increase (pages 174 and 175).

¹⁴ The Appointments and Remunerations Commission also takes into account any evaluations that may be made to remuneration by other stakeholders such as institutional investors, proxy advisors, shareholders through the Shareholder Service channel available on the corporate website, etc.

Remuneration for the highest governance body and senior management¹⁵

GENERAL PRINCIPLES OF THE REMUNERATION MODEL

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

Remuneration for Director’s dedication.

Adjusted remuneration based on market demands.

VARIABLE COMPONENTS OF REMUNERATION

SHORT-TERM VARIABLE REMUNERATION

The Directors’ Remunerations Policy incorporates sustainability criteria into the variable short-term component of the remuneration applicable to Executive Director, with the following parameters:

Sustainability targets (20%):

- Health and Safety (10%).
- Environment (10%)

Financial targets (80%):

- Order portfolio (30%)
- Margin/EBITDA (30%)
- Consolidated revenue (20%)

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

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

LONG-TERM VARIABLE REMUNERATION

The Directors’ Remunerations Policy provides for a long-term variable remuneration scheme for the Executive Director aligning said director’s performance with the long-term interests of Técnicas Reunidas, in line with the best corporate governance practices and market practices of comparable companies.

AVERAGE DIRECTORS PAY IN 2023 (EUROS) ¹⁶	MEN	WOMEN
Executive directors	901,746.28	N/A
Non-executive directors	170,664.90	129,144.67

Técnicas Reunidas plans to include environmental, social, and governance criteria in the performance evaluation and variable remuneration of the members of the Management Committee with an estimated weight of between 5 and 20%, adjusted to each area of responsibility.

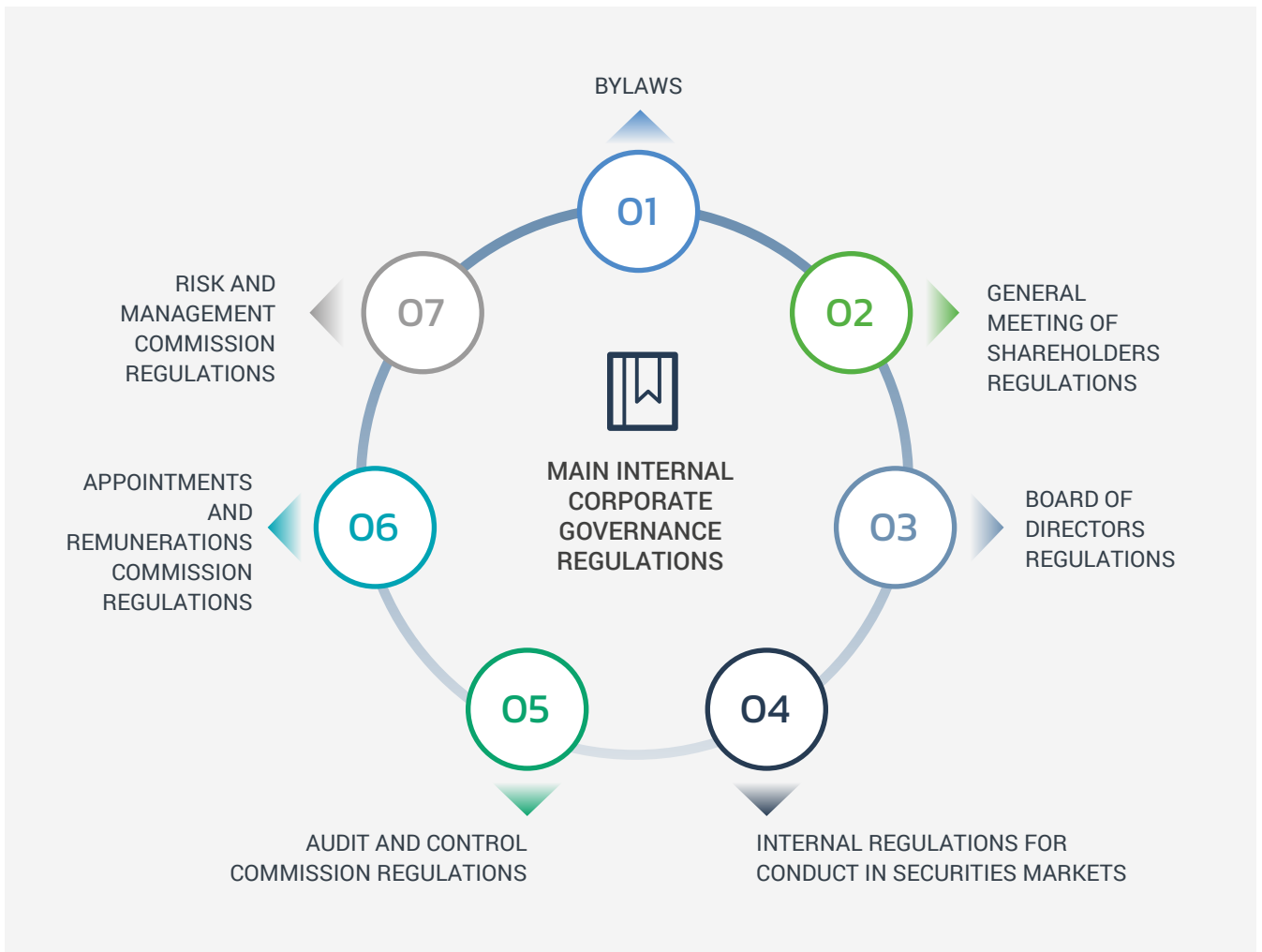
¹⁵ Directors’ variable remuneration is currently suspended.

¹⁶ For more information on the remuneration received by each of the Directors, see the [2023 Annual Report on Directors’ Remunerations](#).

THE COMPANY'S GOVERNANCE MANAGEMENT MODEL

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

Main internal rules of the Corporate Governance System



In addition to complying with applicable regulations, Técnicas Reunidas' governance model is based on existing best corporate governance practices, especially the Recommendations of the Code of Good Governance of Listed Companies of the National Securities Markets Commission. Its internal policies and Directors' profiles contribute to the Company paying special attention to strategic aspects such as sustainability, the energy transition and digitalization, to which the Board of Directors as well as the Delegated Commissions have dedicated most meetings held in 2023.

The Company plans to approve a Corporate Governance and Group Definition Policy in 2024 setting forth the principles, criteria and guidelines for the organization and functioning of the Técnicas Reunidas' governing bodies, as well as the Group's structure. In order to determine these principles, the Company has taken into account international recommendations on corporate governance adapted to the particular characteristics of Técnicas Reunidas and its Group.

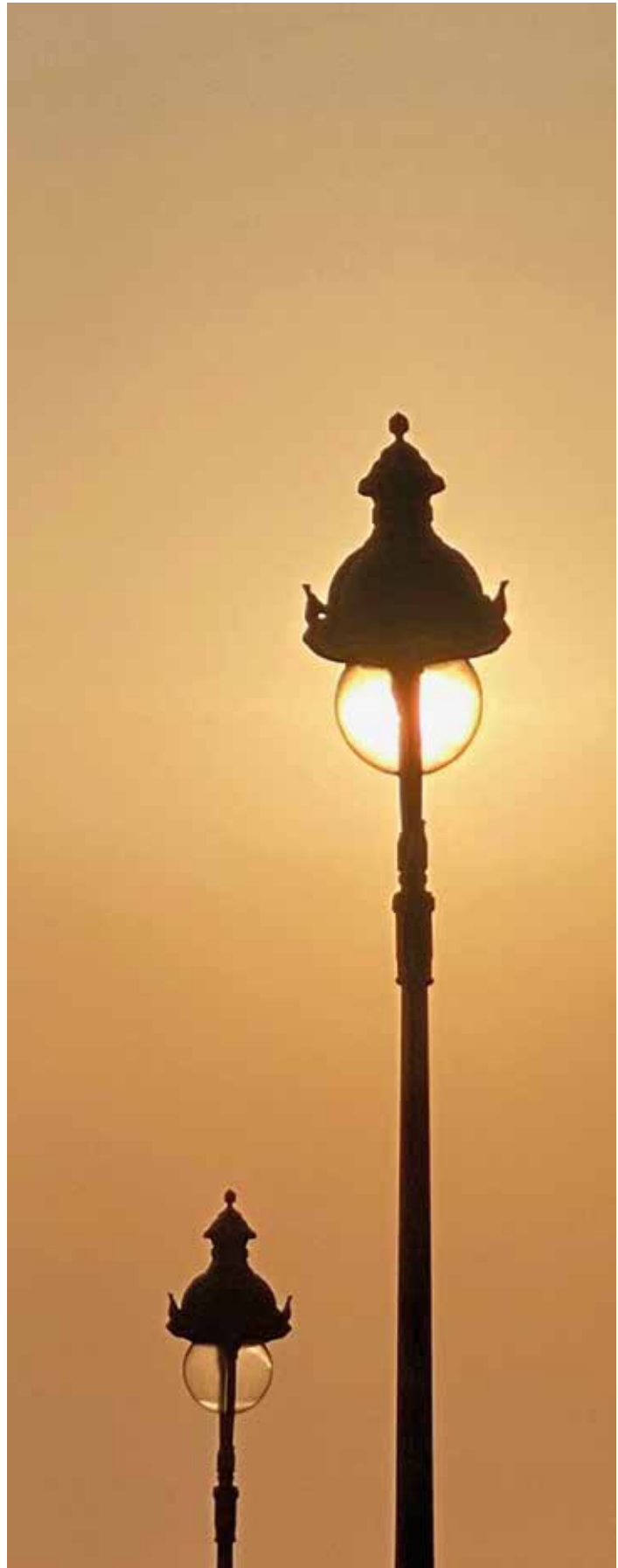
In particular, the general principles of corporate governance established by this Policy include the following:

- Fostering shareholders' participation considering the principle of equal treatment and protection of their legitimate rights.
- Compliance with current laws and internal policies on corporate governance in effect at Técnicas Reunidas and its Group, and continuous updating pursuant to corporate governance recommendations, principles and best practices.

Meeting the needs of its main stakeholders is the essential objective of the Company's Corporate Governance System and the actions taken throughout 2023 by its governing bodies.

Management Committee

Técnicas Reunidas has a Management Committee participated by the Executive Chairperson, CEO, Deputy CEO, Deputy Director, Chief Financial Officer, Chief Operations Officer, Managing Director of Human Resources and Director of Legal Counsel. This corporate body meets weekly and adopts the main decisions in the areas of competence of these officers, ensuring their implementation and execution in a coordinated way.



INTEGRITY AND COMPLIANCE

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

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

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

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

The Company has continued to improve its SGCP to maintain the UNE19601 certification on Criminal Compliance Management Systems, accredited by AENOR at the beginning of 2023. This standard establishes more demanding requirements than the legislation itself, with the aim of helping companies and organizations to prevent the commission of crimes, promote an ethical and compliance culture and reduce the risk of a criminal nature, providing a greater guarantee of security and trust towards governing bodies and stakeholders.

The maintenance of this certification requires a series of actions, including the periodic reassessment of the risks of a criminal nature faced by the Company applicable to the different areas of activity (Commercial, Procurement and Construction, HSE, IT, HR, Quality, etc.), as well as the incorporation of new offences attributable to legal persons, all of them managed through the risk management tool and stored as documented information from the SGCP.

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

Técnicas Reunidas has a Criminal Compliance Policy as the backbone of the Criminal Compliance Management System. This policy serves as a guide for the supervision and continuous improvement of the aforementioned system and promotes awareness and knowledge on criminal compliance issues.

In line with the above, the Company has adopted a series of measures aimed at the implementation and proper dissemination of the set of policies that are part of the Criminal Compliance Management System and that serve as a guide to conduct, among which the Integrity Policies stand out: Gifts and Hospitality Policy, Relations Policy with Public Officials, Anti-Corruption Policy, Conflicts of Interest Policy, Antitrust Policy and Donations, Sponsorships and Patronage Policy aimed at preventing activities that may pose risks of corruption, bribery and money laundering.

As part of the dissemination, the Company includes mandatory training on the Code of Conduct, on the Criminal Compliance Management System and on the Integrity Policies in the onboarding processes and develops awareness and communication campaigns on these matters through internal channels in different formats and languages as well as their publication on the corporate website, making them available to anyone interested in the corporate website.

There is a specific section on the corporate website where the Policies and basic elements of the Criminal Compliance Management System are collected.

In order to avoid possible irregularities, Técnicas Reunidas has reinforced its due diligence procedures in its supply chain and subcontracting by applying its Third-Party Integrity Assessment Policy and Procedure with the aim of having an integrity analysis, before establishing any business relationship, to prevent and/or detect potential integrity risks early as well as its subsequent and continuous follow-up.

In this context, in order to reinforce the integrity of its supply chain, Técnicas Reunidas has a Supply Chain Ethics Code¹⁷ which details the minimum requirements and guidelines of conduct expected in ethical, social and environmental matters by third parties with which the Company interacts as well as the Company's commitment to fight against corruption.

Besides that, additional internal controls have been implemented in 2023 to mitigate the risk of corruption in the Company's activities. In this regard, the risk of corruption has also been 100% considered in all integrity assessment processes carried out on third parties, taking into account the geographical areas in which they operate.

Likewise, the Company has included commitments and obligations with regard to corruption and bribery prevention and respect for human rights in documents establishing commercial relations with third parties through clauses that, if breached, may lead to the termination of the commercial relationship.

At the same time, during 2023, a new Internal Due Diligence Procedure has been applied in its selection and hiring processes for Specially Exposed Personnel (PEE) from the point of view of integrity risks, depending on the position and responsibilities associated with the activities to be carried out in the Company.

All these policies and procedures have been disseminated within the Company as part of the 2023 Annual Training

and Communication Plan through in-person and online training sessions and internal publication on the Técnicas Reunidas intranet. Therefore, the objective of informing the Company and all its members of the rules of conduct expected from the Company is fulfilled concerning risks of corruption and bribery, the basis of which is the principle of "Zero tolerance for corruption and bribery". Specifically, during fiscal year 2023, an online and in-person training campaign based on this subject has been conducted.

In line with the above, people who hold positions with management and organizational powers within the Company have received this in-person training on the fight against corruption and other related matters. In addition, specific training was also provided to the Board of Directors in 2023 on the criminal liability of legal entities and their directors.

Técnicas Reunidas has strengthened its due diligence with third parties and internal due diligence against integrity risks.



¹⁷ For more information, see the [Supply Chain Ethics Code](#).

➤ Management of conflicts of interest

The Company's Board of Directors Regulations and Internal Regulations for Conduct in Securities Markets regulate the mechanisms established to detect any possible conflicts of interest involving directors. To this end, each member of the Board is required to report to the Board of Directors any circumstance that may give rise to a direct or indirect conflict of interest with the Company. They shall then refrain from participating in any debates and voting on resolutions or decisions related to any conflict of interest they are affected by. Directors must also refrain from engaging in commercial or professional operations that may give rise to a conflict of interest without having been informed and previously obtained approval from the General Meeting of Shareholders or the Board of Directors, as applicable, who must request a report from the Audit and Control Commission without any intervention by the Directors under conflict proving that the operation is fair and reasonable from the Company's and minority shareholders' perspectives¹⁸.

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

In general terms, the Policy outlines the events that may be considered conflicts of interest as well as the obligation for members of the Company to report any potential conflict of interest to their superior or the Regulatory Compliance officer. To this end, there is also a consultation channel managed by the Compliance division where situations that may create a conflict of interest can be submitted for interpretation and reporting (compliance@tecnicasreunidas.es).

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

Likewise, the Regulatory Compliance Area regularly collects conflict of interest statements, especially from Particularly Exposed Personnel and any employees who, based on their duties, enter into direct contact with third parties during award processes or other relevant areas from the point of view of the risk of corruption (Procurement, Construction and General Services).

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

Finally, the Regulatory Compliance Area reports to the Audit and Control Commission and Management Committee quarterly on the various conflict of interest statement campaigns. Furthermore, the yearly financial statements and annual corporate governance report inform of situation of conflict involving Company's Directors.

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

¹⁸ For more information on the provisions relating to the management of conflicts of interest involving directors, see the [Board of Directors Regulations](#). More information on conflicts of interest may also be found in the [Annual Corporate Governance Report 2023](#) and in the [Consolidated Annual Accounts 2023](#).

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

Técnicas Reunidas believes respect for human rights is a priority, being a part of its culture. This commitment is particularly significant within a Company with an immense international presence that does business sometimes in areas with an elevated risk with regard to this issue. The Company has a sustainability management framework based on the Sustainability Policy, which formalizes the Company’s commitment to environmental, social and governance matters, including respect for human rights.

To this end, Técnicas Reunidas has developed different internal policies and procedures that ensure its commitment in all the territories where it operates, such as, for example, the Company’s Code of Conduct, as well as the Supply Chain Ethics Code, which establish commitments in the specific area of human rights, to act on all occasions in accordance with current legislation and with respect for human rights. Moreover, it makes clear the Company’s absolute rejection of child and forced or mandatory labor, as well as a corporate commitment to respecting freedom of association and collective bargaining in addition to recognizing the rights of ethnic minorities in the countries where it operates, rejecting any form of discrimination, exploitation and, in particular, child labor as part of its compliance with International Labor Organization (ILO) conventions¹⁹.

Additionally, the Company recognizes the need for all activities to be developed in accordance with the values and principles outlined in the United Nations Global Compact which Técnicas Reunidas endorsed in 2011. Likewise, the Company believes that the Universal Declaration of Human Rights and the Organization for Economic Cooperation and Development (OECD)²⁰ Guidelines for Multinational Enterprises are references for its activities.

The Company’s internal mechanisms and procedures to mitigate risks in this area and its commitment to respect for human rights are formalized with the approval of the Human Rights Policy in 2023, the purpose of which is to guarantee respect for human rights in the

exercise of activities throughout its value chain, as well as establishing the Group’s principles of action in this area, and defining the principles that it will apply for human rights due diligence, complementing what has already been established in other corporate documents such as the Sustainability Policy, the Code of Conduct and the Supply Chain Ethics Code²¹.

This Policy defines the Company’s principles in this area imposing additional actions and requirements on the Company and, likewise, for particularly relevant third parties such as suppliers and subcontractors. In particular and among others, the Policy provides for aspects such as (i) a ban on any form of slavery, including modern slavery, any form of forced or child labor; (ii) respect for diversity and non-discrimination based on birth, gender, orientation or sexual identity, age, disability, nationality, racial or ethnic origin, religion, convictions, political opinions or any other form of individual diversity; or (iii) fair and favorable working conditions, thus ensuring compliance with ILO’s provisions.



¹⁹ Técnicas Reunidas carries out its activities in the countries in which it operates in compliance with local legislation requirements in this regard and complies with the Company’s other undersigned commitments, such as the principles of the Global Compact. Moreover, the Company provides everything its employees and suppliers need in the countries where it operates so they may exercise their rights to freedom of association and affiliation.

²⁰ The Técnicas Reunidas Human Rights Policy was prepared taking into account the provisions of (i) the United Nations International Charter (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights); (ii) the Fundamental Conventions of the International Labor Organization (ILO); (iii) the ILO Declaration on Fundamental Principles and Rights at Work; (iv) the United Nations Convention on the Rights of the Child; (v) ILO Convention no. 169 concerning Indigenous and Tribal Peoples; (vi) the European Convention on Human Rights; (vii) the principles of the United Nations Global Compact; (viii) the OECD Guidelines for Multinational Enterprises; and (ix) the United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework; (x) the United Nations Declaration on the Rights of Indigenous Peoples; (xi) the UK Modern Slavery Act 2015; (xii) the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; (xiii) United Nations Resolution A/76/L.75 recognizing the right to a clean, healthy and sustainable environment; (xiv) the International Covenant on Civil and Political Rights; (xv) the United Nations Convention on the Rights of Persons with Disabilities; (xvi) the United Nations Convention on the Elimination of All Forms of Discrimination against Women; (xvii) the United Nations International Convention on the Elimination of All Forms of Racial Discrimination; as well as all other treaties, conventions and regulations in force relating to this matter, which the Company knows, assumes and applies. These minimum guarantees are understood without prejudice to the application of regulations in the European Union or any other country where the Company operates when they are stricter in the fields of the environment, health and safety and social sustainability.

²¹ The commitments under this Policy are aimed mainly at respect for the human rights of employees of the value chain, society, local communities and indigenous communities.

During 2023, the Company has carried out several dissemination, awareness-raising and training actions among its employees to ensure their knowledge, as well as other public communications to reach all stakeholders. Likewise, Técnicas Reunidas ensures that all security personnel have the training and knowledge appropriate to the environment in which the Company carries out its activities.

➤ **To ensure the effective implementation of the Human Rights Policy, Técnicas Reunidas is committed to:**

- Act in accordance with international human rights standards.
- Have a due diligence system in place to identify and mitigate risks.
- Evaluate regularly the effectiveness of the system through monitoring indicators.
- Promote a culture of respect for human rights and awareness among its professionals.
- Take corrective actions in case of violations and prevent their recurrence.

In addition to passing the due diligence procedure, Técnicas Reunidas' suppliers and subcontractors must commit to complying with the minimum standards set out in the Human Rights Policy (among others, aspects such as human trafficking or exploitation, the elimination of any type of discrimination and the creation of a work environment based on equality and respect) to ensure that the Company's supply chain is always functioning in accordance with the legal frameworks in force and complying with the specific requirements set out in the Supply Chain Ethics Code.

The objective of the Supply Chain Ethics Code is to disseminate the principles and values set out in the Code of Conduct of Técnicas Reunidas and thus involve the supply chain, for which the Group has approved and disseminated a specific Code of Ethics for its supply chain available on its corporate website. In addition, it aims to comply with third-party Due Diligence, where the Group has strengthened its procedures to obtain an Integrity Assessment Report from third parties, prior to establishing a commercial relationship, to prevent and/or detect potential risks at an early stage, as well as their subsequent and continuous monitoring.

Through this due diligence procedure, Técnicas Reunidas evaluates, identifies and proposes mitigation measures for this type of potential risks and impacts for the Company²². When the Company detects a significant risk that a potential supplier or the order does not comply with the Company's minimum required standards, the supplier is not awarded the contract. Likewise, when the risk occurs after the award, the Company reserves the right to request the necessary corrective measures and ultimately terminate the order in the event that these measures have not delivered the precise results.

Notwithstanding, if any violations or actions with a negative impact on human rights are detected despite all the measures implemented by the Company, Técnicas Reunidas will act immediately by applying the appropriate measures applicable in each case as part of its zero tolerance for such actions²³.

Human Rights Policy



²² The design of these complaint and claim mechanisms has been coordinated with the affected stakeholders, their users who, in the same manner, are empowered to communicate any request for modification or review thereof. The Company ensures that the design of these mechanisms makes them effective and serves the intended purpose and confirms that it has not received any request for modification or revision since the date of approval of these mechanisms.

Without prejudice to the foregoing, the Company automatically and periodically evaluates the functionalities and operation of these mechanisms in order to develop them and incorporate the necessary advances. It also periodically consults the main stakeholders about the effectiveness of these mechanisms, about which it informs in a timely manner through the information it periodically makes public with the purpose, among others, of providing feedback to the action of the stakeholders.

²³ With the aim of ensuring that those affected by this violation have an effective solution for it, returning the affected people or groups to the situation in which they would be if this violation had not occurred or, if not possible, to assess the most appropriate alternative mechanism of solutions based on the circumstances. Likewise, the Company will adopt the necessary measures to prevent the repetition of the violation.

INTERNAL INFORMATION SYSTEM

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

The Company has implemented the Internal Information System in accordance with the requirements of Law 2/2023, of February 20, 2023, regulating the protection of persons who report regulatory and anti-corruption²⁴ breaches, adapting to this standard the Whistleblowing Channel that had been operating.

The Internal Information System operates as a preferred channel to report on non-compliance with the Técnicas Reunidas Code of Conduct or other corporate policies, serious or very serious criminal or administrative offenses, Labor Law Infractions in matters of safety and health at work or Infractions of the European Union law, among others, public procurement, financial sector, prevention of money laundering or financing of terrorism and environmental protection.

Without prejudice to the other means by which communications can be made, Técnicas Reunidas has a secure, multilingual and confidential channel, accessible through the corporate website (<https://canaletico.tecnicasreunidas.es/tecnicasreunidas>)²⁵ so that employees, third parties or any other stakeholder can bring to the attention of the Company potential breaches or irregularities committed within the Company or in its area of action, or acts that may involve or give grounds to suspect breaches in the areas highlighted above. These reports can be submitted anonymously, and are processed under strict standards of confidentiality, without retaliation and according to the European Directive on whistleblower protection. In addition to the above, the Company has an Internal Information System Policy and an Information Management Procedure of the Internal Information System approved by the Board of Directors, which have been disseminated through internal communication channels to all employees.

The reception and management of the communications received is carried out through a collegiate body formally constituted as the Head of the Internal Information System (Committee Responsible for the System) composed of three profiles of the Company's management. The Audit and Control Commission is regularly informed about the complaints received and their status, which in turn transmits and submits the information to the Board of Directors.

During 2023, the Company received a total of 18 complaints through the Internal Information System, of which 5 were under investigation at the end of the year. The nature of these complaints is generally related to the work environment and non-compliance with regulations, the principles and values of the Code of Conduct and other internal procedures. Two of them dealt with alleged discriminatory treatment, one of which was closed and the other resolved without any such discrimination being observed. In addition, a complaint related to alleged corruption was registered and investigated and resolved without impact on the Company.

In any case, it is not considered that the 5 complaints under investigation at the end of the year will have an impact on the Company and it can be confirmed that during 2023 no claims, fines or sanctions or significant complaints have been received for issues related to unfair competition, monopolistic practices and against free competition.

²⁴ The Internal Information System complies with Law 2/2023, of February 20, regulating the protection of people who report on regulatory infractions and the fight against corruption, which transposes the Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 into the Spanish legal system on the protection of persons who report infringements of Union Law.

²⁵ For more information about the Técnicas Reunidas' Internal Information System, visit the [website](#).

5.2 RISK MANAGEMENT

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

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

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

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

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

- Procedures for the economic management of projects: managing risks of foreign exchange, liquidity, and tax.
- Procedures related to the Company's Management Systems: approval of policies and specific procedures and periodic review of the system.
- Procedures for ESG risks: a global analysis of the Company's ESG risks from the perspective of double materiality and including those of a criminal nature.
- Insurance policy.

Below, the main operational risks of the Company are shown, including non-financial areas and risks such as environment, health and safety, cybersecurity, human rights, personnel, integrity, and reputation. The management mechanisms available at Técnicas Reunidas are also summarized for each one.

Components for risk management



**Risks Integration throughout the value chain of Técnicas Reunidas.
Design > Procurement > Construction > Start-up.**

MAIN OPERATIONAL RISKS AND MANAGEMENT MECHANISMS IN TÉCNICAS REUNIDAS

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<p>PROJECT COST VARIATIONS</p>	<p>Multiple factors can have an impact on the variation of cost estimates in turnkey projects (a total price is locked in at the beginning while the execution costs may suffer deviations), such as the volatility of raw material prices, changes in scope of projects, the performance on time and quality of construction and assembly subcontractors, customer and supplier litigation, geopolitical decisions with immediate impact or weather conditions, among others.</p> <p>Assessing all these factors involves a high level of judgment and estimation.</p> <p>Failure to meet delivery deadlines may result in compensation to the customer.</p>	<ul style="list-style-type: none"> ▶ Development of new contracting formulas to mitigate risks. ▶ Inclusion of liability exclusion clauses in contracts with suppliers and subcontractors. ▶ Intensive procurement in the first months of execution of critical equipment with a high sensitivity to the price of raw materials. ▶ Derivative contracts that allow the forward purchase of certain raw materials and essential equipment. ▶ Distribution of execution of the work among several subcontractors from an early stage of the project. ▶ Inclusion in the budgets of contingencies for deviations. ▶ Use of external advisors for estimates and judgments. ▶ Close monitoring of project execution deadlines to detect delays, allowing the implementation of acceleration and penalty risk mitigation mechanisms. ▶ Design of cost control strategies with the Procurement Area and negotiation of commodities by price and availability to avoid impact on the project. ▶ Partnership with Sinopec for joint project implementation. ▶ Establishment of subcontracting strategies and construction sequences adapted to the cost rather than the deadline.
<p>QUALITY OF EXECUTION</p>	<p>Quality of execution ensures not only closing the project without incident but also that projects of a similar nature or from the same client can be awarded in the future.</p>	<ul style="list-style-type: none"> ▶ Quality supervision mechanisms in all project phases. ▶ Creation of databases that gather the Company's know-how and best practices. ▶ Development of quality procedures by all departments, minimizing the possibility of unawareness, and review by the Knowledge Management Department. ▶ Técnicas Reunidas has renewed, for 25 consecutive years, the certification of the Quality Management System following the ISO 9001 standard.

MAIN OPERATIONAL RISKS AND MANAGEMENT MECHANISMS IN TÉCNICAS REUNIDAS

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<p>EXECUTION OF PROJECTS IN MULTIPLE GEOGRAPHICAL AREAS</p>	<p>Técnicas Reunidas' projects are developed in multiple geographical areas, and each of these areas presents a different risk profile to mitigate: political and social tensions, locations with limited access, limited legal certainty, requirements about local content, possible double taxation due to execution from several jurisdictions simultaneously, growth in the tax burden in all the geographic locations where the Company develops its activity or complexity of the margin allocation process in projects developed simultaneously in multiple geographical areas, etc.</p> <p>The development of projects for the first time in each geographic location increases the risk of deviation in margins.</p>	<ul style="list-style-type: none"> ▶ Project selection based on a detailed analysis of the client and the country (establishing a local presence before making offers), and other aspects such as project-specific margins and risks. ▶ Analysis of the tax implications of different projects, always relying on the advice of reputed leading firms and monitoring the regulations and VAT position of projects. ▶ Use of modular construction schemes in geographic locations where labor shortages or site conditions allow for savings over other options. ▶ Inclusion in contracts, whenever possible, of referral of disputes to courts or arbitrators in countries where Técnicas Reunidas has experience. ▶ Inclusion in contracts, whenever possible, of clauses that allow for price revisions in the event of changes in the law. ▶ Flexibility to adapt to local content requirements. ▶ Development of policies aimed at allocating profits to the countries where they are generated (BEPS, Based Erosion and Profit Shifting). ▶ The Group's Internal Fiscal Risk Guidelines establish the Group's tax strategy and internal fiscal risk management procedures, including training actions and internal investigation plans. ▶ In the bidding phase, risk-minimizing tax strategies are defined with local advisors including in the usual markets. ▶ In the execution phase, the tax submittals are monitored with the support of local tax advisors, and events or deviations from the initial strategies are identified to correct them with the support of the Operations Area. ▶ Framework of expatriation policies regulating the conditions that will apply to employees located in the new projects to be developed in the future outside Spain.
<p>NEW ENERGY SCENARIO</p>	<p>Energy transition is a new reality to which both Técnicas Reunidas customers and the Company itself must adapt to meet the budgets and decarbonization deadlines to which countries have committed.</p>	<ul style="list-style-type: none"> ▶ The Company dedicates more and more resources to the execution of projects in the field of energy transition, helping its clients to adapt to regulatory changes and new market trends. ▶ Técnicas Reunidas has a financing framework, with the aim of financing its commitment to decarbonization and energy transition.

MAIN OPERATIONAL RISKS AND MANAGEMENT MECHANISMS IN TÉCNICAS REUNIDAS

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

MAIN OPERATIONAL RISKS AND MANAGEMENT MECHANISMS IN TÉCNICAS REUNIDAS

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
INFORMATION TECHNOLOGY	<p>With the Company's increased digitalization, the risk of cybercriminal intrusion into its systems has increased (increase in the perimeter of attacks, cyberthreats, and cyberattacks).</p>	<ul style="list-style-type: none"> ▶ Information Security Management System certified following ISO 27001:2013. ▶ Information Security Policy and Privacy Policy, oriented to the Zero Trust model and its alignment with international standards such as NIST, CIS, National Security Scheme, and ISO 27001:2013. ▶ Cybersecurity training for employees and suppliers. ▶ Supervised by the Information Security Commission the implementation of the Strategic Cybersecurity Plan, the results of audits, and the main risks and measures implemented. ▶ Incorporation of a second layer of email filtering for the prevention of CEO fraud, malicious mail, and phishing.
ATTRACTING AND RETAINING KEY PERSONNEL AND STAFF ADAPTATION TO WORKLOAD	<p>The loss of key personnel, as well as gaps in their training, can increase the risk of executing projects inadequately. In addition, excessive project concentration or project delays can lead to inefficiencies in personnel management.</p> <p>The Company is facing the lowest availability of qualified personnel given the increased demand for such profiles worldwide.</p>	<ul style="list-style-type: none"> ▶ Identification of key personnel to establish policies that promote their well-being and permanence in the Company. ▶ Implementation of a flexible human resources structure to quickly adapt to market variations. ▶ Globalized human resources management to unify the criteria applied in the different subsidiaries. ▶ Strategic, global, and diversified workforce growth plan in the different geographies in which the Company operates. ▶ Competitive remuneration measures. ▶ Work flexibility measures. ▶ Survey on work environment to learn about the interests of employees.
INTEGRITY AND REPUTATION	<p>Unethical or irresponsible behavior on the part of employees or other third parties with whom Técnicas Reunidas collaborates (suppliers, subcontractors, and partners) may negatively affect the reputation and results of the Company.</p>	<ul style="list-style-type: none"> ▶ Internal regulations and training to ensure the integrity of professionals and availability of a Code of Conduct, Criminal Compliance Policies and Procedures, and an Internal Information System. ▶ UNE 19601:2017 certification for Criminal Compliance Management Systems. ▶ Requiring suppliers, subcontractors, and partners to meet requirements in the areas of the environment, human rights health and safety, and the fight against corruption and fraud, all of which are set out in the Supply Chain Ethics Code.

MAIN OPERATIONAL RISKS AND MANAGEMENT MECHANISMS IN TÉCNICAS REUNIDAS

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
<p>SUPPLIERS AND SUBCONTRACTORS</p>	<p>Tensions between countries limit access to suppliers and subcontractors.</p> <p>Increased risk of non-compliance and abandonment of projects due to the implications of the pandemic and the Russia-Ukraine conflict on the construction sector.</p> <p>The increased activity in the market and the multitude of ongoing projects globally has led to a shortage of personnel for the execution of the projects in almost all locations, as well as increased competition to fill the technical positions required for the execution of the projects.</p>	<ul style="list-style-type: none"> ▶ Increase of the lists of suppliers and subcontractors that meet customer requirements. ▶ Suppliers and subcontractors' evaluation processes including ESG criteria and improvement of financial, safety, health and environmental evaluation criteria. ▶ Implementation of payment plans with subcontractors to minimize the impacts on projects due to non-payment and reinforcement of collaboration with subcontractors to establish goals according to the payment possibilities of the projects. ▶ Establishing strategies for staff retention on site. ▶ Increasing the number of subcontractors on construction sites to have access to gain access to a larger number of employees. ▶ Setting up collaboration agreements with construction companies worldwide. ▶ Construction atomization and diversification strategies in several local and international suppliers.
<p>OIL AND GAS PRICE FLUCTUATIONS</p>	<p>The price of crude oil and gas, in addition to other factors, influences the investment, awarding, and execution decisions of the Group's customers, as well as those of suppliers, competitors, and partners.</p> <p>In 2023, oil price variations have impacted the reactivation of part of the Company's activities.</p>	<ul style="list-style-type: none"> ▶ A predominance in the portfolio of clients that are state-owned companies as opposed to private companies, incorporating other factors beyond the purely economic ones in their decision-making criteria, such as geopolitical and social criteria. ▶ Diversification of services and geography. ▶ Risk mitigation with customers and suppliers through early detection of issues that could lead to a change in contract price. ▶ Work schemes in consortium and others, to minimize construction risk.
<p>CLIMATE CHANGE</p>	<p>Climate change requirements may affect the needs of customers and how Técnicas Reunidas executes its projects.</p> <p>In addition, one of the most relevant risks concerning the environment is compliance with the European Union's plan for complete decarbonization by 2050.</p>	<ul style="list-style-type: none"> ▶ The Company has technical engineering capabilities that allow it to offer solutions to customers for implementing their sustainability activities and emission reduction initiatives. ▶ The Company has advanced technical procedures that allow it to carry out projects in extreme environmental conditions both high and low temperatures.
<p>CORPORATE GOVERNANCE AND SUSTAINABILITY</p>	<p>The exhaustive regulatory requirements and voluntary commitments of Técnicas Reunidas in these matters require the Company to have the necessary structure and means for responding to them.</p>	<ul style="list-style-type: none"> ▶ The Company has promoted more Sustainability actions which, depending on the Secretariat of the Board of Directors, provide a specific response to these growing requirements. Within the Sustainability Area, there is a specific sector for Project Sustainability that enables the implementation of actions in this area within Técnicas Reunidas in a coordinated manner in all its projects.

MAIN OPERATIONAL RISKS AND MANAGEMENT MECHANISMS IN TÉCNICAS REUNIDAS

RISK	DESCRIPTION	MANAGEMENT AND MITIGATION MECHANISM
CORPORATE GOVERNANCE AND SUSTAINABILITY	The exhaustive regulatory requirements and voluntary commitments of Técnicas Reunidas in these matters require the Company to have the necessary structure and means for responding to them.	<ul style="list-style-type: none"> ▶ Furthermore, the Secretariat of the Board of Directors itself has adapted to respond to the new requirements in terms of corporate governance, including the preparation for the CSRD report or the foreseeable approval of the Sustainability Due Diligence Directive. ▶ During the 2023 financial year, the Company has approved a Human Rights Policy, which unifies the references on this matter that were already included in other corporate documents such as the Sustainability Policy or the Code of Conduct. This Human Rights Policy responds to the expectations of stakeholders and contains specific commitments and standards of action in relevant areas such as the rejection of forced or compulsory labor and child labor, the prohibition of slavery, respect for diversity and non-discrimination or fair and favorable working conditions. ▶ Likewise, during the 2023 fiscal year, the Company has worked on the development of other corporate policies, which are expected to be approved in the first half of fiscal year 2024. In particular, (i) a Trade Secrets and Confidentiality Policy that will establish the general framework for action at the level of the Company and its Group to guarantee the confidentiality and consequent protection of its information and knowledge with business value, particularly those that may constitute trade secrets; (ii) a Corporate Governance Policy and Group Definition, in order to establish the principles, criteria and guidelines that should govern the organization and operation of the governing bodies of Técnicas Reunidas, as well as those that should serve as the basis for the definition of the structure of its Group, all based on the application of compliance with the recommendations of corporate governance of general recognition in international markets, adapted to the particularities of Técnicas Reunidas and its Group; (iii) a Policy for the Protection of Information and Intangible Assets, which includes, among other matters, trade secrets, cybersecurity and artificial intelligence.
REDUCED CLIENTS NUMBER AS A FACTOR FOR CONCENTRATION OF PROJECTS ¹	The portfolio, at certain times, may be highly concentrated in a small number of clients and, in certain countries, a small number of suppliers.	<ul style="list-style-type: none"> ▶ Concentration only in markets in which the Company has sufficient prior experience. ▶ Diversification policy. ▶ Deployment of a relevant commercial action with clients in markets in which TR does not yet have a presence.

¹ The revenue generated by the Group's top five customers represented 59.76% of total revenue for the year ended December 31st, 2023 (61.92% for the year ended December 31st, 2022), while revenue generation from customers who individually accounted for more than 10% of total consolidated revenue for the year ended December 31st, 2022 amounted to €1,925 million (€1 742 million euros for the year ended December 31st, 2022). Likewise, revenues generated by projects located in countries in the Middle East region accounted for 51.65% of total revenues in 2023 (55.6% as of December 31st, 2022). Within this region, the countries that contributed the most to revenue as of December 31st, 2022, were Saudi Arabia with 45.77% (41.62% as of December 31st, 2022), Qatar with 24.20% (7.95% as of December 31st, 2022), United Arab Emirates with 21.41% (22.74% as of December 31st, 2022), Bahrain with 5.80% (10.24% as of December 31st, 2022), and Oman with 3.53% (12.04% as of December 31st, 2022), and). Likewise, as of December 31st, 2023, 64% of the total Trade Receivables account (included in Trade and other accounts receivable) is concentrated in 10 customers (63.22% as of December 31st, 2022) and correspond to operations with integrated oil and gas companies and top-level state or multinationals companies.

6

RESOURCES AND RELATIONSHIPS



6.1 CONTROL AND MANAGEMENT OF FINANCIAL CAPITAL

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

Contribution of Técnicas Reunidas to achieving the SDGs



MAIN INDICATORS¹

INDICATOR	DATA 2023	EVOLUTION 2022-2023
Portfolio (million €)	9,355	-1.69%
Contracts awarded (million €)	6,118	+262.87%
Ordinary income (sales) (million €)	4,135	-2.32%
EBIT (million €)	156,6	+1,700%
EBIT/sales (%)	3,79	+3.58%
Reported profit after tax (million €)	59,7	+273.04%
Net cash position (debt/treasury) (million €)	348	+120.76%
Work in progress (million €)	2,205	-14.87%
Guarantees (million €)	3,914	-11.35%



2023 MILESTONES

- Renewal of bond and promissory notes issue programs in the Alternative Fixed-Income Market (MARF), focused on energy transition.
- Monitoring the implementation of the Efficiency Plan, aimed at optimizing the Society's expenditure on its activities to seek efficiencies.
- Preservation and reactivation of the portfolio affected by Covid-19, without any cancellations.
- Compliance with the financing conditions by the Strategic Company Solvency Support Fund (FASEE), managed by the SEPI.
- Extension and renewal of bilateral and syndicated lines of guarantees that matured in 2023.
- Sign a line of guarantees with sustainability KPIs.
- Closing of a Prior Agreement with the Tax Administration.



2024 GOALS

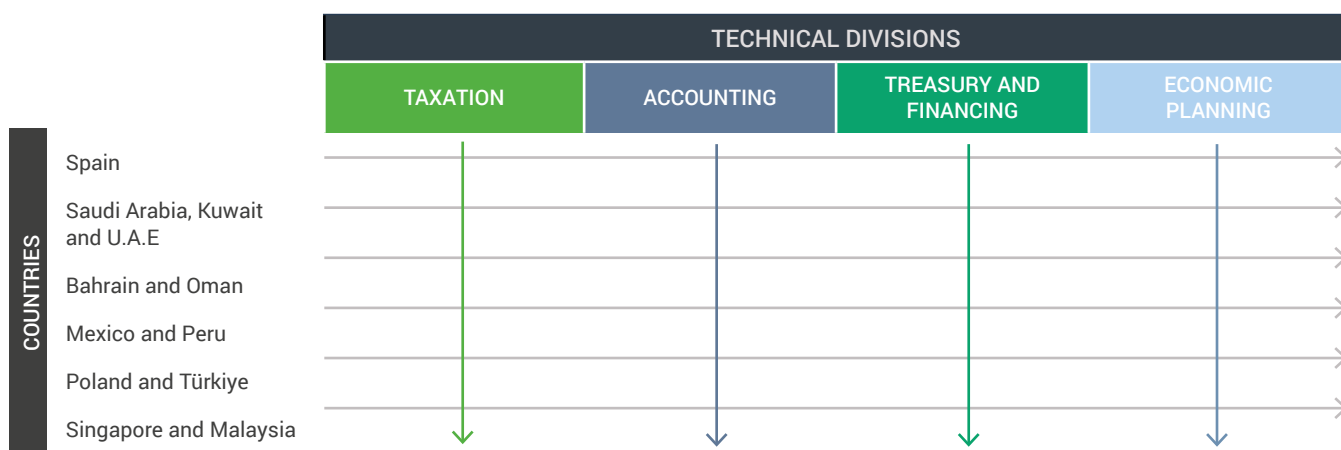
- Generating a framework of stability with the tax agency, follow up on the previous agreement established in 2022 until 2026, and execute other friendly agreements with the Public Administrations.
- Renewing of bond and promissory notes issue programs in the MARF, focused on energy transition.
- Developing the line of guarantees with sustainability KPIs signed in 2023
- Following up on the implemented Prior Agreement with the Tax Administration.
- Participating actively in the Large Contributors Forum.
- Negotiating the bilateral and syndicated lines of guarantees whose execution deadlines are affected by the pandemic or the current conflict in Europe and in new business lines of the Company.
- Strengthening proactive communication with the market.
- Following up on the process for the implementation of the Company's Efficiency Plan.
- Continuing looking for investors and financial products associated with energy transition and sustainability.
- Looking for mechanisms to bolster the Company's financial lines.
- Managing actively interest hedges on the Company's debt and exchange rates and commodities.
- Obtaining UNE 19602 tax compliance management certification.
- Strengthening the relationship with the private insurance market in the search for security instruments.
- Strengthening the role of multilateral institutions, export credit agencies, and other mechanisms in the financial activity of the Company.
- Strengthening tax compliance, monitoring the new rules, as well as their impact on the recovery plan of tax credits.
- Strengthening the solvency analysis of the Company's partners, suppliers, and subcontractors.
- Following up thoroughly by optimizing the Company's cash, in search of a healthy liquidity position.
- Reviewing solvency and credit ratios, to strengthen the balance sheet structure of the Group.
- Monitoring the implementation of the obligations assumed in the contracts with SEPI.
- Developing cost control activities.

¹ The definitions of the Alternative Performance Measures (EBITDA, EBIT, Net Cash and Portfolio) are available in the [Consolidated Annual Accounts 2023](#).

MANAGEMENT APPROACH

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

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



RELEVANT FINANCIAL ASPECTS

This general macroeconomic environment, and the energy industry, in particular, has generated a flood of commercial opportunities that the Company expects to soon materialize in new projects. The awards at a closing amount to approximately 6,100 million euros, with projects diversified by products and geographies, in which Técnicas Reunidas has significantly reduced the risk associated with construction.

Main financial figures

At the end of 2023, sales were at 4,135 million euros, a decrease of 2% compared to the previous year (4,233 million euros). Operating income was 157 million euros and net income recorded a profit of 60 million euros. The normalization in the execution of projects once the pandemic has been overcome and the initial uncertainties of the war in Ukraine explain this slight variation compared to 2022.

The 2023 financial year ended with a net cash position of 348 million euros, which includes the net effect of the paid-up capital increase on May 4, 2023. The Company has used part of its cash flows to reduce its financial indebtedness, and the average variable interest rate applicable to debt was 2.07% in 2023 compared to 2.19% in 2022. The order portfolio at the end of 2023 amounted to 9,355 million euros.

Capital increase

On April 10, the Company announced the launch of a capital increase of up to 50% of the share capital with pre-emptive subscription rights. The transaction consisted of the issuance of 24,405,265 new shares, equivalent to 43.7% of the current capital. Registered shareholders would receive a pre-emptive subscription right for each share they held. The objective of the expansion was to strengthen the Company's financial situation to ensure its leadership on the threshold of an investment supercycle related to energy and decarbonization.

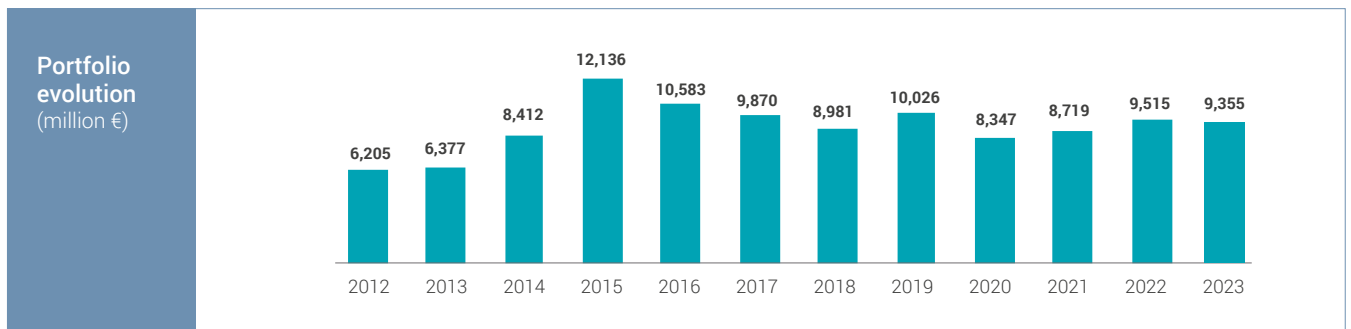
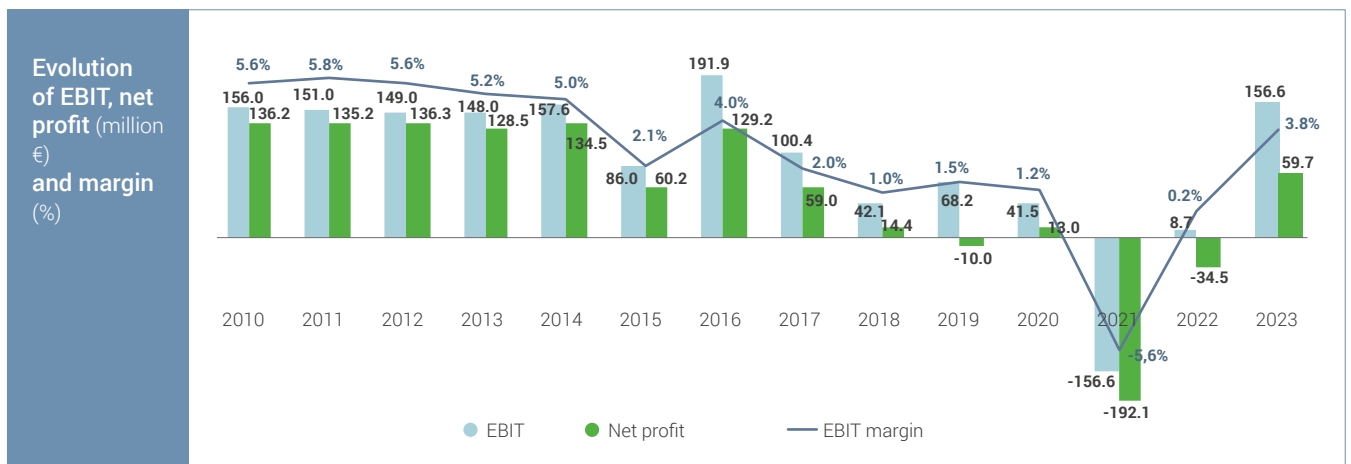
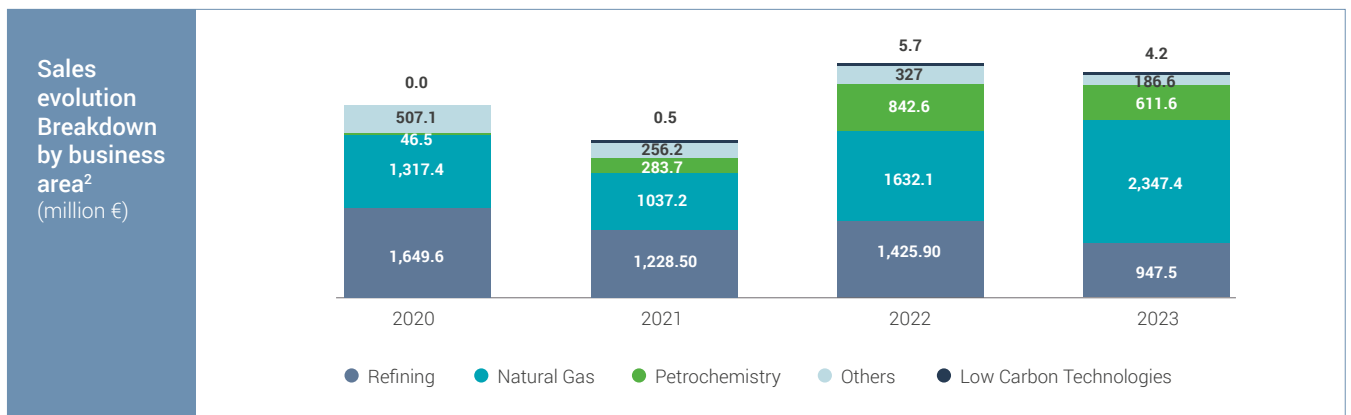
On April 11, the National Securities Market Commission ("CNMV") approved and registered in its official registers the Prospectus on the capital increase through cash contributions, and with recognition of the pre-emptive subscription right of the Company's shareholders. The capital increase was aimed at the shareholders of the Company who had acquired their shares until April 12, 2023 (the day of publication of the announcement of the capital increase in the Official Gazette of the Commercial Registry) and who appeared as shareholders in Iberclear's records at 11:59 p.m. on April 14, 2023 (the second trading day following the publication of said announcement in the Official Gazette of the Commercial Registry).

The preferential subscription period lasted fourteen calendar days from April 13, 2023. The pre-emptive subscription rights would be negotiable on the Stock Exchanges through the Stock Exchange Interconnection System and may be transferred and exercised following the conditions and restrictions indicated in the Prospectus.

On May 3, it was reported that all 24,405,265 new shares had been subscribed for a total effective amount of 150,092,379.75 euros with the details indicated below. During the preferential subscription period that ended on April 26, a total of 23,854,420 new shares were subscribed, representing 97.74% of the new shares, with 550,845 new shares available for allocation in the

following periods. During the additional allocation period, a total of 1,244,160,758 additional new shares of the Company were requested with the corresponding pro-rata provided for in the Prospectus. On May 4, 2023, the public deed of capital increase through monetary contributions was granted, with recognition of the pre-emptive subscription right. Therefore, the share capital of the Técnicas Reunidas was set at 8,030,126.5 euros, divided into 80,301,265 shares with a par value of 0.10 euros each, belonging to a single class and series.

The CNMV verified the admission to trading of the 24,405,265 new shares issued, so since May 8, 2023, they have been listed on the stock markets.



² In 2022 Técnicas Reunidas implemented, along with traditional segmentation, a redesigned segmentation aimed at (a) reflecting knowledge about commercial activities in a more appropriate and comparable way with peer companies in the sector; and (b) adapt the reporting format to the Company's greater positioning in energy transition technologies. Due to these changes, for the sales evolution indicator by division breakdown, only historical data is available for two previous years. This redesign of segmentation is a decision by the Company's management to reflect the commercial and operational activities of the Group in a more appropriate and comparable way to similar companies in the sector.

MARKET ENVIRONMENT

The market environment in which Técnicas Reunidas operates has been affected by various external factors during 2023, that forced the Company to adapt its financial management, as shown below:

External factors that have impacted Técnicas Reunidas



Energy transition acceleration

- ▶ The Russia-Ukraine conflict has led to an acceleration of short-term investment strategy plans and an increase of investments to improve self-sufficiency and cover the energy deficiencies derived from the situation, as well as to speed up energy transition.
- ▶ In this scenario, Técnicas Reunidas is well-positioned and has the required credentials, technical capacity, and experience. The Company has launched its energy transition strategy, track.



Geopolitical instability and deterioration of the macroeconomic setting

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



Volatility of financial markets and increased financing costs

- ▶ The deterioration of the macroeconomic situation has meant that the perception of risk by financial institutions concerning the engineering sector has been maintained, so there exists uncertainty regarding the evolution of the economic cycle and the establishment of cash preservation policies by some clients.
- ▶ To adapt, Técnicas Reunidas is developing a very diversified pool of banks from the geographical point of view, where local banks have a large presence while maintaining existing financing lines.
- ▶ Técnicas Reunidas has replaced its syndicated lines of financing with a single line whose maturity is aligned with its needs. While financing through the syndicated line of credit has enabled the Company to achieve better financing terms at competitive prices, it requires compliance with determined balance sheet ratios and results.
- ▶ Técnicas Reunidas has developed new lines of financing through the MARF to diversify its financing sources outside the banking sector, seeking long-term, competitive terms.
- ▶ The Company has also diversified its sources of financing by accessing European funds for strategic companies.





Exchange rate €/€ and interest rates

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



New contracting models

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



An increase in sustainability demands

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



Oil, oil derivatives and gas prices

- ▶ The prices of energy raw materials are returning to normal after the volatile situation caused by the conflict in Ukraine. Oil was gone from 123 dollars in July 2022, and then dropped again to 81 dollars a barrel at the end of 2023. As for natural gas, the price in the Henry Hub in December 2023 closed at 2.49 dollars per MBtu, versus 3.8 dollars per MBtu at the end of 2021. Prices have been very volatile, reaching a maximum of 9.9 dollars per MBtu in August. Leading analysts and institutions expect a sustained scenario of high prices for energy and its derivatives.
- ▶ In this context, Técnicas Reunidas adapts to the new scenarios with an agile organizational structure that is close to the execution of projects and is committed to the digitalization of processes and activities, achieving better control of risks and possible cost overruns.



Direct negotiation of disputes with third parties

- ▶ There is a growing trend among certain clients and suppliers to give less weight to direct negotiation to resolve their differences, causing an increase in litigation activity.
- ▶ This circumstance means that the Company has to estimate the expected outcome of these disputes with third parties, based mainly on the criteria of its legal advisors when preparing estimates and judgments.



VALUE GENERATION BY TÉCNICAS REUNIDAS IN SPAIN

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

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

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

In addition, the activity of Técnicas Reunidas has a positive impact on other relevant aspects, such as employment and R&D&I.

As regards employment, the Company's activities have given rise to numerous jobs in Spain, both directly and indirectly, through payments to suppliers.

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

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

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



➤ Value generation by Técnicas Reunidas in Spain (2012-2023)

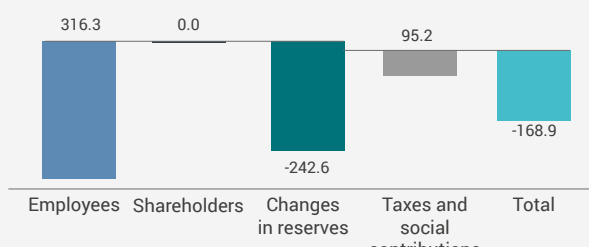
<p>Direct Economic Value Generated (DEVG)</p> <ul style="list-style-type: none"> ▶ Company's revenues in Spain: 30,333.5 million €. In terms of national accounting, these revenues: ▶ 97.8% corresponded to exports (29,677 million €). ▶ Net exports amounted to 13,261.7 million €. 	}	<p>Economic Value Distributed (EVD) through revenues</p> <p>Direct contribution to Spanish GDP 5,392.3 million €</p>
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Methodological note

Data for the period 2012-2023 have been obtained from a Company report containing data referring to Spain. The economic effect has been calculated from operational revenue, excluding the financial result of the same.

In addition, other tax payments for the period 2012-2023 amount to €53.1 million.

➤ Zoom 2023: Value generation by Técnicas Reunidas in Spain

<p>Direct Economic Value Generated (DEVG)</p> <ul style="list-style-type: none"> ▶ Company's revenues in Spain 2,491 million €. In terms of national accounting, these revenues: ▶ 97,4% corresponded to exports (2,427.9 million €). ▶ Net exports amounted to 1,141.6 million €. 	}	<p>Economic Value Distributed (EVD) through revenues</p> <p>Direct contribution to Spanish GDP 168.9 million €</p>  <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>Category</th> <th>Value (million €)</th> </tr> </thead> <tbody> <tr> <td>Employees</td> <td>316.3</td> </tr> <tr> <td>Shareholders</td> <td>0.0</td> </tr> <tr> <td>Changes in reserves</td> <td>-242.6</td> </tr> <tr> <td>Taxes and social contributions</td> <td>95.2</td> </tr> <tr> <td>Total</td> <td>-168.9</td> </tr> </tbody> </table>	Category	Value (million €)	Employees	316.3	Shareholders	0.0	Changes in reserves	-242.6	Taxes and social contributions	95.2	Total	-168.9
Category	Value (million €)													
Employees	316.3													
Shareholders	0.0													
Changes in reserves	-242.6													
Taxes and social contributions	95.2													
Total	-168.9													

Methodological note

Data for the 2023 Zoom have been obtained from a Company report containing data referring to Spain. The economic effect has been calculated from operational revenue, excluding the financial result of the same.

Direct contribution to Spanish GDP was calculated as follows:

- 'Taxes and social contributions' include social security, and corporate income tax.
- 'Employees' includes payment of salaries to employees and income tax withholdings.
- 'Capital providers' include dividends paid to shareholders and payment of interest on debt and loans.

In addition, other tax payments corresponding to financial year 2023 amount to €7.2 million.



EUROPEAN TAXONOMY

Introduction

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

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

The European Union has set up this system of activities based on six goals: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, protection and restoration of biodiversity and ecosystems, prevention and control of contamination, and transition to a circular economy.

The first step has been to enact the economic activities that are eligible for the climate change mitigation and adaptation goals, as well as the criteria that determine if these activities are aligned with the Taxonomy, including the requirements for gas and nuclear energy activities to be eligible and become aligned with these goals.

Further changes were made to the regulatory framework during fiscal year 2023. First, Delegated Regulation (EU) 2023/2485, which expands the number of activities with the potential to contribute substantially to climate change mitigation and adaptation objectives, entered into force on 27 June this year, and it adds and amends some of the technical selection criteria for several activities already defined in Delegated Regulation 2021/2139, concerning those climate objectives.

Secondly, Delegated Regulation (EU) 2023/2486, sets out many new activities as well as technical selection criteria for determining under which conditions economic activity is considered to contribute substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or the protection and recovery of biodiversity and ecosystems, was published on 27 June.

➤ Eligibility and alignment

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

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

- Contribute substantially to one or more environmental goals.
- Do not significantly harm any of the other environmental goals (DNSH).
- Respect the minimum safeguards (MS).

Técnicas Reunidas' activity³

Técnicas Reunidas provides all types of industrial plant engineering and construction added value services to produce oil refining, natural gas, petrochemicals, low carbon technology (hydrogen, circular economy and bioproducts, and carbon capture and storage), among others. The Company's technical capabilities enable it to develop projects that can contribute significantly to climate change mitigation and are therefore eligible, as outlined in the Taxonomy.

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

³ For more information, see [Annual Consolidated Accounts 2023](#).

Eligibility

The Company carries out an initial evaluation of project types to analyze their relationship with the Taxonomy. Subsequently, a comprehensive analysis of each project is carried out to analyze which activities can be eligible according to the Taxonomy. This consists of a vertical review (the main goal of the project) and a horizontal review (certain project activities or process units). After this, each activity considered presumably eligible is crossed against the definitions outlined in the regulation⁵.

As a result, activities eligible for climate change mitigation and transition objectives to a circular economy are identified⁶.

Alignment

Beginning with identified eligible activities, Técnicas Reunidas performs an in-depth analysis to evaluate compliance of the technical screening criteria with the climate change mitigation goal⁷:

1 Substantial contribution to one or more environmental goals.

An analysis is carried out on each eligible activity as regards compliance with the requirements of substantial contribution to climate change. After this analysis, necessary and pertinent supporting information is gathered for documenting purposes and to carry out the necessary calculations⁸.

2 Do not significantly harm any of the other environmental goals.

To ensure compliance with the principle of not significantly harming any of the other environmental goals, Técnicas Reunidas carries out the following initiatives:

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

3 Respect the minimum safeguards.

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

⁴ First, a vertical analysis of the projects is carried out to identify if the main objective of the project is eligible and, subsequently, a horizontal analysis of the units was carried out to determine, by project, the eligible process units or activities.

⁵ Description of the activities contemplated in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2022/1214. Activities that can be eligible for the climate change adaptation goal have not been identified.

⁷ Technical criteria included in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2022/1214. In 2023, the alignment of activities linked to the objective of transition towards a circular economy has not been evaluated based on what is established in Delegated Regulation (EU) 2023/2486.

⁸ If the information needed to prove contribution criteria is not available, even though the activity can contribute substantially to climate change mitigation, the decision has been made not to evaluate the substantial contribution of that activity. Técnicas Reunidas will continue working in the coming years to collect the necessary information and effectively evaluate compliance with the substantial contribution criteria in this group of eligible activities. This has been the case in activities 1.1., 3.2., 3.6., 4.29., 5.11. and 6.10, 7.1., 7.2. and 9.1.

In 2023, Técnicas Reunidas carried out a comprehensive analysis of its activity focused on the procedure described above. As a result, the Company established the following classification for activity eligibility and alignment.

Eligible and aligned economic activities for the climate change mitigation objective:

Economic activity following the Taxonomy	Description of the activity	Eligibility	Alignment
CCM 1.1 Forestation	Tree planting projects on land where no vegetation was initially found, which may include tasks such as providing detailed design and landscaping, moving trees and sowing seeds, excavation, fertilization, backfilling, and complete irrigation system.	●	●
CCM 3.2 Manufacture of equipment for hydrogen production and use	Design projects for green H ₂ production facilities, developed by the Energy Transition area ⁹ .	●	●
CCM 3.6 Manufacture of other low-carbon technologies	Projects for the design of facilities to produce fertilizers and other compounds from green ammonia, developed by the Energy Transition area.	●	●
CCM 4.13 Biogas products and biofuels for the transportation and production of bioliquids	Construction projects for biofuel (bio-methanol) production plants, developed by the Energy Transition area.	●	●
CCM 4.25 Heat/cold production from residual heat	Construction and assembly projects of shell and tube heat exchangers, recovery boilers, air coolers and cooling towers.	●	●
CCM 4.29 Generation of electricity from gaseous fossil fuels	Construction projects or operation of facilities for the generation of electricity from gaseous fossil fuels (natural gas).	●	●
CCM 5.3. Construction, expansion, and operation of wastewater collection and treatment systems.	Construction projects of oily water effluent sewer networks and associated treatment plants.	●	●
CCM 5.11. Transportation of CO₂	Projects of tubes designed to transport CO ₂ for subsequent underground injection.	●	●
CCM 6.10. Maritime transportation of merchandise, vessels for port operations and auxiliary activities	Activities associated with maritime transportation of modules.	●	●
CCM 7.1. Construction of new buildings	Projects for the construction of buildings.	●	●
CCM 7.2 Renovation of existing buildings	Projects for the renovation of buildings.	●	●
CCM 9.1 Market-focused research, development, and innovation	Launching applied research projects within the Energy Transition area.	●	●

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

⁹ Técnicas Reunidas designs and assembles green H₂ production facilities. Although it does not manufacture the equipment used in the facilities, the Company designs and assembles the equipment, so its activity is essential for the implementation of activity 3.2. Therefore, and considering the FAQ documents published by the European Commission as regards the Taxonomy, this activity is considered eligible.

Eligible and aligned economic activities for the objective of transition to a circular economy¹⁰:

Economic activity following the Taxonomy	Description of the activity	Eligibility
CE 2.4. Treatment of hazardous waste	Project to recover gases that are normally discharged to flares, so that chemicals are extracted to be reintroduced into the customer's production process, not being used as fuels.	●
CE 4.1. Provision of data-driven IT/TO solutions.	<p>Systems implemented together with a corrosion monitoring system. This system has preventive and predictive maintenance characteristics to make proper decisions, as it prevents possible failures early, and raises the possibility of implementing adjustment and degradation control measures. Consequently, reducing this degradation rate in turn extends the service life of the equipment.</p> <p>This monitoring system is combined with other systems that provide essential data for the proper functioning of equipment, such as systems that detect abnormal values and process efficiency losses, thus detecting possible malfunctions of equipment and allowing the necessary measures to be taken to address these failures.</p>	●

● Eligible

It should be noted that, for the eligibility analysis, it was not identified that, in the financial year 2023, the Company carried out taxonomic activities linked to the objectives of protection of water and marine resources, prevention and control of pollution or protection and recovery of biodiversity and ecosystems that could be attributed to its business activities.

Taxonomic key performance indicators¹¹:

Indicator	Description	Eligibility ¹²			Alignment		
		2022	2023	Evolution 2022-2023	2022	2023	Evolution 2022-2023
Business volume (turnover)	Proportion of revenue from aligned activities or those that comply with the Taxonomy, and the proportion derived from eligible activities that do not meet the technical screening criteria (numerators) over the entire amount of the Company's revenue (denominator).	10.51%	22.39%	+11.88 pp ¹³	4.76%	4.62%	-0.14 pp

Next steps

Técnicas Reunidas has a multidisciplinary work group that provides internal support and visibility for activities that are eligible and aligned as regards the Taxonomy. It supervises and monitors the regulation and any changes made to it, offers training, and raises awareness of Company

employees and manages the relationship with third parties to include best practices. It also offers ad hoc information and support to the various business areas and submits alternatives and improvement plans to increase the number of eligible and aligned activities.

¹⁰ In 2023, the alignment of these activities has not been evaluated based on what is established in Delegated Regulation (EU) 2023/2486.

¹¹ In the case of Técnicas Reunidas and in response to Article 8 of Regulation (EU) 2020/852, the Company reports in the NFIR the proportion of activities that are eligible, aligned and not eligible according to the Taxonomy in terms of business volume (turnover), its investment in fixed assets (CapEx) and its operating expenses (OpEx). These indicators have been obtained in consolidated form; that is, for the Técnicas Reunidas Group as a whole.

As regards the CapEx indicator, the entirety of investments (CapEx) made by the Company are either cross-sectional (corporate) in nature or specific for a sector not contemplated in the Taxonomy. Considering the business model, the CapEx of eligible activities is not considered to be significant for the Company. Therefore, 100% of the CapEx is not eligible in 2022 and 2023.

As regards the OpEx indicator, following the instructions in Delegated Regulation (EU) 2021/2178, it is not considered important for Técnicas Reunidas because the non-capitalized direct costs included in the European Taxonomy, that is, those included in the OpEx denominator, represent less than 5% of all Company operational expenses in 2022 and 2023 (2.2% and 2.28% respectively).

¹² The business volume (turnover) of non-eligible activities is 77.61% (2023) and 89.49% (2022).

¹³ The increase in eligible turnover is mainly due to the incorporation as eligible of the activity linked to the circular economy target: CE 4.1, which was not categorized as eligible in fiscal year 2022, but it is eligible in fiscal year 2023 and in the CCM 4.29 activity of energy generation due to more production related to this activity.

TAX INFORMATION

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

The body responsible for the tax strategy is the Audit and Control Commission, which approved a corporate Internal Tax Risk Manual that sets out the tax strategy and corresponding internal management procedures for the Company's tax risk. This Manual also includes training actions and internal investigation plans in this area. Both the tax strategy and the Manual are reviewed once a year¹⁴.

In addition, the Group draws up tax strategies during the project bidding phase to minimize any risks that might arise. These tax strategies are drawn up with the help of local consultants in all markets, including Técnicas Reunidas' regular markets, following the applicable legal frameworks, considering Técnicas Reunidas'¹⁵ business strategy and the principles governing responsible taxation contemplated in its Sustainability Policy¹⁶. The Company also has a Whistleblower Channel from where it can receive information regarding non-compliance with legislation¹⁷.

Técnicas Reunidas takes its international presence into account when it defines its tax strategy; in fact, in 2023 most of the Company's income came from outside Spain. In recognition of its tax responsibility and the complexity of its operations, the Company applies a tax model based on BEPS criteria for the value chain, which seeks the correct application of taxation in jurisdictions where value is created. In 2022, the Company has also adhered to the Code of Best Tax Practices, drawn up and approved by the Large Enterprises Forum to promote a mutually cooperative relationship between the Tax Agency and the undersigning companies.

Nonetheless, on certain occasions the Company operates in countries where it may implement a single project or set of projects for a single client, meaning that a breakdown of tax information by country might jeopardize the commercial

or operational interests of these projects. The data are aggregated by geographical area, following the same criteria used for the various financial indicators presented in the financial annual statements¹⁸.

Finally, and due to its materiality for the group, in Spain:

The National Appellate Court (AN) has ruled in favor of Técnicas Reunidas concerning the Corporate Income Tax settlements corresponding to the years 2008 to 2011. The ruling of the Court recognizes that the application by Técnicas Reunidas of the exemption of article 50.1 of the Consolidated Text of the Corporate Income Tax Law concerning the results of 11 UTEs and Técnicas Reunidas S.A. through which it operated abroad was following the law. To date, the National High Court has notified all the judgments concerning these settlements. These judgments have no impact on the Group's income statement. These sentences are final, as the Supreme Court has notified twelve orders of inadmissibility of the appeal for cassation filed by the State Attorney in relation to these settlements. One of them is issued in the procedure followed against the Company, in its capacity as the dominant entity of the fiscal consolidation group, which is the entity to which the debt was fully settled, and the others correspond to the procedures followed with eleven of the regularized UTEs (Temporary Joint Ventures).

In addition, and to minimize future controversies, in 2022 Técnicas Reunidas signed a Prior Valuation Agreement with the Tax Agency that defines the tax group's taxation model in Spain based on BEPS criteria from 2015 onwards. All financial years before 2015 have already been inspected.

Profit taxes, in thousands of euros

Geographical area	2022	2023
America	3,391	29,501
Asia	4,421	4,707
Spain	-	-
Europe	824	7,739
Mediterranean	1,671	1,320
Middle East	5,780	4,061
Total	16,088	47,329

Earnings before taxes, in thousands of euros

Geographical area	2022	2023
America	103,054	10,281
Asia	16,166	53,738
Spain	(120,832)	164,569
Europe	5,049	56,314
Mediterranean	1,034	1,552
Middle East	(22,895)	(182,707)
Total	(18,424)	103,748

¹⁴ For more information on tax risk management, please refer to the [2023 Annual Corporate Governance Report](#) and the [externally audited 2023 Consolidated Financial Statements](#).

¹⁵ The Company holds, in those cases where it is necessary, meetings with the tax authorities to clarify any aspect and agree on the necessary solutions in case of conflict. The Audit and Control Commission is periodically informed about these processes.

¹⁶ For more information, see [Sustainability Policy](#).

¹⁷ For more information, see chapter 5.1 Government Model.

¹⁸ Técnicas Reunidas does not publish the information corresponding to indicator 207-4 Country-by-country reporting, as it poses a confidentiality problem for the Company.



Countries with income during the year by geographical area

America: Argentina, Bolivia, Canada, Chile, Colombia, the United States, Mexico, Peru and the Dominican Republic.

Asia: Australia, Bangladesh, India, Indonesia, Kazakhstan, Malaysia, Singapore and Thailand.

Europa: Belgium, Finland, France, Great Britain, Italy, Netherlands, Poland and Portugal.

Spain: Spain.

Mediterranean: Algeria, Morocco and Türkiye.

Middle East: Abu Dhabi, Saudi Arabia, Azerbaijan, Bahrain, Jordan, Kuwait, Oman and Qatar.

Técnicas Reunidas received 4,405 thousand euros in public grants in 2023 (versus 2,811 thousand euros in 2022).

> Contribution to the external sector and the development of 'Brand Spain'

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

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

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

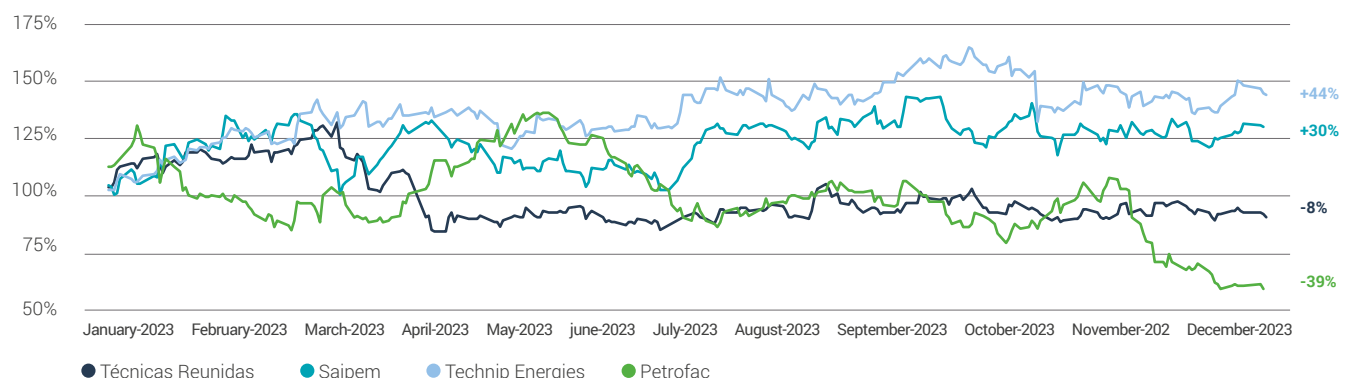
> Stock performance

Shares in the Company depreciated by 8.44% during the financial year 2023, with the share price on December 31, 2023, at 8.35 euros/share and the average price for the year at 9.14 euros/share. This reduction was mainly due to the capital increase carried out during the year.

Share price movement for Técnicas Reunidas over 2023



Share price movement for Técnicas Reunidas and major competitors over 2023¹⁹



¹⁹ The evolution of the price of comparable companies has been calculated as the daily closing price of the company during 2023 between its price at the end of 2022.

INVESTOR RELATIONS GRI [3-3]

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

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

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

In 2023, Técnicas Reunidas participated in 11 sector conferences, organized 7 specific events with investors and held multiple meetings and initiatives with investors. The total number of initiatives and contacts with investors over the year was 220. The main topics and subjects of interest covered during these meetings were as follows:

- Medium and long-term energy market trends; client investment perspectives and dynamics in coming years.
- The role of Técnicas Reunidas and its position in energy transition.

- Future opportunities in new projects offered by the market and their classification by region and product type.
- Reinforcing the Company's long-term strategy to reduce risks in project implementation.
- Possible effects of the global instability and the strong volatility of raw material prices within the business.
- Conditions and factors affecting the request for funds to SEPI.
- In the context of a competitive environment, focusing on the differences and similarities between the Company and its competitors.

> An active communication policy with investors

Técnicas Reunidas informs on the evolution of its results and its forecasts through the quarterly webcasts arranged by its Executive Chairperson and CEO. These actions are reinforced by intermediate roadshows in cities with a high concentration of investors (London, Paris, and Madrid), in which the management of the Company participates.

Técnicas Reunidas reports on its results and its vision for the future through its quarterly webcasts.



SUSTAINABLE FINANCING AND GREEN FUNDS

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

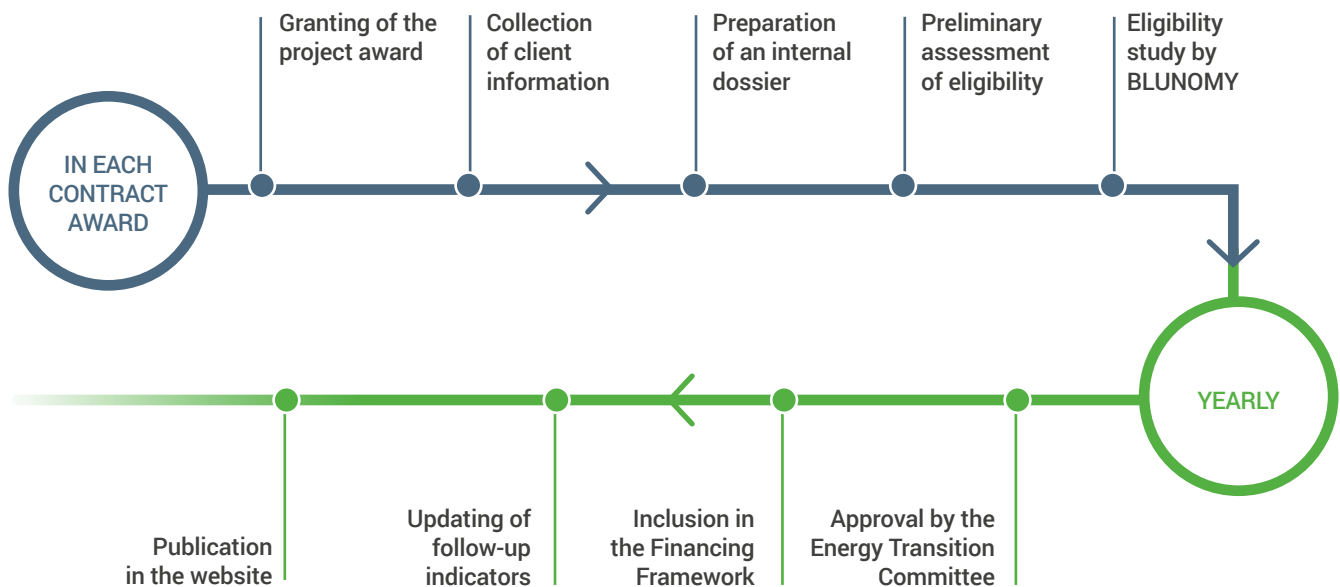
This Financing Framework associated with Energy Transition has been validated by a prestigious third party, ISS Governance, which has issued an external opinion on the same that is available on Técnicas Reunidas' website .

Sustainable financing is a pillar of the Sustainability Policy and is integrated into the specific actions described in the

Sustainability Plan. Specifically, the Company established goals such as linking new financing to sustainable instruments or vehicles, setting up a sustainable financing framework, and identifying projects that could be financed through sustainable bonds and loans. The projects that are currently eligible under this framework represent 31% of the Company's portfolio.

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

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



²⁰ For more information, see the [Energy Transition Financing Framework](#) section on the website.

6.2 PEOPLE, THE COMPANY'S MAIN ASSET

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

Contribution of Técnicas Reunidas to achieving the SDGs




MAIN INDICATORS¹

INDICATOR	DATA 2023	EVOLUTION 2022-2023
Company's Workforce (number) ²	8,490	+20.37%
Women in staff (%)	24.34	-4.59%
Permanent employees (%)	91.11	+9.63%
Wage gap (%) ³	19.99	-0.01%
Staff turnover (%) ⁴	10.08	-7.86%
Expatriate staff (%) ⁵	9.91	-3.44%
Training (total hours delivered)	229,523	+17.55%
Persons trained (number) ⁶	3,754	-2.01%
Training (hours per employee) ⁷	18.30	-0.05%
Employees with performance evaluations [404-3] ⁸	3,889	-



2023 MILESTONES

- Compliance with the strategic recruitment plan at a global level, aligned with the needs of the business.
- Opening of a new office in Bilbao.
- Opening of new international technical offices in Chennai (India) and Istanbul (Türkiye).
- Exponential growth of offices in Bangalore (India), Abu Dhabi, Saudi Arabia and Chile.
- Human Resources and General Services strategic support in the start-up and follow-up of new international projects.
- Improvements to the talent management tool, with a cultural change that includes bottom-up evaluation processes.
- Introduction of remuneration policies aimed at the retention of key personnel.
- Improvement of the work-life balance measures for the entire workforce in Spain.
- Development and growth of the vacancy management program through the internal mobility tool "MuéveTRe".
- Implementation of the new Expatriation Policy agreed with the representatives of the employees.
- Establishment of a centralized reporting and control system for international affiliates.
- Development of the internal HR communication plan through the intranet.
- Elaboration of the Protocol to Support Victims of Gender-Based Violence agreed with representatives of the employees.
- Implementation of a system of available spots that improves space management in its different modalities and with significant savings.
- Approval of a Human Rights Policy.

¹ More information on workforce management and benchmarks is available in the [Consolidated Financial Statements 2023](#).

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

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

⁴ Includes only the staff in Spain.

⁵ It includes employees who move to another country but maintain an employment contract in Spain.

⁶ Includes office staff only.

⁷ Includes office staff only.

⁸ Corresponds to the Talent Management Assessment launched in the Home Office (Spain) and from TR India. In 2022, the performance evaluation process was delayed until the beginning of the year, so its data is 0. In 2021 the number of employees evaluated was 4,972.



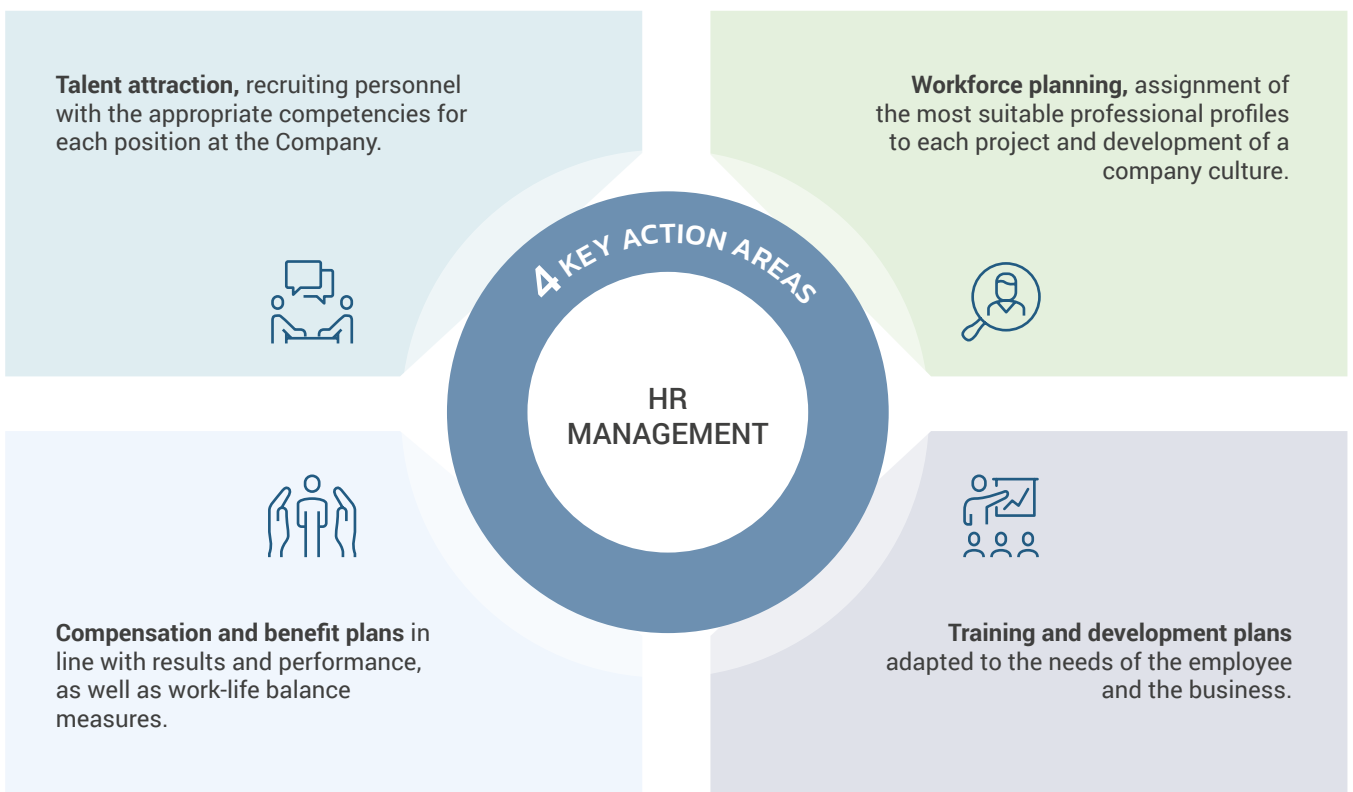
2024 GOALS

- Cover personnel needs to respond to the corporate growth strategy and the high workload, expected in the coming years.
- Sustainably integrate new incorporations, both nationally and internationally, adapting corporate policies and the different management, training, and development tools to the needs of operational growth and local realities.
- Improve the digitalization of the department's processes.
- Consolidation of process control, reporting, and integration systems in all Técnicas Reunidas subsidiaries.
- Have attractive continuous training plans that continue to improve the professional qualification of the staff.
- Continue to make progress in the development of attractive and inclusive internal communication.
- Maintain international internship programs for talent recruitment and training in international subsidiaries.
- Maintain a good working environment and high standards of commitment between the Company and all its employees.
- Have Equality Plans in all Técnicas Reunidas companies, negotiated with employee representatives.
- Adaptation of available space to resource needs through better use of available means.

MANAGEMENT APPROACH GRI [3-3]

The Company offers an inclusive work environment, respecting equal opportunities and encouraging the training and development of its professionals.

HR Management Framework at Técnicas Reunidas



Técnicas Reunidas identifies and manages the risks to which it is exposed in human resources, many of them associated with the industry and markets in which it operates. During 2023 the most relevant risks have been:

- (i) High staff increase to respond to the operational growth of the Company.
- (ii) Talent retention in an environment of general lack of qualified profiles in the sector and in the labor market itself.
- (iii) Having a workforce that is sufficiently flexible and adapted to the needs of the business.
- (iv) Managing multidisciplinary and multicultural resources in demanding regions and adapting to the needs of our projects.
- (v) Managing expatriates and local staff in highly professional environments.
- (vi) Risks associated with the health and safety of workers in the different regions in which the Company operates.

Técnicas Reunidas is prepared to face all these challenges with a highly specialized, flexible, and global human resource structure, allowing it to adopt measures and actions to prevent and mitigate the risks associated with its activity. In particular, the Company has adopted measures to address the main risks, including the establishment of strategic plans to achieve a more attractive company that generates employment on a large scale, which cover remuneration aspects and training plans adapted to the needs; centralizing recruitment processes in a differentiated but coordinated manner at national and international level between HR and Operations; establishment of appropriate controls at field offices; maintenance and improvement of working flexibility conditions, which also address exceptional personal circumstances; development of a modern expatriation policy adapted to current needs; monitoring and establishing internal security policies in projects through the centralization of security.

This framework of action enables the correct administration of human resources, thus providing workers with a safe and quality environment that reinforces their commitment to the Company.

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

For this purpose, Técnicas Reunidas uses an IT tool (SAP Success Factors) that reduces the administrative workload and efficiently manages aspects such as training, compensation plans, performance evaluation,

and absenteeism. This tool streamlines processes, enabling active global decision-making and fostering collaboration and synergies between subsidiaries and business divisions.

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

In addition, in the subsidiaries there are professionals specifically dedicated to human resources management, ensuring the standardization of processes throughout the Company in this area.

Growth strategy in 2023

Técnicas Reunidas has designed and implemented a strategy to develop its workforce in line with business needs in 2023, which represents a major management challenge, in addition to the current challenges at the international level.

As a result, Técnicas Reunidas' workforce increased to 8,490 employees by the end of 2023 (an increase of 20.36% compared to 2022). This increase meets the strategic objectives set, in line with the latest awards and staffing needs identified in the technology centers in Spain (Madrid, Cartagena, and Bilbao), India, Türkiye, Abu Dhabi, and Chile.

➤ Remote work and cybersecurity

Today, remote work has become an essential factor for the correct performance of the Company's activity. As a result, cybersecurity has also become a critical priority for Técnicas Reunidas. Therefore, the Company has important measures that continuously maintain highly strengthened IT systems and prevent any type of security breach. Among these measures, we must highlight browsing protection, information leakage protection for non-corporate services and equipment, the implementation of two-factor authentication, the development of training and awareness campaigns aimed at employees, the segmentation of IT assets into layers, the improvement of equipment monitoring and the establishment of on-site IT teams.

CORPORATE CULTURE

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

Values in the corporate culture of Técnicas Reunidas

COMMITMENT	TEAM	IMPROVEMENT	DEVELOPMENT
<p>Commitment to a Company with more than 63 years of history and leader in the engineering and construction industry in Europe and ranked among the top ten worldwide.</p>	<p>Técnicas Reunidas' employees belong to a great team where they feel heard and where the creation of bonds of trust is encouraged by offering support at both a personal and professional level.</p>	<p>Técnicas Reunidas employees are characterized by their desire for self-improvement, always ready to deal with the great challenges faced by the Company.</p>	<p>Técnicas Reunidas offers development opportunities to its employees by allowing them to work on large-scale projects, where they can contribute ideas, work autonomously, and take part in major global initiatives.</p>



A DIVERSE AND INTERNATIONAL TEAM

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



future projects to which it has been awarded. The gender distribution shows that 76% of the employees are men and 24% are women. By professional category, 91% of Técnicas Reunidas are graduates, technicians, and administrative staff. In turn, by age, 65% is concentrated between 30 and 49 years old; there is also a slight growth in employees under 30 years old, with a clear development of young talent, and a small reduction in those over 50 years old.

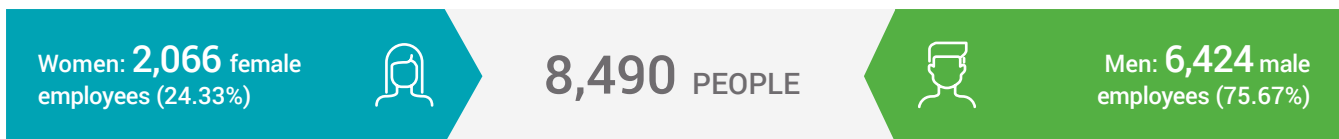
In terms of geographic distribution, Spain, Saudi Arabia, India, and the U.A.E. account for 81% of employees. In this regard, an important group within the workforce is made up of expatriate personnel in projects, who account at least for 10% of the Company's total number of employees.

As part of its commitment to occupational inclusion, development, and effective integration, Técnicas Reunidas had 30 employees with disabilities in 2023.

Técnicas Reunidas has an average of more than 33,830 subcontracted workers in its construction projects. However, the Company does not have a direct relationship with these professionals as they are not direct employees of Técnicas Reunidas.

Técnicas Reunidas finished 2023 with more than 8,490 professionals of 80 nationalities, an increase of 20.37% of the workforce compared to 2022. The growth experienced by the Company is linked to its expansion plans and the

Workforce distribution by gender, professional category, age, and country ¹⁰



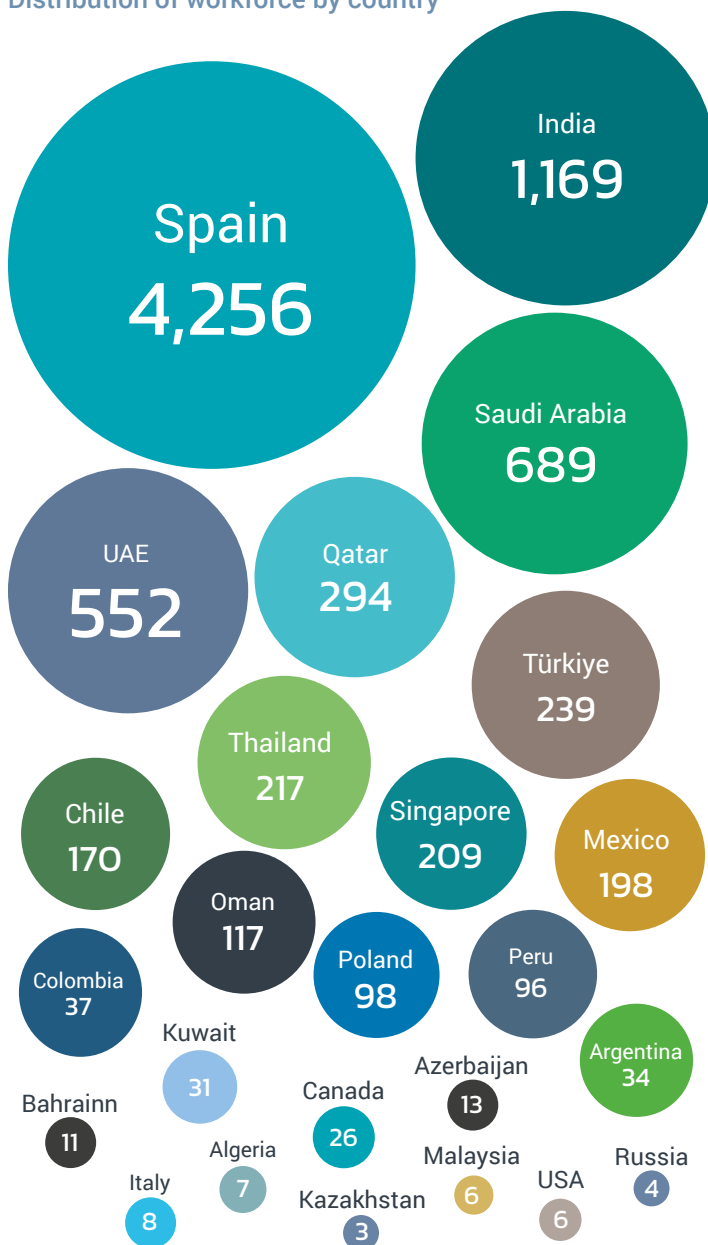
Distribution of the workforce by category and gender	2022		2023	
	Men	Women	Men	Women
Executive Directors	0.01%	0.00%	0.01%	0.00%
Senior Management	0.11%	0.01%	0.09%	0.01%
First Management Level	0.99%	0.24%	0.80%	0.19%
Second Management Level	4.54%	1.12%	4.38%	1.05%
Graduates, Technicians, Administrative	66.54%	23.81%	68.55%	22.77%
Officers	2.10%	0.20%	1.40%	0.07%
Salespeople	0.20%	0.13%	0.42%	0.25%
Total	74.49%	25.51%	75.66%	24.34%

⁹ Data as of December 31, 2023, corresponding to the workforce in Spain and subsidiaries, except for the average seniority, which corresponds exclusively to internal personnel in Spain.

¹⁰ Data as of December 31, 2023, corresponding to the internal workforce in Spain and subsidiaries.

Distribution of the workforce by category and age	2022			2023		
	<30 years	>=30 years, < 50 years	>=50 years	<30 years	>=30 years, < 50 years	>=50 years
Executive Directors	0.00%	0.00%	0.01%	0.00%	0.00%	0.01%
Senior Management	0.00%	0.03%	0.10%	0.00%	0.02%	0.08%
First Management Level	0.00%	0.44%	0.79%	0.00%	0.34%	0.65%
Second Management Level	0.03%	3.20%	2.42%	0.11%	3.18%	2.14%
Graduates, Technicians, Administrative	6.04%	64.92%	19.38%	12.72%	59.56%	19.04%
Officers	0.20%	1.39%	0.71%	0.11%	0.97%	0.40%
Salespeople	0.00%	0.26%	0.07%	0.05%	0.53%	0.09%
Total	6.27%	70.24%	23.49%	12.98%	64.60%	22.42%

Distribution of workforce by country¹¹



¹¹ Data as of December 31, 2023, corresponding to the internal workforce in Spain and subsidiaries.

Distribution of workforce by type of contract, gender, and region ¹²

In 2023, the Company increased indefinite contracts by 10%, compared to 2022, to cover 91% of employees with this type of contract. This led to a decrease in the number of temporary contracts, representing 9% of the workforce. This increase in the number of permanent employees is due to talent retention measures and the implementation of a key

employee loyalty policy. On the other hand, it should be noted that practically 100% of the workforce is hired on a full-time basis; part-time hiring is exceptional and always motivated by the family needs of certain people, so that Técnicas Reunidas does not have part-time contracts; although 6% of employees in Spain have reduced working hours (506 people).

Gender	Type of contract			
	2022		2023	
	Permanent (No.)	Temporary (No.)	Permanent (No.)	Temporary (No.)
Men	4,116	1,138	5,829	595
Women	1,631	168	1,906	160
Total	5,747	1,306	7,735	755

Region	Type of contract			
	2022		2023	
	Permanent (No.)	Temporary (No.)	Permanent (No.)	Temporary (No.)
TR SPAIN	3,872	236	4,109	147
TR OMAN	173	0	117	0
TR CHILE	100	3	166	4
TR INDIA	528	0	1,169	0
TR SAUDI ARABIA	0	647	689	0
TR KUWAIT	52	0	31	0
TR PERU	153	0	96	0
TR MALAYSIA	9	0	6	0
TR UAE	462	0	552	0
TR TÜRKIYE	0	70	2	237
TR ALGERIA	0	9	0	7
TR AZERBAIJAN	0	85	0	13
TR MEXICO	0	10	198	0
TR CANADA	25	0	26	0
TR SINGAPORE	0	111	0	209
TR POLAND	3	50	1	97
TR ITALY	9	0	8	0
TR BAHRAIN	0	4	11	0
TR RUSSIA	5	4	3	1
TR USA	2	0	6	0
TR COLOMBIA	0	77	0	37
TR THAILAND	230	0	217	0
TR ARGENTINA	12	0	34	0
TR QATAR	112	0	294	
TR KAZAKHSTAN	0	0	0	3
Total	5,747	1,306	7,735	755

¹² Data as of December 31, 2023, corresponding to the internal workforce in Spain and subsidiaries.

New hires and turnover rate ¹³

The data show a 70% increase in new hires in Spain, with 55% of them being people between 30 and 49 years old, which responds to the Company's growth plan. The hiring of professionals under 30 years of age (32.98%) is particularly noteworthy, due to the Young Professionals Plan (PJP, as it is known by the Spanish acronym), the agreements with universities, the hiring of interns, and the commitment to young talent with new specific skills.

Turnover is 10.08%, which represents a reduction of 7.86% compared to the previous year, due to the growth in the need for qualified profiles in the Company's sector. The work-life balance measures and remuneration policies implemented have reduced this turnover, that is much lower than in the majority of its competition.

New hires by gender, age, and region	2022		2023	
	Number	Rate ¹⁴	Number	Rate ¹⁵
Gender				
Men	245	5.94%	430	10.40%
Women	141	3.42%	228	5.51%
Age				
<30	136	3.30%	217	5.25%
>=30 <50	194	4.70%	357	8.63%
>=50	56	1.36%	84	2.03%
Region				
Spain	386	9.36%	658	15.91%

Staff turnover by gender, age and region	2022		2023	
	Number	Rate ¹⁶	Number	Rate ¹⁷
Gender				
Men	336	7.04%	285	6.89%
Women	180	3.90%	132	3.19%
Age				
<30	33	2.05%	36	0.87%
>=30 <50	388	7.06%	295	7.13%
>=50	95	1.83%	86	2.08%
Region				
Spain	516	10.94%	417	10.08%

¹³ All data published in these indicators refer to the workforce recruited in Spain.

¹⁴ The rate of new hires has been calculated as the result of the total number of new hires in each category (male, female, <30, >=30 y <50, >=50) divided by the average number of employees in Spain in 2022 (4,124 employees).

¹⁵ The rate of new hires has been calculated as the result of the total number of new hires in each category (male, female, <30, >=30 y <50, >=50) divided by the average number of employees in Spain in 2023 (4,135 employees).

¹⁶ Turnover rate: [(hires + resignations)/2]/average number of employees. The concept of resignations covers all the grounds on which an employee may terminate his or her contractual relationship with the Company (e.g., dismissal, voluntary resignation, retirement, etc.).

¹⁷ Turnover rate: [(hires + resignations)/2]/average number of employees. The concept of resignations covers all the grounds on which an employee may terminate his or her contractual relationship with the Company (e.g., dismissal, voluntary resignation, retirement, etc.).

Promoting diversity and equality GRI [2-30]

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

The Company's commitment in this area is expressly set out in its Code of Conduct, which establishes that Técnicas Reunidas "does not accept any discrimination in the occupational or professional sphere for reasons of age, race, skin color, gender, religion, political opinion, nationality, social origin, disability status, sexual orientation, or any other circumstance that could lead to discrimination". The Company has Equality Committees and working groups to supervise compliance and analyze possible conflicts in this area and the appropriate measures to be adopted.

Currently, the Company has an Equality Plan in Initec Plantas Industriales, which includes more intense specific actions to raise awareness and training on equality and non-discrimination. The Company, which is currently negotiating the Técnicas Reunidas, S.A. Equality Plan, has extended its most beneficial application to all employees in Spain.

For years, the Company has also had a Protocol in cases of Sexual Harassment and Gender Discrimination, negotiated and agreed with the legal representatives of the employees. Since its approval, this protocol has been developed and improved by consensus with the legal representatives of the employees. Moreover, labor contract clauses have been established in certain countries to prevent these situations and training and awareness campaigns are conducted on its content through an open course in the corporate tool TR Aula.

During 2023 the Company has maintained and developed various policies and initiatives in the areas of diversity, inclusion, and equality. The new actions have focused mainly on training through awareness campaigns aimed at the entire workforce on communication and inclusive language, gender awareness, communication of Protocols in cases of Sexual Harassment and Gender Discrimination, assisting victims of gender-based violence, as well as courses in this regard for employees in positions of responsibility and people management.

To prevent racist and discriminatory behavior, training courses on local culture and geographic diversity were provided for staff in charge of teams located in the countries in which the Company operates. In this area, Técnicas Reunidas periodically develops training courses for project management.

Thanks to the internal procedures and preventive measures implemented by the Company, in 2023 there was no situation of discrimination or significant impact in this area.

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

The Company has employee representation systems and collective bargaining agreements in place and complies with applicable legal regulations, with structures equivalent to Spanish union representation in 20% of its international projects. For all countries with a collective bargaining

¹⁸ For more information, see [Code of Conduct](#).



agreement, 100% of employees are covered by the collective bargaining agreement associated with the business permit granted to the Company (for example, engineering, construction, etc.).

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

Técnicas Reunidas values continuous dialogue with all the people who form part of its staff and their opinions. To this end, the Company has consultation mechanisms and procedures that favor and promote the participation of employees in the management of the Company. In particular, the Company conducts work climate surveys close in time and with different periodicities, which allow to objectively measure the satisfaction of its employees with their job, their relationship with the Company and its superiors or their workload, and many other factors that influence the quality of life of the professionals of Técnicas Reunidas. Based on these surveys, action plans are developed that include different types of measures to improve well-being and working conditions, establishing in any case channels of communication with staff in addition to and complementary to those already existing through the social partners, communications from the Directorate, and the intranet.

➤ Thematic working groups and agreements reached in Spain

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

In 2023, the main advances and agreements with labor unions include the following:

- The Protocol to Assist Victims of Gender-based Violence.
- Establishment of the intensive summer working hours.
- Introduction of improvements in previously agreed expatriation policies that affect people moving from Spain to international projects.
- Working Groups and Joint Commissions with the LREs.
The purpose of these round tables is to improve working conditions and the well-being of the employees. In this regard, we have set up working groups for specific matters on remote working, intensive working hours, professional development, communication, and expatriation policies, among others, in addition to those of a legal nature.

In any case, it is worth highlighting the active participation of Técnicas Reunidas in the negotiation groups of the sectoral collective agreement, in which the Company plays a fundamental role as it is the main employer in the engineering sector in Spain.



TALENT MANAGEMENT AND RETENTION GRI [3-3]; [404-3]

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

Professional development and personal well-being

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

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

Técnicas Reunidas is reinforcing its talent retention management, facilitating a work environment that adapts to the expectations of its professionals, providing training for the professional growth of its staff and providing them with information on Company news through various actions, including publications on the intranet.

In addition, in 2023 the Company implemented its internal mobility program “MuéveTRe”, which allows employees to learn about and apply for different open positions through the corporate intranet, thus facilitating the personal and professional enrichment of the workforce, as well as interdisciplinary integration and the retention of talent, knowledge, and in-house experience.

Regarding remuneration, Técnicas Reunidas offers its professionals competitive compensation and a wide range of corporate benefits, such as transportation bonus, remote work expenses, food aids, life and accident insurance, discounts or contributions for health insurance, in-house medical services, subsidized parking spaces, benefits and discounts through the employee’s club, etc. These benefits add value and help create a work environment that promotes employee well-being and satisfaction. In addition, the Company’s corporate policies incorporate work flexibility and work-life balance criteria, adapting to the specific needs of each job and country. In 2023, we have expanded our work-life balance policies with different options and benefits for employees.

In addition, Técnicas Reunidas offers incentives to those professionals who demonstrate excellent performance in their activities. These include personalized development and training plans, as well as specific compensation actions with short- and long-term plans. In 2023, the Company has developed and expanded its remuneration policy based on management by objectives, which applies mainly to the key and strategic personnel.

Ensuring the commitment of its professionals and maintaining their sense of belonging is a key aspect, with initiatives such as *networking*, events, and the promotion of corporate volunteering. Técnicas Reunidas prioritizes that all its employees, regardless of their location, can benefit from the same conditions and levels of well-being at work.

Flexible scheduling system and other work-life balance measures

The Company has adopted further measures during 2023:

- Possibility of working remotely two days a week. This measure is voluntary and applies to personnel at the Madrid, Cartagena, and Bilbao offices, promoting work-life balance, as well as environmental protection, as it reduces the Company’s emissions associated with employees commuting to the offices.
- Possibility to benefit from intensive work shifts from June 15th to September 15th.

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

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

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

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

The Company analyzes trends in the evaluation of competencies required in each area. This process has been reviewed during 2023 to identify specific needs and develop specific training programs. After the training activity, participants are sent a questionnaire to assess their satisfaction with the training provided and to identify areas for improvement. For particularly strategic pieces of training, an additional effectiveness assessment is performed. In this procedure, a questionnaire is requested from the participant managers to assess whether the objectives established for the training action have been met. In this way, continuous improvement can be ensured and a high degree of quality of the courses provided can be maintained.

For years, the Company has had 3 projects that incorporate different digital solutions in training:

- Numerous training actions planned within the Training Plan, both technical, digital, languages, and skills-based, carried out by both external and internal personnel, in online or in-person format.
- PHAROS: E-learning platform with more than 350 courses, mainly of a technical nature in the fields of construction, engineering, and new technologies. Available 365 days a year to all the employees of the Company.
- Company's contents: Production of the Company's multimedia material carried out by internal staff to provide training through the corporate tool TR Aula, including collaborations with specific areas, as well as all kinds of small training sessions and workshops.

In addition, in 2023, the Company worked on the development of a common online training portal for all employees with a wide range of courses organized by topic. In this sense,

the training offer has been adapted to the new needs of the business: energy transition, regulatory compliance and corruption, sustainability, internal regulations, social awareness, etc. The portal is complemented by training pathways tailored to the professional category, including mandatory, convenient, and desirable training in skills to achieve positions of greater responsibility and managerial positions. This new approach allows employees to manage their own training and enhances their sense of belonging to the Company.

In 2023 Técnicas Reunidas has increased the number of training hours for employees in offices and on construction sites to 229,523 hours, 17.55% higher than the 2022 figure (195,259). Of these, 68,715 hours (70,148 in 2022) were delivered to more than 3,700 office-based employees. This increase is due to the Company's determined commitment to the training of its professionals.

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

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





➤ **Training on the Sustainable Development Goals**



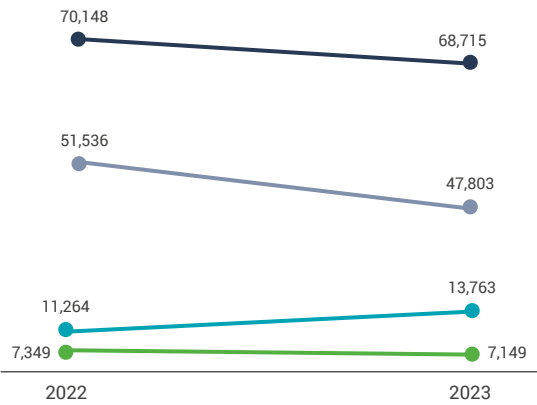
In its efforts to contribute to the achievement of the Sustainable Development Goals and the internal dissemination of those among all employees, Técnicas Reunidas has a specific course on the 2030 Agenda in its global platform TR Aula.

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

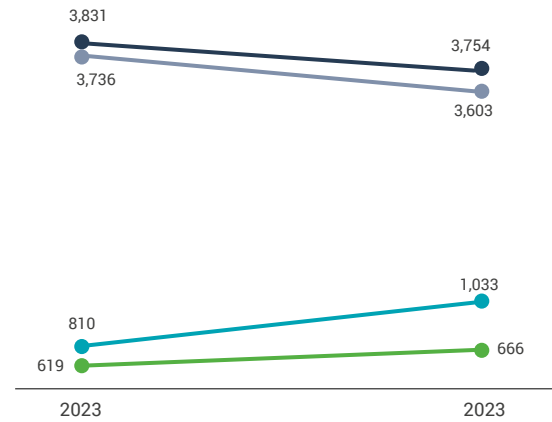


Training at Técnicas Reunidas. Main indicators¹⁹

Office staff training hours 2022-2023



No. of the office employees trained 2022-2023



● Management skills ● Technical training ● Languages ● Total

Women:

18.70 h/employee

TRAINING RATIOS
IN 2023

TOTAL: **18.30** PERSON

Men:

18.07 h/employee

In 2023, Técnicas Reunidas employees in offices and worksites received more than 229,523 hours of training.

Training hours by work category	2022		2023	
	No. of training hours	Average hours of training per employee ²⁰	No. of training hours	Average hours of training per employee
Senior Management	15.50	7.75	13	6.5
First Management Level	575.25	7.88	545.1	8.5
Second Management Level	3,400.47	12.88	4,868.9	17.3
Graduates, Technicians, Administrative	65,818.73	19.16	61,290	18.5
Officers	199.50	5.39	67	5.2
Salespeople	138.79	7.30	1,931.2	39.4
Total	70,148.25	13.81	68,715.20	18.3

¹⁹ The training data correspond only to Técnicas Reunidas office employees.

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

ATTRACTING AND RECRUITING THE BEST TALENT

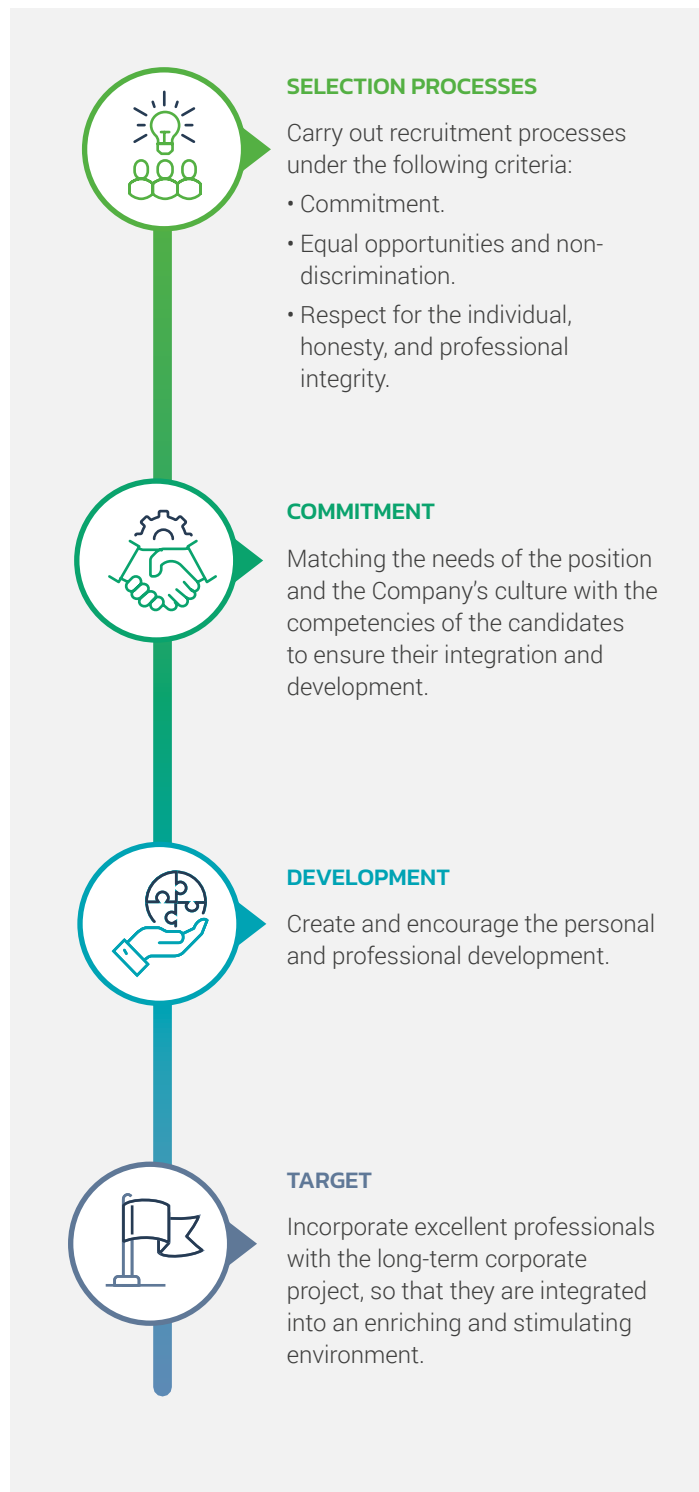
Técnicas Reunidas aims to identify and recruit the best talent, including both professionals with extensive experience and necessary skills and young talent with high development potential.

The Company is aware of the risk of a shortage of professionals that exists in the labor market. For this reason, in recent years, it has worked steadily to retain and attract talent. On the one hand, it offers its current professionals training and development to improve knowledge, and skills and thus offer them ample possibilities for growth and professional development, and on the other, it establishes strategic plans to attract the best professionals on the market through globalization and specializing the selection processes and criteria in a coordinated way at the national and international level to attract the best talent and present the Company as a reference employer worldwide and an attractive alternative among those people who want to develop their professional career in our industry.

Técnicas Reunidas is committed to an adequate balance between highly qualified professionals with extensive experience and young talent with high projection, generating professional opportunities for those who wish to develop their professional careers in the Company. In all cases and for the different groups, there are both individual and group development programs that allow personal and professional development. Additionally, the Company offers and manages international scholarships for internships both in Spain and abroad.

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

Recruitment and selection principles of Técnicas Reunidas



> Driving talent recruitment through social media

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

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

Presence of Técnicas Reunidas in social networks

 Over **329,000** FOLLOWERS @Tecnicas Reunidas

 Over **6,400** FOLLOWERS @Tecnicas_reun

In 2023 Técnicas Reunidas offered internships through university agreements and vocational training to more than 270 students in Spain, of which 109 were subsequently hired.

> Promoting talent and employability

During 2023 Técnicas Reunidas has continued its collaboration with various Spanish universities and engineering schools, participating in technical and skills training sessions and seminars, job fairs, sponsorship of final projects for undergraduates and Master's degrees, teaching collaborations in master's degrees, and research projects, among others.

The main universities with which Técnicas Reunidas has worked closely during 2023 are the Universidad Politécnica de Madrid, the Universidad Complutense de Madrid, the Universidad Rey Juan Carlos, the Universidad Autónoma de Madrid, the Universidad Politécnica de Cartagena and the University in the Basque Country.

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



6.3 INNOVATION AND DIGITAL TRANSFORMATION

Innovation plays a crucial role in the strategy implemented by Técnicas Reunidas for maintaining its position of leadership and market differentiation. The efforts to provide the Company with robust information and communications systems are fundamental to guarantee operational continuity.

Contribution of Técnicas Reunidas to achieving the SDGs



MAIN INDICATORS¹

INDICATOR	DATA 2023	EVOLUCIÓN 2022-2023 ²
Investments in R&D&I (in million €) ³	12,23	+24.54%
Staff working on Innovation and R&D&I (equivalent number)	102	+30.77%
Staff working exclusively in research (number)	38	-19.15%
Impact on turnover from technologies developed in R&D&I projects exclusively (million €)	2,85	+137.50%
Percentage of R&D&I investment devoted to energy transition and circular economy	100%	0%



2023 MILESTONES

- Launching of the MINETHIC* collaborative project for the recovery of critical raw materials led by Técnicas Reunidas under the CDTI's MISSIONS 2022 program.
- Publication of ethical principles of artificial intelligence.
- Putting the corporate data platform into operation.
- Launching of the Project FUTURE: FAST FORWARD Project led by SEAT (PERTE VEC) and including the primary collaborative R&D&I project called RELOAD** in which Técnicas Reunidas is involved.
- Launching of collaborative projects corresponding to the CDTI's MISSIONS* 2022 program: HY2DEC project (green hydrogen and CO₂ capture), EFISOEC project (green hydrogen), and SUNRISE PV project (circular economy in photovoltaic panels).
- Grant of two new patents concerning the PHOS4LIFE® technology owned by Técnicas Reunidas for the recovery of phosphorus in the form of technical-grade phosphoric acid.
- Application for two new patents, one for obtaining rare earths in the form of concentrates (RARETECH® Technology) and the other one for the recovery of zinc from steel mill dust (DUST® Technology).
- Contract by the Turkish company ETI BAKIR for laboratory tests, pilot plant, and preliminary engineering for the industrial project to recover zinc, copper, and cobalt from the tailings coming from its smelting furnaces.
- A FEED project convertible to EPC of ammonia, nitric acid, ammonium nitrate, calcium nitrate, and calcium ammonium nitrate has been awarded in 2023 as green fertilizers development in the United States to Atlas Agro company, being the green technologies of nitric acid, ammonium nitrate, calcium nitrate and calcium ammonium nitrate property of ESPINDESA a Tecnicas Reunidas Group's Company.



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

² The registered fluctuations are due to increased investments in R&D&I and the allocation of more resources to innovation focused on energy transition projects.

³ The criterion for calculating investment in R&D&I has been modified to make the data more reliable, including investments made in computer applications. For reasons of comparability, the figure for 2022 has been recalculated.



2024 GOALS

- Continue the development of technologies for our circular economy strategic priority (solid urban waste, electronic components, plastics, industrial effluents, etc.).
- Continue the development of green hydrogen production technologies based on AEM electrolyzers (Anionic Exchange Membrane), SOEC (Solid Oxide Electrolyzer Cell), PCEC (Protonic Ceramic Electrolysis Cell), and alkaline electrolyzers.
- Continue to develop the CO₂ capture and valorization technologies.
- Consolidate the development of projects related to green ammonia and its derivatives with a project at a more advanced stage than a conceptual project and understanding ammonia plants, referred to as "green" based on the electrolysis of water using green energies instead of those based on the reforming of natural gas.
- Development of projects linked to the decarbonization of combustion equipment.
- Boost digital innovation lines, promoting workshops for the identification of challenges and solutions, as well as working on an ecosystem for co-innovation and finding synergies.
- Consolidate our participation with strategic partners in the IndesIA partnership for the use of data and artificial intelligence in the industrial sector value chain.
- Development of the artificial intelligence governance model that will allow us to adopt all the technology responsibly, ethically, and safely.
- Development of the methane monitoring platform under a strategic agreement with Google.
- Citizen developer: train and activate 100 makers developing applications with Power Platform in all business areas of the Company.
- App4All Project. Creation of a Data and Artificial Intelligence (AI) department for working with the business departments and implementing the operations model.
- Incorporating AI into the Information Security Systems.
- Continue the development of technologies to obtain and/or recover critical raw materials essential for energy transition, such as lithium, cobalt, rare earths, etc.
- Continue the development of the project with the Turkish company ETI BAKIR consisting of laboratory tests, pilot plant, and preliminary engineering for the industrial project to recover zinc, copper, and cobalt from the tailings coming from their smelting furnaces.
- Consolidation of PHOS4LIFE® technology in the market for the recovery of phosphorus in the form of technical-grade phosphoric acid from sewage sludge ash with the contracting of the industrial project for the first plant in Europe for the treatment and recovery of phosphorus from ashes.



INNOVATION

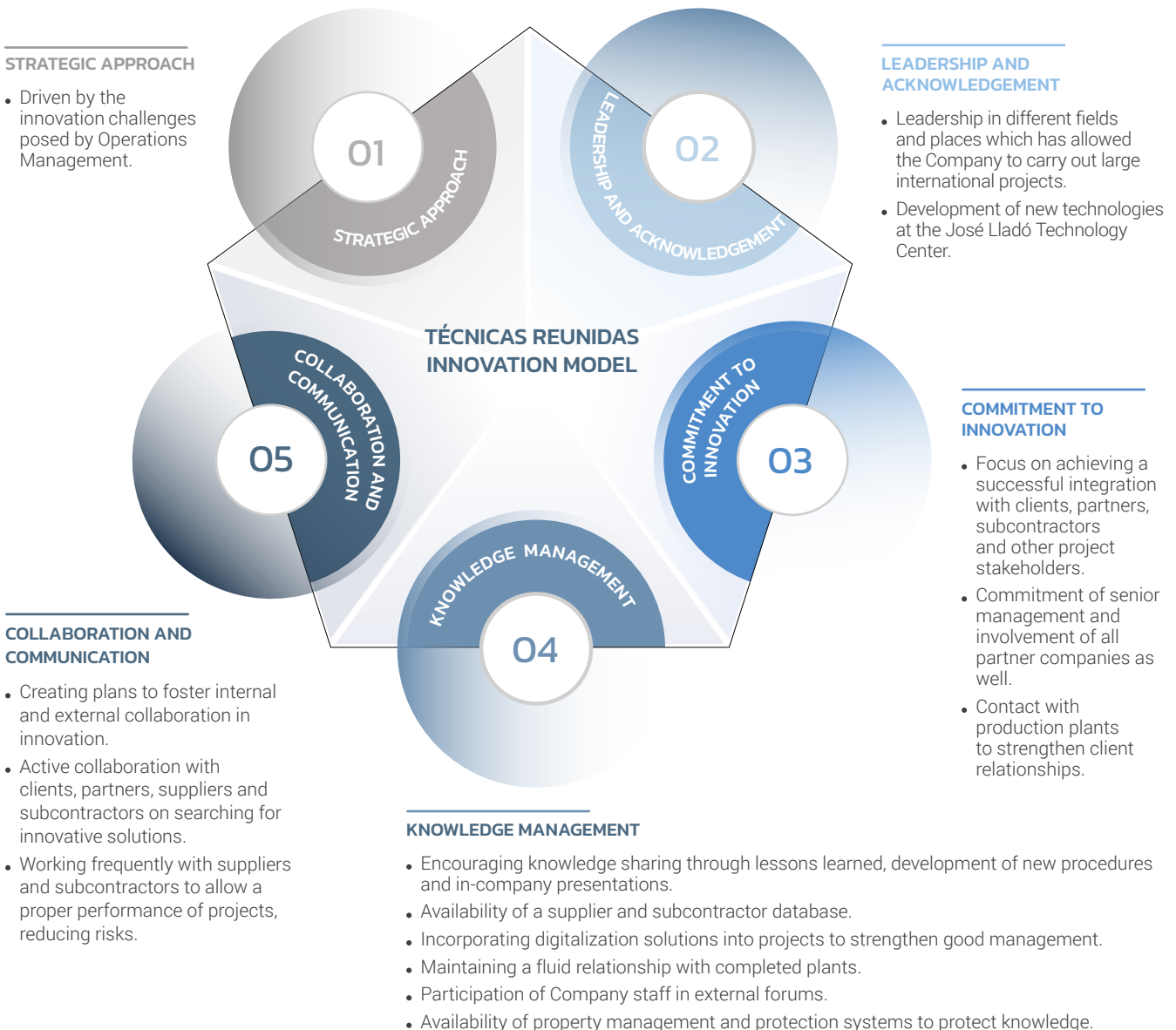
MANAGEMENT APPROACH

Innovation model

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

client satisfaction, while developing new technologies that can be introduced in the market. Among these, Técnicas Reunidas places special emphasis on the development of technologies associated with digitalization and energy transition.

During 2023 Técnicas Reunidas has continued the development of several projects in initial phases focused on promoting new technologies in its industry.

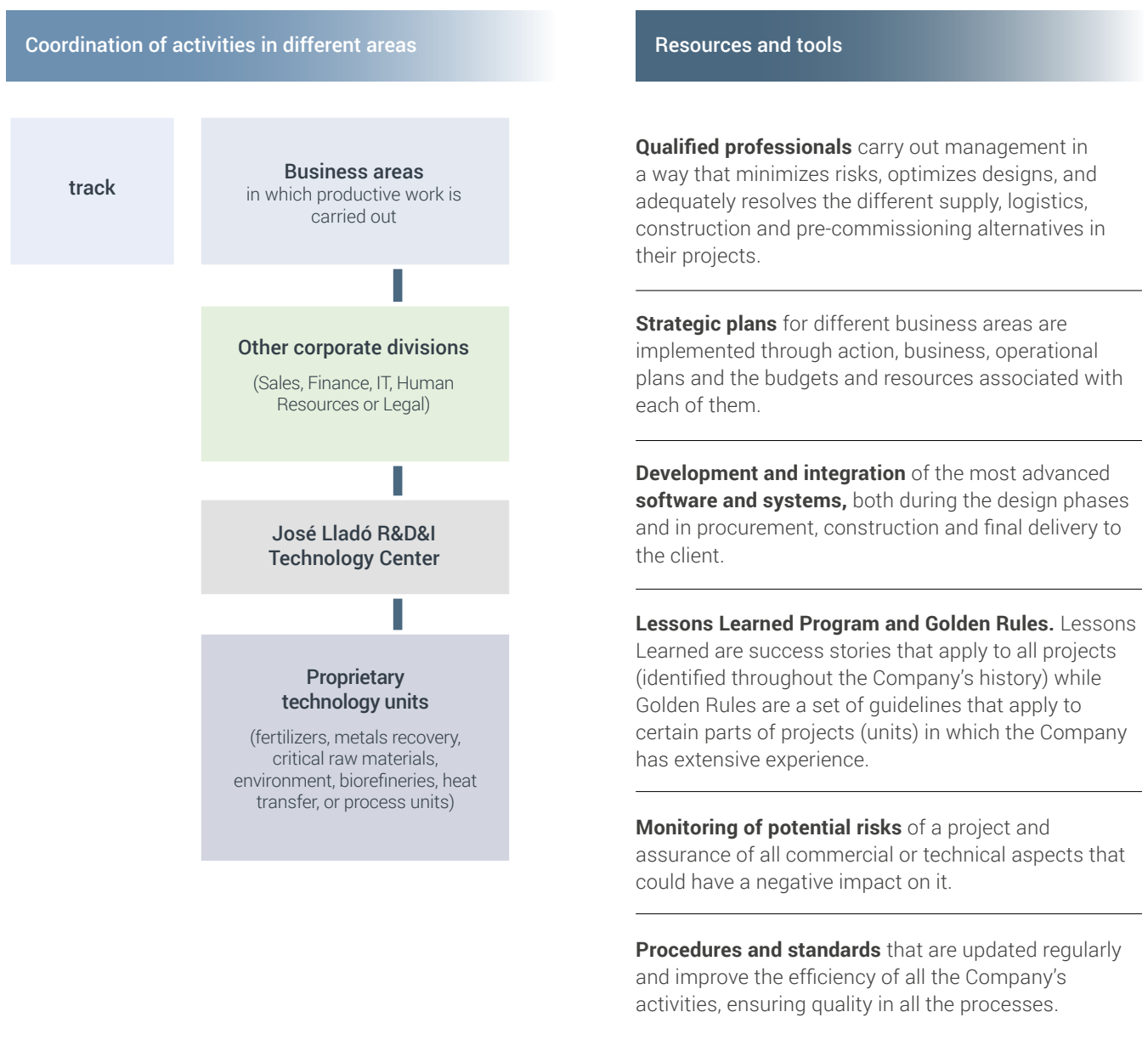


MANAGEMENT STRUCTURE AND TOOLS

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

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

Innovation and R&D management at Técnicas Reunidas



TÉCNICAS REUNIDAS' INNOVATION STRATEGY

Técnicas Reunidas' innovation strategy is split into four areas:

1. Growth by identifying business opportunities

- The company's participation in modular plant design and basic design projects has helped to consolidate Técnicas Reunidas' presence in the global market, positioning it as a benchmark in the sector.
- Availability of technologies applicable to green fertilizers through ESPINDESA is positioning Técnicas Reunidas in the global green fertilizer market.

2. Diversification through development of products and services that can respond to the needs of current and potential clients

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

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

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

- On the other hand, our progress on improving integration collaboration and communications with supplying partners and subcontractors has enabled us to distribute workload to each of them according to their capacity, monitor objectives, and share opinions with their managers.
- Técnicas Reunidas is committed to optimizing the quality of its resources, consolidating its know-how (knowledge acquired from projects throughout the Company's history), and transforming its working methods into a continuous process of searching for excellence.

4. Application of an open innovation model

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

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

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

Interaction with innovative companies, research institutions, and other external agents is a clear advantage for the development of services, processes, and technologies from Técnicas Reunidas. This collaboration with other agents in the innovation system allows us to make more efficient use of allocated resources, minimize risks, and speed up the market launching of new services, processes and technologies.

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

A greater interaction with innovative companies, research institutions, suppliers, technology experts, subcontractors, and the community generates synergies that enable us to develop new services, processes, and technologies and carry out more ambitious projects.

SHARING THE COMPANY'S KNOWLEDGE WITH CLIENTS

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

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

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

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



CLIENT SATISFACTION EVALUATION AND COMMUNICATIONS

GRI [3-3]

For Técnicas Reunidas it is essential to know the opinions of its clients and main suppliers to improve the quality of its projects and strengthen the Company's Quality Management System.

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

To maximize customer satisfaction, Técnicas Reunidas has implemented a Quality Management System, externally certified by the ISO 9001:2015 standard, based on the establishment of global indicators for the development of projects that allow us to quickly ascertain the performance obtained and possible areas for improvement.

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

The strongest test of client satisfaction is the high percentage of repeated contracts with Técnicas Reunidas. This fact is particularly noteworthy given the intense competition in the market, especially in particularly competitive markets, as acknowledged by ENR.

R&D&I AND PROPRIETARY TECHNOLOGIES GRI [3-3]

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

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

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

(technologies), enabling it to develop a tangible product. It also has a subsidiary for developing and marketing some of these technologies⁴.

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

➤ Marketing of proprietary technologies by ESPINDESA



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

- Granular ammonium phosphates for producing granular di-ammonium and mono-ammonium phosphate (DAP and MAP) from phosphoric acid and ammonia in a tubular reactor.
- NPK and nitrosulphate complex fertilizers with several nutrients (nitrogen, phosphorus, potassium and sulfur) based on nitrate, phosphate or nitrosulphate solutions (chemical granulation) as well as on a mixture of nutrients with steam (steam granulation).
- Diluted nitric acid. Both to obtain fertilizers (nitrates) in concentrations of up to 60% and to manufacture polyurethanes, in concentrations of up to 70%, the former being considered green fertilizers in the case of green ammonia.

- Concentrated nitric acid for the production of nitric acid up to 98–99% concentration from ammonia and air.
- Extractive distillation of nitric acid to produce nitric acid at a concentration of 98–99% from diluted nitric acid with an extractive agent.
- Porous ammonium nitrate for obtaining low density pelletized ammonium nitrate from nitric acid and ammonia for its use in mining.
- Calcium ammonium nitrate: for fertilizer use and can be considered green fertilizer in the case of green ammonia origin, replacing in many countries the application of Urea that decomposes into CO₂.

It is worth noting the increased strength of our proprietary technologies and the demand for those technologies from the so-called green fertilizers (those based on production with no CO₂ emissions stemming from the synthesis of hydrogen related to the so-called green energies), such as nitrates rather than urea and in which Técnicas Reunidas is a global and technological leader through its subsidiary ESPINDESA.

⁴ For more information about the technologies developed by the Proprietary Technologies Development Division, visit <https://ddtp.tecnicasreunidas.es/> and <https://ddtp.tecnicasreunidas.es/tecnologias/>

Another area of innovation in which the Company is engaged is the development of clean technologies. Apart from establishing a close collaboration with catalyst suppliers to reduce nitric acid emissions from projects, a joint effort has been made with clients to promote the development of “dual” plants, capable of optimizing energy consumption.

Technologies and trademarks owned by Técnicas Reunidas

NAME	FIELD	SCOPE
	Metals recovery	Technology for processing leached ores and zinc concentrates that are difficult to process by conventional methods to produce zinc by hydrometallurgical techniques using solvent extraction.
		Technology for treating calcines from roasting zinc concentrates to cause zinc leaching.
		Technology for treating mineral concentrates unusable in conventional RLE (Roasting Leaching and Electrowinning) process to cause zinc leaching.
		Technology for recovering lead and silver from secondary raw materials based on brine leaching and subsequent precipitation of the valuable metals.
	Biorefinery	Technology for recovery of agri-feeding waste (which is currently otherwise incinerated) using a chemical process to produce levulinic acid.
	Critical raw materials	Family of technologies: <ul style="list-style-type: none"> • Technology for producing technical grade phosphoric acid from sludge ash from sewage treatment plants. • Technology for producing phosphoric acid from phosphoric rock.
		Technology for producing rare earth concentrates from monazite type ores.
		Technology for the recovery of lithium, cobalt, nickel, manganese and phosphorus from the black mass obtained from the recycling of electric car batteries.
		Manganese recovery technology in industrial processes of mineral exploitation or waste treatment.
	Environment	Technology for treating urban waste by incineration to recover zinc and other metals.











Besides these technologies already developed, Técnicas Reunidas is making a significant effort to develop technologies focused on the energy transition. The production of green hydrogen via the development of electrolyzers based on various technologies, the capture and recovery of CO₂ and the circular economy are just some of the lines of business in which Técnicas Reunidas seeks to have proprietary technologies that will enable us to stand out from our competitors.



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

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

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

In terms of this strategy, Técnicas Reunidas took part in the following national and European projects in 2023:

PROJECT NAME	OBJECTIVE
<p>BIORECOVER²</p> 	<p>Research and development of new, mainly biotechnology-based technologies for the recovery of rare earths and platinum from currently untapped primary and secondary sources.</p>
<p>SEA4VALUE²</p> 	<p>European project (HORIZON 2020) to develop valuable metal recovery technologies based on brines produced by desalination plants into a complementary source of critical raw materials.</p>
<p>REMSELAN¹</p> 	<p>Obtaining rare earths (cerium, neodymium, praseodymium, lanthanum and europium) by separation and purification of lanthanides.</p>
<p>DUST¹</p> 	<p>Development of a flexible and compact technology for the treatment and direct recovery of steel mill dust, waste considered as hazardous because of its high content of heavy metals, the main goal being to recover the zinc present in this material.</p>
<p>RECUMAN¹</p> 	<p>Development of technology to recover manganese in industrial plants that use zinc materials as a chemical species that maximizes its sales value.</p>
<p>LEVAPLUS</p> 	<p>Development of an efficient and sustainable technology to recover raw materials rich in C6 sugars for the production of carboxylic acids that serve as a chemical base to obtain chemical products, polymers or drugs, among others.</p>
<p>SHINEFLEET³</p> 	<p>This project covers the whole hydrogen value chain, from production to end-use, including the development of specific equipment for the haulage industry. In particular, it is developing compact renewable and blue hydrogen generators for the haulage industry.</p> <p>Besides coordinating this project, Técnicas Reunidas participates as a technological partner in the generation of renewable and blue hydrogen, with the aim of developing a modular, compact system that is the best on-site alternative to generate this resource.</p>
<p>FUSION FUTURE³</p> 	<p>Research on new materials, processes and advanced technologies capable of contributing to offer a response to the main issues standing on the path towards nuclear fusion energy.</p>
<p>UNDERGY³</p> 	<p>This project tackles the technologies needed for seasonal renewable energy storage using green hydrogen as part of a smart grid. The main priorities are: studying the underground storage of renewable energy using green hydrogen and creating an efficient energy management system.</p>
<p>ZEPPELIN³</p> 	<p>Study and development of innovative and efficient green hydrogen production and storage technologies based on the circular economy. Técnicas Reunidas is tackling the production of hydrogen from waste using catalytic and thermochemical techniques.</p>

PROJECT NAME	OBJECTIVE
HYMET ³ 	Development of new technologies applicable to the decarbonization of the metal industry, more specifically the steel industry, and the reuse of by-products from the process itself. Técnicas Reunidas is studying the reuse of waste using a reduction reactor, the generation of green hydrogen and reuse of the carbon dioxide captured.
ECLIPSE ³ 	Development of recycling and reuse technologies for complex polymeric waste capable of producing new recycled polymers.
ECOTRON ⁴ 	Development of new materials, manufacturing processes and recycling technologies for electronic devices, organic substrata and the valuable metals present in them, seeking environmental sustainability.
POWER2HYPE ⁴ 	Development and demonstration of a new process for the production of hydrogen peroxide, switching the established chemical route that requires energy to sustainable electrochemistry.
RELOAD ⁵ 	Development of technologies for the recovery of critical metals and raw materials from batteries, super magnets and other electrical components from electric cars.
PLASTICS2OLEFINS ⁴ 	Participation in a consortium to design a Demo Plastics Recycling plant for obtaining high-value products. Técnicas Reunidas is involved in the engineering development, process optimization and technology integration.
MINETHIC ³ 	Development of new technologies for obtaining critical raw materials (CPM) essential for the ecological transition from non-conventional sources, both industrial and urban, as well as the validation of recovered materials in final applications (permanent magnets, cathodes, catalysts...).
EFISOEC ³ 	Development of an integrated system for the production of green hydrogen with high efficiency and durability, based on SOEC (Solid Oxide Electrolyzer Cell).
HY2DEC ³	Development and validation of new emerging technologies for the production and use of hydrogen and green oxygen, as well as CO ₂ capture, and their integration in processes of the Spanish intensive industry with the purpose of advancing in its decarbonization.
SUNRISE ³	Development of new processes for the recovery and reuse of critical materials and components in the solar photovoltaic value chain, increasing their value and improving the environmental impact of the technology.

Financed by:



The main outcome of these R&D&I projects is the generation of knowledge, and protecting it is a critical aspect. Not surprisingly, the knowledge and technological innovation the Company has built up give it a competitive advantage in the markets in which it competes, creating shareholders value.

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



➤ **The José Lladó Technology Center, the core of Técnicas Reunidas R&D&I**

Since 1974, Técnicas Reunidas has had a Technology Center within the Proprietary Technologies Development Division. This center - the José Lladó Technological Center - is located in San Fernando de Henares and has more than 5,000 m² of space, where more than 70 professional specialists work.

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

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

The José Lladó Technology Center



R&D&I AND THE CIRCULAR ECONOMY

Phosphorus is essential for life and plays a fundamental role in ensuring food security in the world. Increased fertilizer consumption by the agricultural industry to meet the food needs of the world's growing population is pushing global demand for phosphorus to new heights.

The amount of phosphate rock reserves and resources remaining worldwide has become a subject of speculation. It has been hypothesized that phosphorus (phosphate rock) production will peak in 2033-2034 and then its production will inevitably decline as reserves are depleted. Thus, although phosphorus resources are relatively abundant worldwide and its reserves are significant, the dire consequences for global economic development associated with a potential "phosphate peak" make it necessary to work on the development of new technologies for the benefit of phosphates.

Europe lacks these resources and is entirely dependent on their import, which has led to the labeling of phosphates as a critical raw material for the European economy. It is also known that the primary production of phosphorus has a great environmental impact and that poor waste management and incorrect use of phosphorus-containing products have a direct impact on soil contamination and water quality.

For these and other reasons, the European Union (EU) is implementing new regulatory measures regarding the limits of impurities that phosphorus-based fertilizers can have, and several EU countries are legislating to make the recycling of phosphorus from secondary sources mandatory. The main way to address this situation is to manage phosphorus sustainably by reducing losses during its use cycle. Their recovery and reincorporation into the cycle reduces the need for mineral resources and avoids the detrimental effects that phosphorus accumulation causes in aquatic ecosystems and soils.

In this sense, one of the most important secondary sources of phosphorus is sewage sludge from urban wastewater treatment plants (WWTP).

Improvements in wastewater collection and treatment systems have led to an increase in annual sludge production, and it is expected that sludge production will continue to increase significantly in the European Union in the coming years. Currently, the annual production of urban sewage sludge in the European Union exceeds 10 million tons.

Current situation in the EU regarding the phosphorus industry and its relation to the PHOS4LIFE™ Project

Strategy and geopolitics

Phosphate rock is a critical raw material.

The reserves are located outside the European Union in a few countries.

High grade phosphorus minerals are running out.



Environmental aspects

The primary production of phosphorus has a high environmental impact.

95% of the phosphorus used in the EU is not reused.

Poor waste management and phosphorus products impact soil and water quality.

Regulatory Context

The EU is implementing new regulatory measures regarding the impurity limits of fertilizers.

Several EU countries are legislating to impose mandatory phosphorus recycling.

Phosphorus recovery from sewage sludge is being promoted worldwide on two complementary fronts. On the one hand, the environmental aspect, in which the aim is to increase the sustainability of the water and phosphorus cycles by mitigating the negative effect of the accumulation of this element in ecosystems. On the other hand, the macroeconomic or strategic one, in which the aim is to reduce foreign dependence on a critical raw material such as phosphorus.

In this context, PHOS4LIFE® Technology, developed by Técnicas Reunidas at its José Lladó Technological Center with the collaboration of the Swiss ZAR Foundation, was born as a technology that allows solving both the environmental problem derived from phosphorus pollution and reducing the macroeconomic or strategic problem.

➤ The technology PHOS4LIFE® is characterized by:

- A high innovative character as it is a technology capable of valorizing a waste that represents a serious environmental problem, such as urban sewage sludge, by obtaining a critical raw material such as phosphorus.
- A major impact on the sustainability management of phosphorus, a key element in the well-being of today's modern society.
- A great technological leap that has made it possible to achieve, in a system as complex as urban waste derived from human activity, the valorization of minority elements, in this case phosphorus, with a recovery of more than 80% in the form of a high value-added product such as technical grade phosphoric acid.
- This technology is more robust, versatile and flexible than other technologies under development or in the early stages of industrial implementation, as it allows working with sewage sludge ash with higher levels of impurities and greater variability in terms of phosphorus content. In addition, it is also the only technology that allows to obtain technical grade phosphoric acid (high purity acid), a product of higher added value compared to other technologies that obtain products of lower added value such as lower quality phosphoric acid or other products for use as fertilizers.
- Technology that respects the natural environment and contributes to environmental protection, sustainable development and the circular economy.
- Patents owned by Técnicas Reunidas.
- Técnicas Reunidas has exclusive exploitation rights.



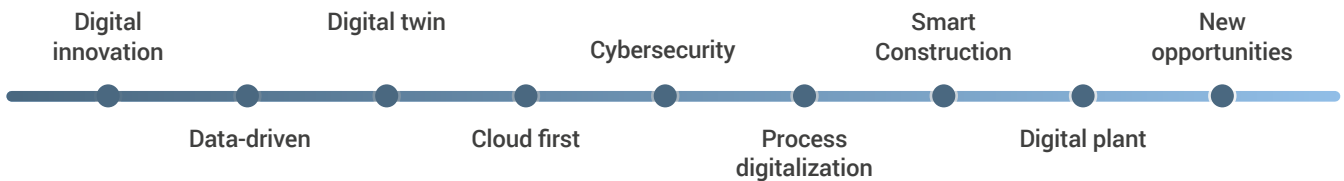
DIGITAL TRANSFORMATION

THE IMPORTANCE OF INNOVATION AND THE DIGITAL TRANSFORMATION

Técnicas Reunidas is fully aware of how important it is to implement the digital transformation plan and maintain a position of leadership in the sector. To this end, the Company is engaged in continuous efforts to promote the development of digital projects. These efforts are being undertaken collaboratively between all areas of business within the Company.

For this purpose, the Company has defined its corporate governance bodies through different committees, whose main objectives are, among others: to define the digital transformation strategy; to establish the corporate action plan; prioritization, and follow-up of use cases; to provide resources; to control budgets; and to ensure that objectives are attained. Besides, the executive bodies have also been defined, formed by the ITCS and Operations areas, to lead all the initiatives related to digitalization and new technologies, adding a corporate and cross-departmental nature to this action.

Thus, Técnicas Reunidas proposes a collaborative model to accelerate the digital transformation process structure around several transformation axes:



In 2023, the Company made solid progress on its digital transformation objectives, incorporating generative AI and creating an effective government model. The actions developed under each one of the strategic priorities are detailed below.



STRATEGIC PRIORITIES FOR INNOVATION AND DIGITAL TRANSFORMATION AT TÉCNICAS REUNIDAS GRI [3-3]

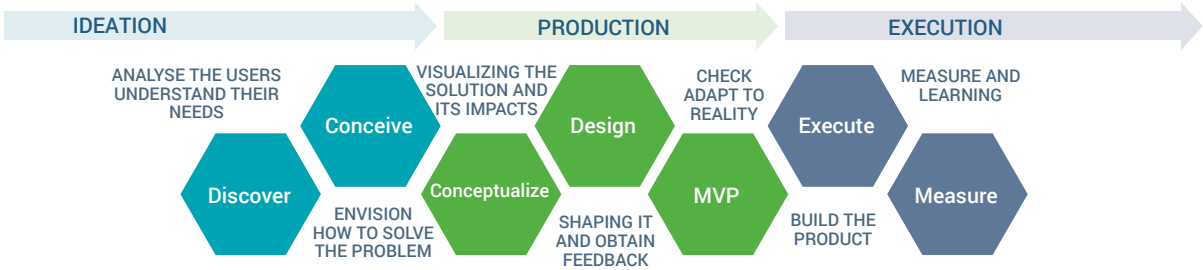
A. Digital innovation: transformation catalyst

Innovation is a strategic lever for the digital transformation of Técnicas Reunidas. It is the key to a successful improvement of our efficiency and productivity and to be more competitive, as well as to create new digital products and services that contribute to energy transition.

INNOVATION CULTURE

The Company continued to uphold its digital innovation strategy in 2023 to make it more comprehensive and inclusive, aimed at improving its efficiency and productivity, as well as responding to its client's needs with new products and services. The Company's innovation ecosystem has been strengthened, implementing a collaborative model for internal innovation, intrapreneurship, and open innovation. This ecosystem generates a constant flow of ideas and solutions to the Company's challenges. The most remarkable activities in this field are:

- Innovation methodology.** LeaDIn (Lean Development Innovation) is the name of the digital innovation methodology developed by Técnicas Reunidas that covers the life cycle of the initiative from the moment where the idea is created to its incubation, implementation, and scaling. Técnicas Reunidas' innovation methodology is inspired by Design Thinking, Lean Start-up, and Agile approaches.



- Innovation workshops.** Development of innovation workshops based on design thinking methods to identify challenges and come up with disruptive solutions within the business areas.
- Initiatives portfolio.** Identification of initiatives throughout the value chain and development of the portfolio with over more than 100 identified and evaluated use cases, ensuring a comprehensive approach to pursuit of operational excellence.
- IndesIA.** Técnicas Reunidas is a sponsoring partner of the IndesIA association, national industrial association for the promotion of data economy and artificial intelligence. The Company actively participates in the working groups of the platform to promote the use of data and artificial intelligence throughout the Spanish industries.
- Open innovation challenges with companies.** The Company has participated as a promoter in IndesIA's Datathon alongside with companies from the industrial value chain and technology partners to address complex challenges.
- Academic collaboration.** The Company collaborates with academic institutions such the Polytechnic University of Madrid and the IE Business School, promoting and mentoring the development of use cases on data and artificial intelligence.
- Digital co-innovation.** Supported by its ecosystem, the Company has continued to explore and experiment with technologies undergoing concept trials to respond to business challenges.

Co-innovation with clients and subcontractors through the implementation of new technologies

- Implementation of the digital twin tool for Qatargas with the configuration and operation of the tool provided by AVEVA AIM with customer specifications.
- Possibility to bring a multidisciplinary team to Ineos PMC to coordinate the digital twin scope to the different subcontractors involved in the project.
- Signing of an agreement with AVEVA to shift all the Company's tools to its cloud (until now only in 3D/PID and AIM) and share them with third parties at no cost. In Ceyham and Sileno access is already being given to partners.
- Analysis and implementation of virtual reality tools for AVEVA E3D projects (Sileno and Ceyham).

B. Data-driven: data, AI and governance

To be data-driven means making decisions based on quality data and in real-time. Accessing the data and using them to make more effective decisions. Técnicas Reunidas transforms data into valuable assets, using AI and advanced analytics to make informed and effective decision making. Data is at the core of its at the core of its strategies, operations and decision-making processes.

Técnicas Reunidas understands the importance of data as a strategic asset for decision-making and corporate success. The Company works on maximizing their value within the organization, ensuring their quality, and promoting the creation of use cases in all areas.

To achieve this, the components of the corporate data platform have been created and put into production, enabling more efficient and secure data management. Furthermore, a pilot project was developed with Microsoft Azure to produce executive operation reports. As a milestone in this regard, it is worth noting the development of the first use cases.

An operating model was also launched with the various business areas of the Company, which has led to greater collaboration and coordination in the use of data. A data culture has also been encouraged, which has enabled employees of the organization to understand the importance of data and their correct management.

Finally, a new corporate Data and Artificial Intelligence area was created to produce the new service model and improve the organizational model, which will lead to more efficient and strategic management of data in the Company. In short, Técnicas Reunidas has worked on improving the management of data to maximize its value and improve decision-making at the organization.

C. Cloud first

The Company continues with its Cloud strategy, which is based on several pillars or strategic lines of work and which is developed on the following points:

- Take advantage of the capabilities of market-leading hyper scalers (Microsoft Azure, Google, AWS, Oracle), obtaining multi-cloud services and avoiding lock-in with a specific provider.
- FinOps to analyze and track spending on the Azure cloud. A system that allows you to identify opportunities for cost savings and assign costs to specific equipment, projects, or products.
- Azure ARC Project: success story published by Microsoft ([Microsoft Customer Story-Técnicas Reunidas reduce costes y construye un futuro energético digital altamente seguro y sostenible con Azure Arc](#)) on the Técnicas Reunidas environment. We centralize our environment in Azure, improving security and monitoring.
- Microsoft Intune Project: consists of an Azure cloud-based service that allows you to manage the mobility and security of devices and applications that access corporate data.
- Update Management Project: a unified service in the Azure cloud that helps manage and control updates for all servers.
- Definition of a roadmap for migrating Oracle DB (database) architectures to OCI (Oracle Cloud Infrastructure).
- Committing to SaaS model solutions that include the complete infrastructure and application service.
- RISE Project to migrate the SAP platform (Systems, Applications, Products in Data Processing) to Google.
- Partnership agreements with cloud technology leaders to develop the various lines of the strategic digital plan (AI, Data Driven, etc.).

D. Cybersecurity GRI [3-3]

Cybersecurity risks continue to increase, so the Company continues to improve the security of its systems and its capacity to prevent and respond to a possible cyberattack.

Management has expressed its commitment to combating all these risks in a corporate information security policy and privacy policy aimed at the Zero Trust model and its alignment with such international standards as NIST (National Institute of Standards and Technology), CIS (Critical Security Controls), the National Security Framework and ISO 27001:2013. Furthermore, the Information Security Management System has been certified every year since 2011 according to ISO 27001.

Innovations in the information technology sector with artificial intelligence represent progress, but also a challenge for cybersecurity, where the risks, threats, and conditions of use of these emerging services have to be analyzed. Like any innovation, Técnicas Reunidas seeks its use in terms of cybersecurity and evaluating its application in threat identification processes, collection and analysis of security events, and automatic response actions to highly suspicious activity, allowing us to optimize resources and dedicate them to design and improve processes.

Additionally, a focus will be placed on data governance and security, key aspects to prevent another of the current threats faced by organizations, information leakage.

All of this is being developed in an environment that considers compliance with international security and personal data protection regulations, laws, and the specific regulations in each country where Técnicas Reunidas operates, as well as a series of strict confidentiality agreements with clients and suppliers.

In its IT area, Técnicas Reunidas has an Information Security team with more than 10 years of experience in defending information assets from the daily threats of phishing, data hijacking, and information leaks.

E. Digital twin

In line with the new digital paradigm, clients increasingly require the implementation of digital twins at their plants.

Digital twins are gradually data-fed while a project is being carried out. Eventually, the plant's digital twin is transferred to the client for them to use during the operation and maintenance of the asset.

During this period, the Company has continued to explore this constantly evolving technology through commercial digital twin platforms. It has also continued its assessment of the impact on management models and processes associated with EPC projects with a focus on Capital Asset Lifecycle Management (CALM).

Development of a digital twin pilot project.

Two tools have been identified for the development of digital twins that coincide with those most requested by our clients and working groups have been created with Engineering, Digital Transformation and IT that have conducted various tests and a pilot project.



F. Digitalization and smart construction

The Company has improved productivity significantly through the digitalization of processes and smart construction by creating solutions, as well as improving communications and global project coordination. Digitalization has become a key work area for keeping Técnicas Reunidas in a leading position in its industry.

From a global perspective, implementing digital processes improves overall project coordination. On the one hand, communication between Técnicas Reunidas and its clients, employees, and subcontractors is more efficient, and they can work faster and more productively. On the other hand, it enables real-time, secure access to project information while providing a greater analytical ability and strengthening efficient project management.

In the operations area, mobile technologies, cloud applications, and artificial intelligence technologies are providing the Company with a range of opportunities and solutions that allow it to improve project execution and establish key efficient indicators for better performance monitoring.

Furthermore, the foundations of the construction industry have not changed significantly in recent decades and Técnicas Reunidas is aware of the importance of engaging in smarter construction. Smart construction refers to the modernization of this sector through technology. Connecting the project with sensors in real time, harnessing the information from 3D models with extended reality, or applying new management models leveraged on digital technology are the basis for improving efficiency, productivity, and construction quality.

Técnicas Reunidas maximizes the advantages that digitalization brings to your business. During 2023, the company has continued to develop and implement improvements in digital solutions, and it has also launched new developments leveraged in data and artificial intelligence.



Featured case

SQMS, Site Quality Management System

An application in the Quality area to manage quality activities on a site.

It manages the definition and implementation of the quality activities plan (Inspection Test and Plans) to carry out with the various subcontractors selected for the project and with the client. The execution of these activities is recorded on the assigned QC forms, which can be filled in with a mobile device.

The main features comprise:

- Scheduling of testing and inspection (tasks).
- Management of test packages.
- Planning inspection requests (RFI).
- Execution of inspection and RFI closing process.
- Automation of tasks based on closed RFI.
- Reports.
- Integration with AI model for automatic detection of Punch Lists and QC Form.





Featured case

RXana, analysis of X-ray images with artificial intelligence

In industrial projects, the analysis of welding X-ray images is a critical and necessary process carried out by highly qualified personnel. Any delays or errors in the detection of defects may entail major consequences in the projects. Because of this, Técnicas Reunidas is developing an artificial intelligence model to help experts detect faults.

RXana is an application that can be used to upload X-ray images. The application then predicts possible defects and shows the results graphically so the expert can approve this prediction. In addition, it also provides certain tools to improve process productivity.

The first model has entered production now and it will be re-trained to improve the accuracy of predictions, which currently stands at the 70% ratio of success.

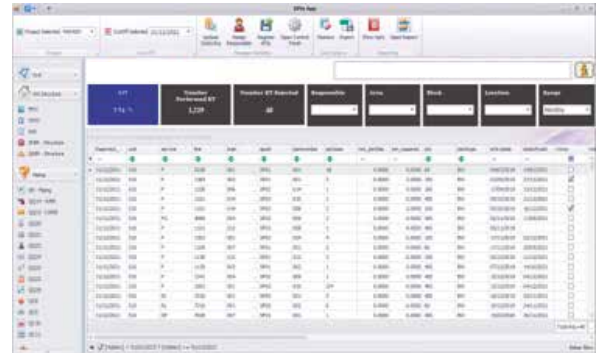


Featured case

KPI App

KPI App is a tool that can be used to gather information from different data sources and consolidate it in order to generate a history which can then undergo a performance, trend, and forecast analysis, as well as create reports:

- **Data collection and storage:** one of its features is automated data collection, calculation, storage, and traceability, and BI analysis of the data.
- **Cross-departmental work methodology:** establishes a unique and cross-departmental methodology to measure performance indicators for all the areas and phases of an EPC project.
- **Analysis and reporting:** the tool can be used to calculate, issue reports, and store KPIs by project.





Featured case

Automatic detection of symbols in process diagrams

Técnicas Reunidas receives a lot of documentation from third parties. Particularly, the process and instrument diagrams require a lot of effort before being used by the engineering systems of the Company. It has been identified that automating the recognition of symbols in process diagrams improves the efficiency of the process significantly.

To address this challenge, the Company has developed an artificial intelligence model capable of recognizing symbols in the same way a technician would and add them to an inventory for future processing.

The proofs of concept have already been completed and the conclusion is that scaling up this model would be feasible.

It has been trained with the most commonly used symbols and to recognize the lines. To incorporate automation with RPA technology for final upload to SPPID.

The development has already been proven on a real project with a 30% effort optimization in the overall P&IDs upload tasks.

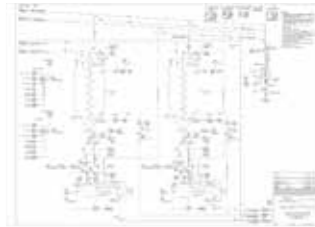
Identification and counting of instruments and signals in P&ID

Focusing on the use case for instrumentation and signals in control systems, using artificial intelligence has successfully undertaken Instrument Indices, instrument lists, instrument and signal MTO automatically, automating the following processes:

- Review of P&IDs
- Creation of Instrument Index.
- Creation of Instrument List.
- Creation of IO list.
- Creation of instrument/signal MTO.
- Comparison of different P&ID reviews (detection of added/deleted tags).
- Analysis of coherence between DB and P&IDs for HW and SW freeze, FAT, iFAT, SAT.

The advantages provided by this tool to the Company are:

- Increased speed from the Instrumentation department in the various stages (offer, FEED, EPC, etc.) and activities (RFI, signal counting, etc.).



Instrument	Signal	Tag	Description	Unit	Location	Notes
AI-101	AI-101	AI-101	Temperature	°C	Process	
AI-102	AI-102	AI-102	Temperature	°C	Process	
AI-103	AI-103	AI-103	Temperature	°C	Process	
AI-104	AI-104	AI-104	Temperature	°C	Process	
AI-105	AI-105	AI-105	Temperature	°C	Process	
AI-106	AI-106	AI-106	Temperature	°C	Process	
AI-107	AI-107	AI-107	Temperature	°C	Process	
AI-108	AI-108	AI-108	Temperature	°C	Process	
AI-109	AI-109	AI-109	Temperature	°C	Process	
AI-110	AI-110	AI-110	Temperature	°C	Process	

- Reduced change orders to direct suppliers (instruments, control systems) and indirect suppliers (cables, trays, etc.).
- Reduced delays, reworks, and repurchases.
- More time allocated to tasks of value.

The three use cases identified are:

Offers and FEED without Instrument Index or MTO (instruments and signals):

It will help to:

- Create the first Instrument Index, Instrument List, I/O list, MTOs.
- Quickly get to know the order of magnitude of the Offer/FEED.

Offers and FEED with Instrument Index and MTO (instruments and signals):

- It will help to validate the Instrument Index, Instrument List, I/O list, MTOs received.

EPC:

- It will help to identify:
 - Changes to tags and signals in various versions of P&ID.
 - Inconsistencies between DB and P&ID.
- It will help to validate on date from HW and SW freeze, FAT, iFAT, SAT that at least the tags and signals included in P&ID are uploaded to SPI.





Featured case

TRIA, Técnicas Reunidas' Artificial Intelligence

Técnicas Reunidas is working on the creation of TRIA, a digital human that is the core of Artificial Intelligence that helps control projects based on Industry 5.0 concepts. TRIA is therefore a virtual assistant (AI with a human appearance expressly developed using knowledge from the Company) and a central hub (a nerve center used to access all the apps developed by Técnicas Reunidas).

TRIA provides access to Company information instantly, boosting efficiency, offering help 24/7 to all employees regardless of their position or location, and supporting decision-making processes.

The main duties of TRIA are accelerating repetitive tasks and decreasing the cost of projects, conducting mass-analysis of projects using natural language. TRIA has evolved to an almost human-like appearance to make its interactions with people smoother.

Processes, such as voice recognition, text-to-voice conversion, forecasts, classification, anomalies detection, translation, and the analysis of text (including contracts, correspondence, lessons learned, and Golden Rules), are centralized in a hub that manages a project intuitively and with an instant search feature. TRIA learns from the Company's information and evolves as it uses it.

If a user issues a verbal or written question, TRIA understands it, analyzes the context, and provides results.

Its main duty is to be cooperative. Maintaining good interdisciplinary communication is key to a successful project.

List of TRIA functionalities:

1. Neural searches using NLP:

- Procedures, charts, or project schedules, simplifying access to key information, enabling specific documents to be found quickly and accurately, and helping to manage schedules and provide information on project status.
- TRpedia, TR Employees, or any other type of documents, making the search and learning of Técnicas Reunidas-related concepts and terms easier, recovering profiles, skills, and experiences from professionals, and processing a wide range of documents, from legal and quality to contracts and projects.

2. Generative AI:

- Allows to create, rewrite, suggest and explain texts in a variety of contexts, such as letters, e-mails, presentations, etc.
- Programming languages. This enables code to be generated in various programming languages, including Python, SQL, HTML, and others.
- Pictures, audio, video, and voice: TRIA can create and describe pictures, and generate high-quality audio, and personalized videos based on synthesized text and voice with different tones and styles.

3. Additional functionalities:

- Transcribe audio or video files to text, summarize documents, or extract keywords.
- Generate questions based on a text or specific topic, translate texts, and convert text to synthetic voice and voice to text.
- Rewrite, suggest, explain, describe, and clarify content, search using advanced NLP techniques and correct grammar.

4. Forms of communication:

- Keyboard, voice instructions, or attached text, audio, image, and video files.

5. Connections to corporate applications:

- TRIA integrates with various corporate applications, which enables data transfer and synchronization with the existing systems and improved efficiency and consistency in corporate management.





Featured case

CML Placement

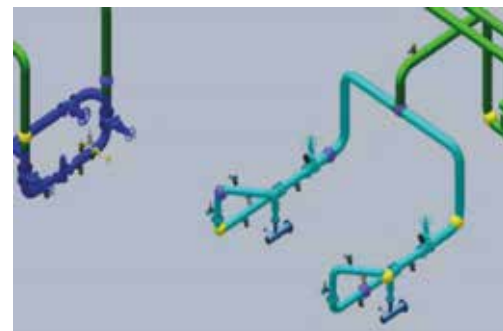
Automatic Positioning of CMLs in S3D

Developed by the Engineering Systems Department for the Metallurgy Department, it allows automatically assigning the thickness measurement points (CML) in the piping elements of all the corrosion circuits of a project. The utility has been developed on Smartplant 3D and positions the corrosion measurement points on the 3D model. This utility saves approximately 70% of the total OSI hours.

The main functionalities of the application are:

- It designs the CMLs in 3D using control points and distributes them evenly within the circuit so that they cover as many types of elements as possible.
 - It takes into account whether an element is accessible or not depending on whether it falls inside or outside a set of previously defined accessibility volumes.
 - Locate parallel systems within each circuit recursively.
 - Locate the assemblies within each circuit by looking for each of its parts.
 - It locates the by-passes within each circuit starting from the control valve and recursively searches for the shortest closed circuit that meets certain criteria.
 - Classifies parts into big bore piping (BBP), primary small-bore piping (pSBP), and secondary small-bore piping (sSBP).
 - Order each of the parts taking into account the flow direction globally in the circuit. The numbering of the CMLs is according to the flow direction of the piperuns.
 - Locate standpipes and deadlegs by looking for their parts and their connectivity to each other.
- Locate the branches to be discarded and branches for which it is not necessary to define the flow direction.
 - Removes the old CMLs, draws the new ones in 3D with their properties, and fills properties in the parts to classify them.

It classifies each part of the circuit in 3D by color coding to identify if they are BBP/pSBP/sSBP, if they are open/closed valves, parallel systems, by-pass, standpipes, assemblies, deadlegs, branches to be discarded.





Featured case

Walk and Punch

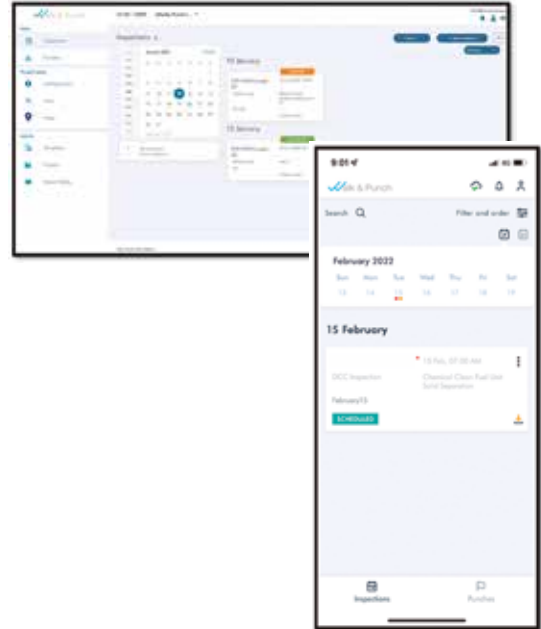
Walk and Punch is used by Técnicas Reunidas' users, as well as subcontracted staff and clients, to manage faults in the project during inspections.

It allows for planning and generation of system delivery itineraries for the client by digitalizing the elements to be checked and fault reporting using multimedia content (such as photographs with text or audio notes).

Inspections and itineraries are planned on the web application and any faults are managed from the mobile application during the inspection process itself.

Separate and configurable templates can be used to manage any faults during the entire execution of the EPC project, configuring fault transfers between phases in order to optimize traceability among different areas.

In 2023, deployment in production has been consolidated.



First TR project

where Walk & Punch mobile application has been used during an official punch walkthrough



Paperless, with tablet



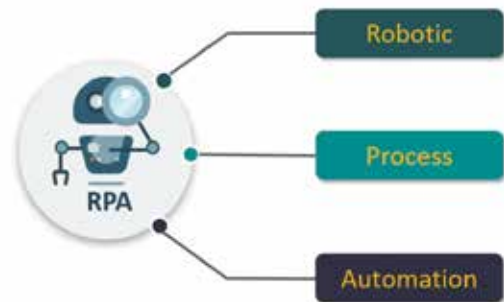


Featured case

RPA, Process hyper automation

In 2019, RPA services were identified as key elements to improve efficiency in many processes of the Company. Therefore, an agile service model has been implemented to automate processes with UiPath. The main characteristics of this service are:

- Automatization of desktop applications. The purpose of this tool is to automatize repetitive tasks and thus minimize user intervention.
- It removes the need for manual work with no added value by the employee and thus increases productivity.
- It interprets data, triggers responses, and communicates with other systems to perform repetitive tasks.



During 2023, the Company has continued to increase the number of robotic processes, with more than 6,000 hours of robots over 38 active processes in production.

The RPA initiative has continued to be consolidated, highlighting the following relevant milestones:

- Incorporation of AI (RPA+AI) implementing processes that integrate the consumption of AI algorithms into the flow for recognition of technical elements in drawings or intelligent extraction of content in documents.
- Incorporation of Microsoft technology (Power Automate with unattended RPA) that will be used in conjunction with UiPath to continue to increase robotic processes.
- Implementation of a monitoring monitor for access to users and to give visibility of the progress of the process that have submitted to RPA, developed with Power Platform.

In 2024, the strategic objectives will continue to be to consolidate technology and improve the time to market of the robotization and develop a dashboard with PowerBI that allows monitoring processing times and the calculation of the benefits (ROI) provided by the robot in each process.



Main digitalization projects in 2023

Besides the above, Técnicas Reunidas has continued to develop several digitalization projects and explore technologies in 2023. The following were the most important:

> Automatic validation of project cost reports, ISPR

At Técnicas Reunidas, accurate project cost tracking is essential to maintain financial integrity and transparency. Our robotic process automation (RPA) process has been refined to validate and reconcile data between SAP Project Cost Tracking Reports (ISPR). Data extraction is done through PDF reports, which are meticulously analyzed and validated using advanced artificial intelligence models.

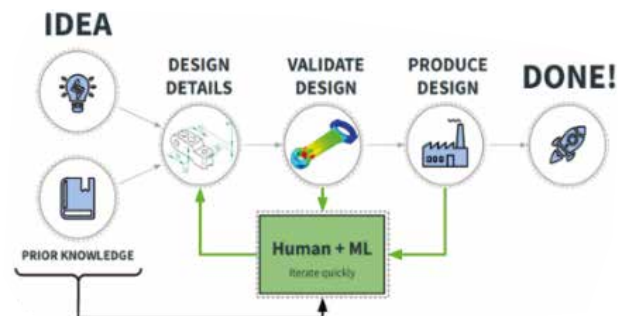
Once the validation process is completed, a detailed report is automatically generated. This report is sent to the relevant users, providing a clear view of the outcome of the validations and facilitating informed decision-making. The execution of this RPA process is carried out in the last 15 days of each quarter, ensuring a constant and timely flow of information crucial for project management. This strategic approach not only improves accuracy but also optimizes operational efficiency, freeing our teams to focus on higher value-added activities.

> Expert system engineering for heat exchangers

Técnicas Reunidas' expert artificial intelligence (AI) systems are designed for a specific purpose: to address and solve complex engineering challenges with an approach that mimics the acuity and intuition of a highly skilled engineer. These advanced systems use AI to replicate the decision-making process of an expert, thus achieving:

- Analogical troubleshooting: They address and solve problems analogous to those that arise in real projects, applying a problem-solving approach that is comparable to human reasoning.
- Uncertainty management: They operate effectively even with incomplete data or data of an ambiguous nature, approximating the way engineers use their expert judgment in situations that are not clearly defined.
- Continuous learning: They adapt and refine their knowledge as they interact with new data sets, learning and evolving to deliver ever more accurate solutions.

Throughout 2023, we have made significant progress in this area, with the development of an AI model based on neural networks. This model is specially configured to outline a broad spectrum of engineering solutions for the thermal design of heat exchangers. We are currently in the conceptualization phase of an AI simulator that will support the engineering department, marking a promising step towards the automation of the design and simulation of engineering processes.



➤ **Analytical evolution in human resources management**

In its ongoing pursuit for operational excellence, Técnicas Reunidas has enhanced its talent management through significant innovations in Business Analytics. We have developed and refined intuitive and dynamic dashboards for HR data, which not only reflect operational metrics but also define and track new business critical KPIs.

These dashboards transform the vast amount of data generated into valuable insights represented through evolutionary graphs and trend analysis. In such a manner, managers and team leaders are provided with a powerful data-driven decision-making tool that optimizes everything from workforce planning and talent retention to the effectiveness of development programs.

The evolution of these dashboards is not only a reflection of our commitment to innovation but also underlines the dedication to cultivating a work environment that promotes growth, productivity, and employee satisfaction. With these advances in Business Analytics, Técnicas Reunidas is at the forefront of strategic, data-driven human resource management.



➤ **Innovation in document management with RPA and artificial intelligence at eGESDOC**

Técnicas Reunidas has implemented a robotic process automation (RPA) with artificial intelligence capabilities within the eGESDOC system, revolutionizing the document management of our vendors. This process not only autonomously identifies the status of the vendor's documents, but also executes the relevant actions within the system, ensuring efficient and accurate management.

Artificial intelligence is in charge of analyzing and understanding the content of the documents, categorizing their status and the robotized process executes the steps to follow. This automation significantly reduces processing time, minimizes human errors, and frees teams to focus on tasks of greater strategic value.

Thanks to this advance, document management at Técnicas Reunidas has become a more agile and reliable process, improving collaboration with vendors and optimizing the operational efficiency of the supply chain. The implementation of this RPA is a clear example of how the integration of smart technologies is at the core of digital transformation strategy.

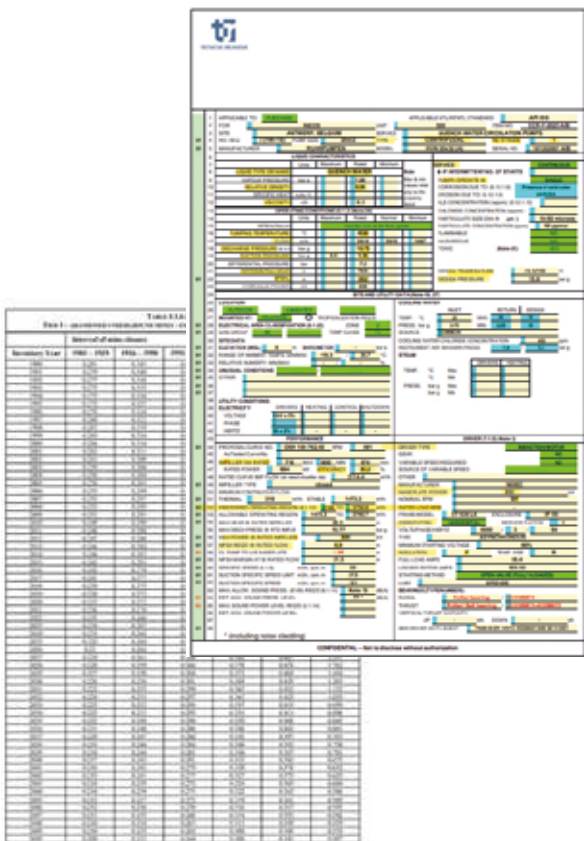


➤ Automation and intelligent extraction of engineering data

Técnicas Reunidas has set a milestone in engineering data management with the design of a standard automated process that incorporates artificial intelligence. This advanced system is specifically trained to interpret and extract information from engineering data sheets, a task that traditionally requires considerable investment of time and attention to detail.

Artificial intelligence not only identifies and extracts the relevant data with high accuracy but also transfers it to an editable format, facilitating its subsequent manipulation and analysis. This automation ensures consistency and efficiency, drastically reducing the potential for human error and streamlining the entire data-handling process.

The result is a more dynamic workflow that allows our engineers to focus on design and innovation, while AI takes care of data collection and organization. This development underscores our commitment to continuous improvement and operational excellence and is a step forward in our digitalization strategy.



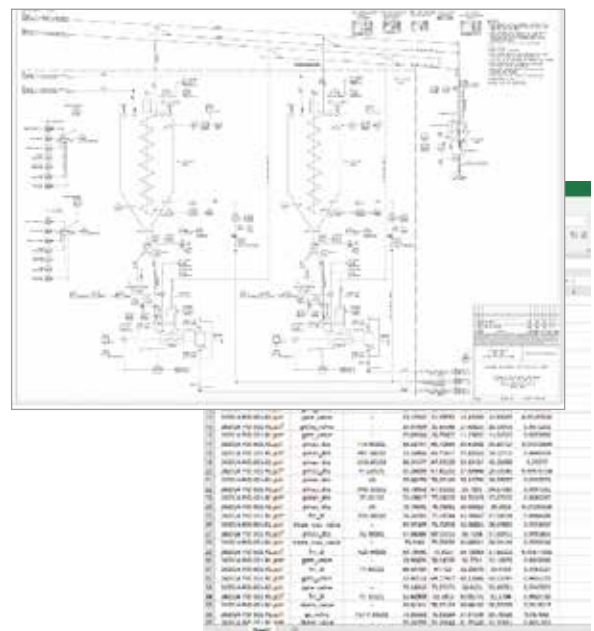
➤ Advanced automation in the creation of P&ID diagrams

During this period engineering automation was being taken to new heights with the development of a robotic process (RPA) that integrates artificial intelligence with vision modeling. This artificial intelligence technology is capable of accurately identifying and cataloging the elements of industrial process diagrams (P&IDs), transforming the way we interact with these essential documents.

Our RPA analyzes the drawings and extracts critical information, depositing the data directly into our SmartPlant P&ID (SPPID) engineering system. This integration facilitates the updating of P&IDs, significantly streamlining the design and documentation processes.

In addition, during the last period, we have taken this process a step further by incorporating the ability to recognize process lines and their relevant metadata in SPPID. This not only improves data integrity and consistency between drawings and the system but also optimizes the engineering workflow, enabling more effective analysis and planning.

The evolution of this RPA process is proof of an innovative approach and commitment to operational excellence. With these improvements, we ensure a solid foundation for accuracy in future projects and reinforce the position of Técnicas Reunidas as a leader in the implementation of advanced technological solutions in engineering.



Vendor Apps

A tool aimed at digitalizing coordination with Técnicas Reunidas' suppliers and bidders.

Main functions:

- Optimization and centralized management of actions required by vendors and licensors in projects.
- Real-time control of budget vs. actual.
- Electronic and centralized request for on-site assistance with approval flow.
- Electronic hours reports for vendors and licensors.

Main advantages:

- Information centralization, facilitating coordination between departments and accountability of the person in charge.
- Early decision-making to avoid budget slippage.
- Coordinating areas and departments to streamline assistance and thereby save costs and avoid extras.



Site Vision

Site Vision is a high-precision augmented reality system.

- Display and interact with a 3D twin model in the context of its physical environment.
- Checking for hidden flaws, prevention of safety problems, design review and logistics planning.
- Point and areas measurement tools, length measurement tools, display of equipment characteristics, underground pipe inspection.



QR Codes

Identification of QR codes for every piece of equipment on site.

- Display of related documents using augmented reality.
- Mobile application for tablets and smartphones for rapid interaction.
- Real-time display of P&IDs and datasheets.
- Find any information in the related documentation in seconds.

Neural search using AI and Natural Language Processing.



➤ Digital transformation with the Power Platform Center of Excellence

In 2023, Técnicas Reunidas has reached new horizons in digital transformation with the constitution of its Centre of Excellence (CoE) of Power Platform. This CoE has been the catalyst for a number of significant innovations that have. Improved several operational aspects, examples include:

- **MVP Communications Management in projects:** Prototyping an application to centralize and streamline the communication in projects, optimizing coordination and monitoring.
- **SharePoint Portal for Surplus Material Inventory:** Creation of a portal to efficiently manage surpluses of materials from temporary facilities, contributing to sustainability and cost reduction.
- **SharePoint Portal for HSE Activity:** A portal for comprehensive on-site safety, health and environmental management per project, ranging from observations to incidents and alerts.
- **Web Portal and Mobile APP for On-Site Events Management:** Innovation in the management of construction events, allowing notification and management of impacts, ensuring a rapid and effective response.

Each of these developments represents a step forward in the commitment to innovation and operational excellence, leveraging the versatility and power of Power Platform to overcome the challenges of today and tomorrow.

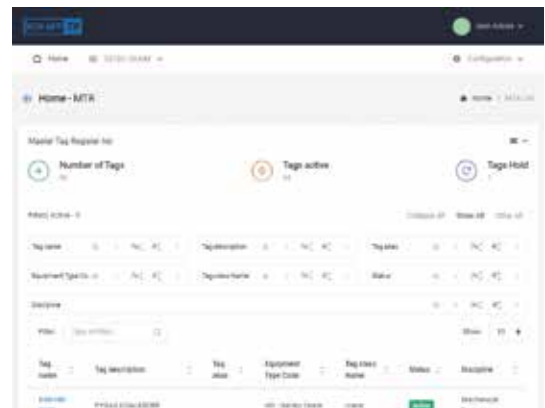
Aligned with the App4All initiative, the corporate IT area covers some developments with the same framework defined for Citizen Developers.

➤ MTRApp

MTRApp at the core of every project and with the ability to manage:

- Naming Convention specifications.
- Design application seeds (lists of permitted fluids, units of measurement, equipment classes, content of drop-down lists, etc.).
- Official Project Breakdown Structure.
- Official list of tags (Master Tag Register).
- Official list of item attributes (Master Tag Attributes).
- Official list of documents (Master Document Register).
- Tag-Tag and Tag-Doc lists.

Their main mission is to validate data quality and make it officially available to users without errors.



➤ CStM – Management Staffing System Tool

An application that enables Construction Management to manage the staff working on active projects or who have worked with Técnicas Reunidas in the past to optimize Human Resources management and their allocation to the various staffing plans for active projects.

The application manages:

- Resource dashboards with a focus on allocation and availability.
- Active and past staff master file.
- Management of staffing plans and resource requirements on projects.
- Performance review and skills required for profiles on-site.



➤ Empowerment and agility with the App4All Project: The Rise of the citizen developer

In 2023, Técnicas Reunidas adopted the concept of the citizen developer, democratizing application development with the launch of the App4All project. Following the selection of Microsoft's low-code platform, Power Platform, an integral model of governance, growth, and education has been established. This model comprises communication strategies, training programs, technical support, and incentive models, ensuring that the development of digital solutions is accessible to everyone in the Company.

The goals of App4All are clear and ambitious:

- Increase productivity: equip professionals with tools that simplify and accelerate their daily tasks.
- Drive digital innovation: foster an environment where every employee can contribute to digital transformation with their ideas.
- Reduce time to market and maintenance load: streamline solution delivery and minimize maintenance effort through standardization and simplification of development.
- Technological updating: stay at the forefront of technology by adopting the latest innovations to continually improve operations.

Within this framework, several use cases have been put into production with the business areas in 2023. This citizen developer approach not only reinforces a culture of continuous innovation but also accelerates the Company's responsiveness to market challenges, keeping Técnicas Reunidas as a leader in the digital transformation of the industry.

The first two stages were completed in 2023, and in 2024, the focus will shift to advancing the training model (Growth and Education) and Support.



Strategy and vision

Set up of roles, responsibilities and expected outcomes of adoption.



Management and Governance

Implement digital guardrails for developers to build with confidence.



Growth and Education

Accelerate the adoption with a thriving internal community.



Support

Establish a strategy for the continuous production solution and support for the developer's education.

➤ Optimization of the Management Model of Remote Work Check-Ins

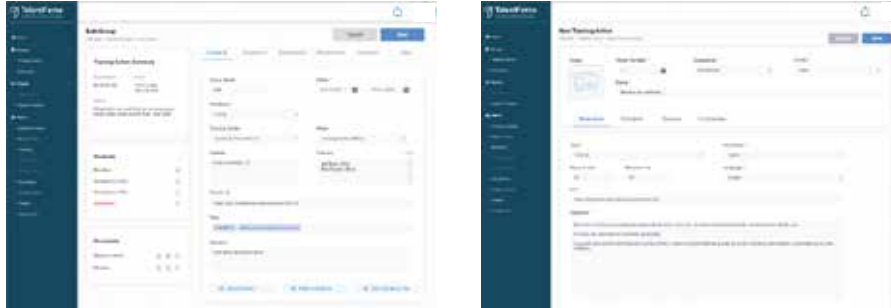
Refinement of the workday registration system adapted to the flexibility required by remote work, enhancing efficiency and transparency.

Implemented a remote work clocking system with SAP FIORI, integrated with the lathe clocking control system for the calculation of hours worked and updating of the APP for time control.



➤ **Talents Force**

Implementation of a new application for the management of training actions and training itineraries, which will initially be applied to HR branch training (operational engineering center) teams. The Ultraia portal will be replaced by the current Ultraia portal and will be scaled up to Spain in the future.



➤ **ChatGPTR, Técnicas Reunidas virtual assistant powered by OpenAI generative AI technology integrated into Microsoft Teams**

This innovative initiative by Técnicas Reunidas improves the day-to-day life of all employees through Generative Artificial Intelligence.

During 2023, a pilot project developed and tested this virtual assistant integrated into Microsoft Teams, equipped with the advanced generative AI technology from Azure OpenAI. It is designed to offer cutting-edge natural language processing capabilities through a secure channel.

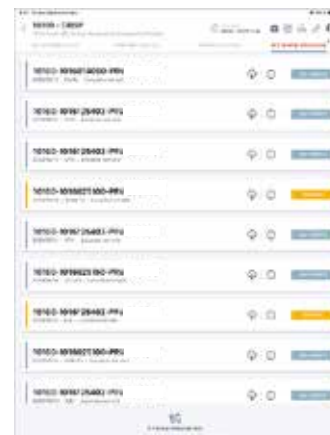
ChatGPTR offers all the Company’s employees a wide range of use cases, from assistance with programming tasks to multidisciplinary technical support, help in developing documents, emails, multilingual writing, summaries, table extraction, or video translation with voice replacement. Additionally, the assistant is trained in general knowledge of Técnicas Reunidas, which is gradually expanded, making it an even more valuable tool.



➤ **Preservation Module Development in HCS Application**

This new module is incorporated in the HCS Web application integrated with SQMS and implemented in Azure and consolidated in all new projects.

The module allows the management of the preservation task matrix and includes a mobile application for the execution of the documentation of preservation tasks from mobile devices.



G. Digital plant

Most of the Técnicas Reunidas' clients are carrying out their digital transformation at their industrial plants. The constant emergence of new technologies and the integration thereof into all areas of the production process at a plant help give the business a competitive advantage.

Clients are asking more frequently for the knowledge of Técnicas Reunidas to implement these technologies from an early stage of the project to ensure its optimal integration into their systems and processes. During 2023, we have continued to receive requests for the implementation of these technologies, in which the Company has actively participated in the preparation of the digital proposal.

Likewise, ESPINDESA, a subsidiary of the Técnicas Reunidas Group, currently offers, along with its technologies, digital developments for virtual training of operators in the operation of the plants with ESPINDESA technologies, in the so-called OTS (Operating Training Systems).

H. New opportunities

Digital transformation not only seeks increased efficiency and, by extension, reduced costs but also offers an opportunity to find new ways to provide added value to customers.

During this period, the Company has explored the creation of new recurring products and services for its clients based on new technologies. These include:

- A partnership agreement with Google to develop a methane monitoring platform as part of the new energy transition line of business.
- Collaboration with other companies on developing digital assets and work methods for the decarbonization of industrial plants.

➤ M-TRACK, methane platform

Técnicas Reunidas innovates and offers solutions to its customers for the energy transition and sustainability. During 2023 has conceptualized and begun to develop a solution for digital platform that aims to provide customers with an advanced service for monitoring and control of emissions polluting gases such as methane.

The goal is to provide clients with an innovative cloud-based digital platform that uses Google Earth Engine technology and significantly improves the value of existing solutions for controlling emissions and making decisions.

The platform's focus enables the geo-referenced information obtained from methane detection campaigns undertaken by Técnicas Reunidas at the various sites by satellite, drone, continuous local monitoring, etc. to be gathered, processed, and displayed precisely, quickly, and automatically.

Cloud capabilities enable large volumes of data to be fed in and processed in real-time from the satellites, the geo-referenced information to be displayed and trend graphs to be produced for the emissions detected at the various installations, thereby allowing data to be analyzed, and quantified and prioritized for the implementation of actions that need to be considered so the best mitigation decisions can be made.



6.4 EXCELLENCE IN ENVIRONMENTAL PERFORMANCE

All Técnicas Reunidas projects are environmentally responsible, complying with international best practices and standards in the field.

Contribution of Técnicas Reunidas to achieving the SDGs



MAIN INDICATORS¹

INDICATOR	DATA 2023 ¹	EVOLUTION 2022-2023
Energy consumption (GJ)	384,820	-12,23%
Greenhouse gas emissions - Scope 1 (tCO ₂ eq) ²	26,466.39	-13,33%
Greenhouse gas emissions - Scope 2 (tCO ₂ eq) ²	2,668.39	+160,97%
Greenhouse gas emissions - Scope 3 (tCO ₂ eq) ²	10,728.94	-59,01%
Steel consumption (t) ^{3 and 4}	40,044	- 6,09%
Copper consumption (t) ⁴	336	+29,58%
Hazardous waste generated (t) ⁵	53,566	+2.050%
Non-hazardous waste generated (t) ⁶	3,607	-78%
TEIF (Total Environmental Incident Frequency) ⁷	Target	Actual
	0.19	0.01
SSIF (Serious Spill Incident Frequency) ⁸	Target	Actual
	0.05	0
		N/A ⁹



2023 MILESTONES

- Implementation of an Integrated Management System for ISO 45001 and ISO 14001 certification.
- Detailed analysis of the projects to report on their best environmental practices and commitment to the SDGs.
- Achievement of the targets set out in the Sustainability Plan associated with environmental issues.
- Fostering the use of collaborative, digital platforms that contribute to the reduction of the carbon footprint.
- Implementation of measures to promote energy efficiency, such as the use of intelligent systems and the development of employee awareness campaigns.
- Development of a circular economy strategy within the framework of the Company's Sustainability Plan.
- Approval of an emission reduction plan for 2030 and 2040.



2024 GOALS

- Improving the energy efficiency of the head office buildings in Spain.
- Implementing new measures following the diagnosis of ESG risks within the Company.
- Executing the emissions reduction action plan.
- Continuing to optimize the implementation of the Management System for ISO 14001 certification.
- Continuing to develop a circular economy strategy within the framework of the Company's Sustainability Policy.

¹ The figures for energy consumption, scopes 1, 2 and 3, and waste generated are the actual data from January to September and an estimate for the last three months of the year. This estimate has been made by projecting the monthly average from January to September.

² The main sources of greenhouse gases associated with Técnicas Reunidas activities are the consumption of fossil fuels by the Company's vehicle fleet and facilities (scope 1), electricity consumption at these facilities and offices (scope 2) and emissions caused by business travel (scope 3).

³ Includes consumption of structural steel, carbon steel, alloy steel and stainless steel in pipes and sheets.

⁴ Steel and copper are purchased in large quantities at specific times, so sometimes there is no need to purchase more for at least a year. This is therefore a cyclical variation.

⁵ The increase in hazardous waste is mainly due to an operation carried out in one of the TR projects for which chemical waters were used (53,537.39 t), which represents 99.95% of the total hazardous waste generated.

⁶ The reduction in non-hazardous waste is mainly due to the degree of progress of many projects with respect to the previous year.

⁷ The index is calculated as TEIF = (number of environmental incidents × 200,000) / Hours worked. Spillage equal to or greater than 20 liters with the potential to contaminate soil or water.

⁸ The index is calculated as SSIF = (Number of serious spill incidents × 200,000) / Hours worked. Its variation is not applicable due to a change in the measurement criteria.

⁹ The reduction % is not indicated given the change in criteria, since 2 categories of spills were included in 2022 and 2021 and 3 categories in 2023.

ENVIRONMENTAL MANAGEMENT APPROACH

For Técnicas Reunidas, environmental management is a priority that is part of the Company's strategy and covers internal operations as well as the activities carried out in its value chain with environmental requirements established for all of its facilities and projects based on the corporate policy in this area.

The Company is mainly exposed to risks associated with the transition to a low-emission economy; particularly, those deriving from regulatory developments that may have an impact on various clients. An ever more demanding regulatory environment that may cause a reputational risk linked to changing perceptions among clients or society. Along these lines, the ESG risk assessment revealed that, as concerns the environment, the most relevant risk is compliance with the European Union plan for absolute decarbonization by 2050. Another risk to be considered is the introduction of new taxes that may cause an increase in energy prices.

In addition, the Company is also exposed to physical risks where its projects are developed. To this end, the geographic location of some of its clients in areas with extreme temperatures (i.e., the Middle East and Canada) is worth mentioning as it sometimes requires changes to the working conditions during the execution phase. Together with the foregoing, the increase in extreme weather phenomena such as the rising sea level, the torrential rains, or the water stress situation in some regions where the Company conducts its activities may also have an impact on its projects.

There are several opportunities linked to the environment. Técnicas Reunidas is well-positioned thanks to its leadership as concerns climate change, the diversification of its activities, and its adaptation to new trends. The Company develops systems and services to obtain safe, sustainable, and efficient energy complying with the most modern of environmental technical specifications. All Técnicas Reunidas projects are focused on reducing CO₂ emissions and improving the waste management system, betting on the circular economy.

The diversification of the Company's activities is focused on the client, seeking to improve their facilities environmentally to reduce greenhouse gas emissions. To do so, Técnicas Reunidas has already implemented methodologies that ensure the monitoring and verification of environmental information. All of this allows the Company to benefit from

the opportunities that will arise from increased regulatory pressure in this area, as it has the proper technology and solutions to enable its clients to meet growing environmental requirements. To this end, through its in-house Technology Development Division, Técnicas Reunidas has achieved excellent results in 2023 in the use of European Recovery Plan (Next Generation EU) funds¹⁰.

Técnicas Reunidas has an Environmental Management System (EMS), implemented, and externally certified in accordance with the ISO 14001 standard for all Group companies.

During 2023, the Company carried out a series of audits aimed at improving processes and ensuring compliance with the objectives of its Environmental Management System. As the latter is integrated with the Occupational Health and Safety Management System¹¹, the audits are carried out jointly on both. In particular:

- 12 integrated internal corporate audits were carried out during the engineering phase of the projects and 26 integrated internal corporate audits were conducted during the project construction phase (5 of them in the commissioning or pre-commissioning phase).
- Engineering: 18 internal technical audits were conducted to ensure the correct implementation of corporate processes and procedures (CRM - Corporate Requirements Monitoring) during the project engineering phase.

The Company's commitment to the fight against climate change is set forth in its Sustainability Plan and Policy. In this sense, 2023 is highlighted by the validation by SBTi (Science Based Target initiative) of the emissions reduction objectives of Técnicas Reunidas. The aim of this initiative is to help implement strategies against climate change based on science to reduce greenhouse gas emissions.

On the other hand, the Company continues working in 2023 on the application of a circular economy strategy. To do so, a multidisciplinary work group was created to lead and supervise the implementation thereof in its projects.

¹⁰ For more information, please see chapter 6.3 Innovation and digital transformation.

¹¹ For more information on the audits carried out on the Occupational Health and Safety Management System, see chapter 6.5. Occupational health and safety.

In 2023 Técnicas Reunidas submitted its emissions reduction plan and goals to SBTi for approval. The approval was received in January 2024.







Técnicas Reunidas is highly aware of the potential impacts climate change may have on its activities, having developed a climate risk and opportunities matrix with the corresponding adaptation plan and transparently reporting on its climate change performance through initiatives such as the Carbon Disclosure Project (CDP) in which it has been participating for several years now.

In this context, the Company is subject to Law 7/2021, of 20 May, on climate change and the energy transition through which Spain aims to reach greenhouse gas emissions neutrality by 2050. Moreover, the entry into force (transposition) of the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 is expected, which will strengthen the processes implemented within companies. This regulation requires that companies establish

identification, prevention, and remediation processes for adverse impacts on human rights and the environment which may be caused by the company itself, subsidiaries and by entities that are a part of their supply chain.

In line with the Company's sustainability strategy, it joined the Spanish Group for Green Growth (GECV, as it is known by its Spanish acronym) in 2021. The aim of this business association is to promote public-private collaboration to overcome environmental challenges and foster a sustainable, circular, and efficient economy. Through its participation, Técnicas Reunidas helps generate and disseminate the knowledge needed for sustainable development and to achieve a low-carbon economy. Throughout 2023, it has collaborated in various campaigns related to climate change and the energy transition and has participated in several working groups.

TÉCNICAS REUNIDAS APPROACH TO ENVIRONMENTAL MANAGEMENT

<p>Including effectively environmental aspects into the Strategic Plan and in all activities.</p> 	<p>Establishing environmental targets and periodically revising them.</p> 	<p>Meeting client requirements and complying with current legislation and applicable codes and standards</p> 
<p>Creating appropriate and effective communication channels with employees and stakeholders.</p> 	<p>Providing appropriate continuous training in environmental issues for employees and collaborators.</p> 	<p>Establishing monitoring channels that facilitate continuous improvement in efficient energy use, environmental protection and the prevention of pollution.</p> 

ENVIRONMENTAL MANAGEMENT IN THE VALUE CHAIN

The Environmental Management System (EMS), integrated together with the Occupational Health and Safety Management System, is described in the environmental management manuals and supporting procedures, available to all employees through the Company's corporate intranet. To this end, Técnicas Reunidas has a Quality, Health, Safety and Environment Policy which sets forth the Company's priority interests and commitments in these fields. The EMS is also aligned with the United Nations Global Compact Principles and the SDG.

In addition, for projects requiring such, specific environmental management procedures and plans are developed in accordance with contractual and financing commitments, as well as corporate manuals and procedures.

Técnicas Reunidas has also implemented methodologies to ensure, starting from the bid phase, the identification, monitoring, and verification of the different environmental aspects to guarantee compliance with the requirements and identification of environmental risks and opportunities. This identification is part EMS, and it is carried out for each action the Company undertakes, in both projects and offices, where regular updating and monitoring workshops are held.

Técnicas Reunidas' EMS applies not only to its own facilities but extends to cover the scope of all projects to ensure compliance with applicable environmental laws, contractually established requirements, and other sustainability criteria when requested by the client.

This methodology is implemented in 100% of the Company's projects. It is based on an Environmental Log compiled to enable monitoring and verification of compliance in these matters. Throughout the engineering and procurement phase, and on an ongoing basis, compliance with environmental aspects is monitored by the HSE (Health, Safety & Environment) Department for each project. Subsequently, this monitoring becomes the responsibility of the HSE team on site.

Técnicas Reunidas performs the following types of audits by the Environmental Management System:

- Internal audits:
 - For FEEDs: one internal audit at 50% progress.
 - Engineering and Procurement phase: Internal audits at 40% and 70% of project progress. For energy division projects only, a single audit is conducted at 50% of engineering progress.
 - Construction phase: Periodic internal audits, and two annual follow-up audits for the rest of the projects (a joint HSE and commissioning audit will be scheduled in the pre-commissioning phase).
- Integrated external audit of the Management Systems through an accredited external certifier.

ENVIRONMENTAL MANAGEMENT SYSTEM IN THE VALUE CHAIN



Projects

- Environmental requirements for project implementation.
- Environmental criteria in plant design and new technologies.



Offices

- Environmental management at the Company facilities, focusing on key environmental aspects (energy, emissions, materials and waste).



Suppliers and subcontractors

- Inclusion of environmental criteria when selecting suppliers and sub-contractors.

¹² This Policy is available at <https://www.tecnicasreunidas.es/sustainability/certificates-and-documents/>.

¹³ A database including all environmental requirements of projects.

ENVIRONMENTAL MANAGEMENT AT THE COMPANY'S OFFICES GRI [3-3]

Técnicas Reunidas identifies and manages environmental aspects arising directly from the activities carried out in the Company's own facilities through its EMS. Once identified, a series of mitigation actions are initiated in addition to setting targets and monitoring the situation using a dashboard.

Throughout 2023, the Company has continued developing the initiatives previously implemented and making improvements:

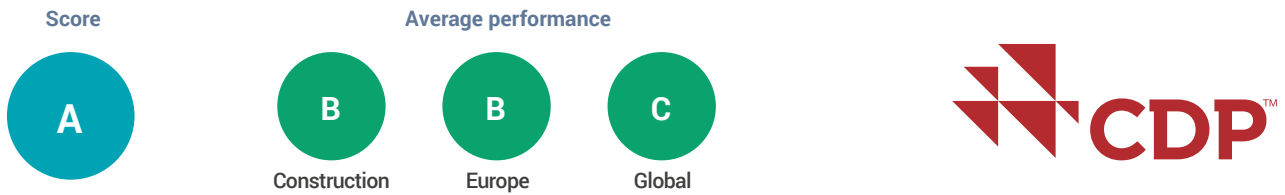
- In relation to the energy efficiency measures within the framework of Royal Decree 56/2026, the Company has changed the luminaires for LED lights, incorporated twilight lighting detectors and optimized the contracted power with respect to that consumed. In addition, the reduction in electricity consumption is being monitored due to the installation of solar panels in the Gorbea Building in 2022 and 2023.
- As part of its Sustainable Mobility Plan and in collaboration with the Adequa management entity, Técnicas Reunidas has maintained its employees' shuttle service between its offices and the city of Madrid. It also began a carsharing system to reduce traffic, pollution and CO₂ emissions. With this same objective, bike parking areas have been set up in all corporate buildings as well as smart lockers to store and charge batteries for electric personal mobility vehicles.
- Of the measures adopted by the Company to facilitate work/family balance, two days of remote working are maintained. This action reduces fuel consumption and the Company's carbon footprint.
- The use of collaborative and digital platforms continues in the processes, for example, in the collection of data on site/project to record observations.
- The following circular economy actions have been taken:
 - Awareness campaigns in the Madrid offices: domestic waste segregation and recycling campaign for employees, campaign on minimizing the use of paper and implementation of the paperless culture among employees, clients, suppliers and contractors, and energy saving campaign for employees.
 - Celebration of international and world days related to the environment: Earth Day (April 22nd), World Recycling Day (May 17th), World Environment Day (June 5th), Oceans Day (June 8th) and World Car-Free Day (September 22nd).
 - Plastic cap recycling initiative in collaboration with the SEUR Foundation. Thus, employees are not only helping to protect the environment but also collaborating with the social cause "Caps for a New Life" with this organization. In 2023, 750 kg of plastic caps were collected, which accounts for the prevention of 1,125 t of CO₂eq.
 - Collaboration with the bottled water supplier AUARA, which supplies 100% recycled plastic bottles for a social purpose, facilitating access to drinking water around the world, and providing containers for later re-use. 20,988 bottles were recycled in 2023, thus preventing 636 kilos of waste.
 - A bin managed by Caritas has been placed outside the Madrid offices for clothing and footwear donations.
 - Growing and caring for the Adequa inclusive urban garden as part of an initiative carried out by Técnicas Reunidas in collaboration with Merlin Properties and the Juan XXIII Foundation. The Foundation staff is responsible for maintenance and operation, and the employees of Técnicas Reunidas participate in the gardening and harvesting work in addition to receiving theory and practical training on how it works and the biodiversity included.



➤ **Técnicas Reunidas participation in the Carbon Disclosure Project (CDP)**

The Company improved its rating for the 2023 edition, earning an A in the Climate Change category. This is the highest score within the sector, and it positions Técnicas Reunidas among the leading companies in the world as concerns climate change. The Company positively stands out in 7 out of the 11 factors analyzed: scope 1, 2 and 3 emissions, as well as emissions reduction, strategy, scenario planning and analysis, governance, risk management, value chain and disclosure.

CDP score and sector comparison



ENVIRONMENTAL MANAGEMENT IN PROJECTS GRI [3-3]

Técnicas Reunidas carries out many actions to ensure that all projects and construction work are executed according to environmental criteria. To achieve this, in addition to ensuring compliance with applicable laws and contractual requirements, the Company makes a significant effort to improve environmental awareness among employees and subcontractors..

EMS implementation in projects

The Técnicas Reunidas EMS is adapted to each activity and project executed by the Company to ensure proper identification and compliance with environmental requirements.

1. IDENTIFICATION OF PROJECT REQUIREMENTS	2. MONITORING PLANS	3. COMPLIANCE AUDITS
<p>Identify environmental requirements applicable to each project based on:</p> <ul style="list-style-type: none"> Type of project (conceptual, FEED, EPC). Country of execution. Client. Contract. Environmental and social impact assessment studies. Applicable environmental laws and permits. Client specifications. Other aspects. 	<p>Develop specific plans to ensure the inclusion and monitoring of environmental requirements:</p> <ul style="list-style-type: none"> Engineering and Procurement phase: <ul style="list-style-type: none"> Environmental management plan for the engineering and procurement phase. Compile the Environmental Log for each project, including all mandatory environmental requirements to be considered in the plant design. Construction phase: <ul style="list-style-type: none"> Environmental management plan for the construction phase. Environmental emergency plan. Waste management plan. 	<p>Periodic audits to ensure compliance with established procedures:</p> <ul style="list-style-type: none"> Internal audits: <ul style="list-style-type: none"> For FEEDs: one internal audit at 50% progress. Engineering and Procurement phase: internal audits at 40% and 70% of project progress. For energy division projects only, a single audit is conducted at 50% of engineering progress. Construction phase: periodic internal audits and two annual follow-up audits for the rest of the projects (a joint HSE and commissioning audit is scheduled in the pre-commissioning phase). System external audit by an accredited external certifier.

For all sites, Técnicas Reunidas appoints at least one environmental specialist in charge of ensuring that they are executed according to the standards included in the environmental management plans. These plans are designed specifically for each project and set out all the environmental actions and measures required to be carried out by Técnicas Reunidas and its subcontractors, such as:

- Environmental inspections to monitor the implementation of required actions by subcontractors.
- Monitoring of dust, noise, emissions, water, biodiversity, and other environmental aspects.
- Specific environmental meetings which monitor and plan the actions required to control environmental impacts.
- Reporting, investigation, and follow-up of environmental incidents.

- Specific monitoring reports for recording and distribution to stakeholders.
- Preparation and response to environmental emergencies, carrying out drills to contain spills, leaks, fires and setting up a specialized team to act in case of environmental emergency.
- Environmental training and awareness: sessions on waste management, spill prevention, on-site materials reuse, among others.

➤ Functions of the on-site environmental specialist

- a. Implementing the Environmental Management Plan with the support of the project manager and head of health and safety.
- b. Reporting the degree of compliance with environmental standards and plans.
- c. Ensuring that subcontractors carry out the measures set out in the Plan.
- d. Preparing environmental awareness training and campaigns and ensuring that they are carried out.
- e. Evaluating new environmental risks that may arise during the execution of the work, which are not covered in the Environmental Management Plan in addition to implementing prevention and follow-up measures.
- f. Investigating and reporting any environmental incidents that occur.



ENVIRONMENTAL CRITERIA IN PLANT DESIGN AND NEW TECHNOLOGIES

The Company has developed an ambitious Action Plan to reduce emissions at the plants it designs and which helps its clients with the transition to a low-carbon economy and decarbonization.

Técnicas Reunidas makes these actions compatible with other measures it adopts in its projects to help clients improve their environmental indicators:

- Preliminary analysis of the environmental impact of the project in the bidding phase to identify the necessary measures during pre-execution phases to avoid, prevent or mitigate potential environmental impacts.
- Sustainable plant design that allows clients to comply with their decarbonization plans and goals.
- Designating an HSE engineer in charge of environmental aspects as part of the project team during both the engineering and construction phases.
- Real-time monitoring of the environmental indicators of each project to avoid deviations.
- Making the Company's capabilities and experience available to clients, including performance criteria and environmental consultancy in project design.

ENVIRONMENTAL REQUIREMENTS FOR SUPPLIERS AND SUBCONTRACTORS [308-2]

Técnicas Reunidas extends its commitment to the environment to its supply chain, as it requires its suppliers and subcontractors to comply with environmental requirements¹⁴.

During the approval and pre-qualification process, suppliers are asked to provide information about sustainability, including their carbon footprint, initiatives, certifications, and reporting and qualifications from ESG analysts. This information affects the supplier's final rating and is subsequently used to make decisions regarding the awarding of contracts or orders.

As a target for 2024, an online access tool will be implemented on the e-Supplier platform so that suppliers of Técnicas Reunidas could enroll to the following program with four modules (available in Spanish, English and Portuguese):

- General aspects of sustainability.
- Sustainable Development Goals.
- Ten Principles of the Global Compact.
- Internationalization of the company, incentives, and reporting in the field of sustainability.

ENVIRONMENTAL PERFORMANCE

Técnicas Reunidas monitors its environmental performance in detail using specific indicators aligned with material aspects such as the reduction of carbon emissions, waste management and energy efficiency.

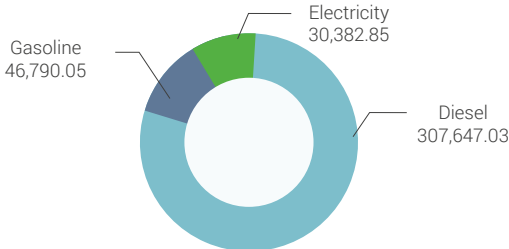
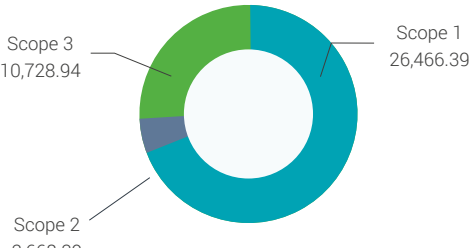
The Company uses a data collection tool for this monitoring that ensures traceability from the source. This tool is used across construction areas to collect safety and environmental data.

In recent years, the Company has made a significant effort to broaden the scope of activities it monitors.

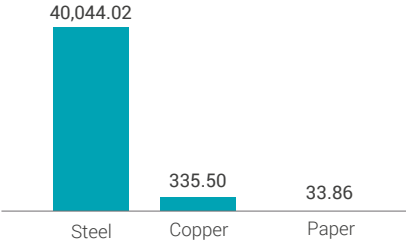
It is important to note that, depending on the number of active projects and its degree of progress, these ratios may vary significantly from year to year. The scope and complexity of the projects carried out by the Company must be taken into account, with different phases in which the intensity of work, the level of supplies and the professionals involved in their development vary significantly.

Monitoring and analyzing all this information allow Técnicas Reunidas to design improvement and action plans to increase its environmental performance.

¹⁴ For more information on supply chain environment requirements, see the chapter 6.6 Efficient supply chain management.

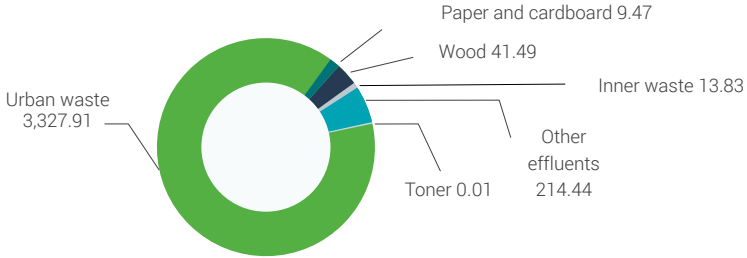
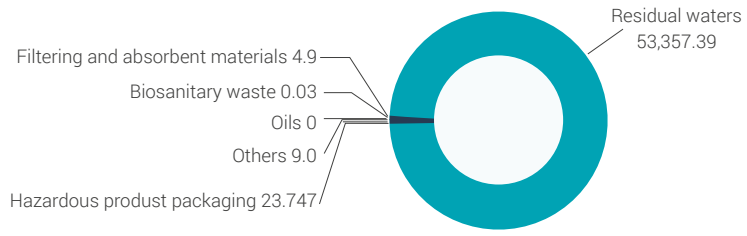
ASPECT	2023 TARGETS AND INDICATORS ¹⁵	LINES OF ACTION AND MILESTONES								
<p>ENERGY CONSUMPTION</p> <p>GRI [302-1]; [302-3]</p>	<p>Evolution: The Company reduced its energy consumption by 12% in 2023 with respect to 2022. This reduction is due to the degree of progress or completion of some projects where more or less consumption of fuel is generated based on the needs, as well as to the reduction of electricity consumption at offices in Spain (where most of the electrical consumption is concentrated) thanks to the space optimization and the energy efficiency measures implemented in the offices.</p> <p>Energy consumption (GJ) in 2023*</p>  <table border="1"> <caption>Energy consumption (GJ) in 2023*</caption> <thead> <tr> <th>Category</th> <th>Value (GJ)</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>307,647.03</td> </tr> <tr> <td>Gasoline</td> <td>46,790.05</td> </tr> <tr> <td>Electricity</td> <td>30,382.85</td> </tr> </tbody> </table> <p>Energy consumption: 384,819.93 GJ. Energy consumption intensity: 93.06 GJ/million Euros revenue.</p> <p>* The fuel consumption figure for the last three months is an estimate. For fuel, the estimate consisted of a projection of the months from October to December based on the average fuel consumed in the first nine months. For electricity, however, since consumption is mainly in offices and depends primarily on the time of year, the last three months are an estimate based on consumption recorded from October to December 2022.</p> <p>Renewable energy supply is implemented in all offices in Spain: Adequa (Buildings 3, 5 and 6), Gorbea Building, Research and Development Technology Center, and the office in Cartagena. In 2023, renewable energy consumption was 15,471.39 GJ.</p>	Category	Value (GJ)	Diesel	307,647.03	Gasoline	46,790.05	Electricity	30,382.85	<ul style="list-style-type: none"> • Development of energy efficiency plans. • In-person and virtual awareness campaigns. • The promotion of climate change transparency through initiatives such as CDP.
Category	Value (GJ)									
Diesel	307,647.03									
Gasoline	46,790.05									
Electricity	30,382.85									
<p>EMISSIONS</p> <p>GRI [305-1]; [305-2]; [305-3]; [305-4]</p>	<p>Target: Reduction of emissions by 46.2% for the period 2019-2030 as concerns scopes 1, 2 and 3 (4.2% for each year with respect to the base year of 2019) and carbon neutrality by 2040.</p> <p>Evolution: Técnicas Reunidas' greenhouse gas emissions (scopes 1, 2 and 3) have dropped by 30.95% in comparison with 2022.</p> <ul style="list-style-type: none"> • Scope 1: emissions have decreased by around 13% compared to 2022, due to the lower fuel consumption as a result of slowdowns or completion of certain projects, among other reasons. . • Scope 2: there was an increase of 161% compared to 2022 due to the opening of new subsidiaries abroad where the consumption of electricity is not linked to any guarantee of origin certificate. Since 2019, all Técnicas Reunidas offices in Spain have been consuming energy exclusively from 100% renewable sources (with certified guarantee of origin). This consumption of renewable energy represents 51% of the total electricity consumed, thanks to which the Company has managed to avoid more than 709 tons of CO₂ equivalent in 2023. • Scope 3: there is a 59% reduction compared to 2022, due to the decrease in the number of corporate business trips during the fiscal year. <p>Greenhouse gas emissions (tCO₂ equivalent) in 2023*</p>  <table border="1"> <caption>Greenhouse gas emissions (tCO₂ equivalent) in 2023*</caption> <thead> <tr> <th>Scope</th> <th>Value (tCO₂ equivalent)</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>26,466.39</td> </tr> <tr> <td>Scope 3</td> <td>10,728.94</td> </tr> <tr> <td>Scope 2</td> <td>2,668.39</td> </tr> </tbody> </table>	Scope	Value (tCO ₂ equivalent)	Scope 1	26,466.39	Scope 3	10,728.94	Scope 2	2,668.39	<ul style="list-style-type: none"> • Commitment to the circular economy. • Implementation of electronic meeting channels. • Certification of the use of energy from renewable sources in all offices in Spain.
Scope	Value (tCO ₂ equivalent)									
Scope 1	26,466.39									
Scope 3	10,728.94									
Scope 2	2,668.39									

¹⁵ In some cases, the result of partial sums may differ slightly from the total due to rounding errors.

ASPECT	2023 TARGETS AND INDICATORS ¹⁵	LINES OF ACTION AND MILESTONES								
<p>EMISSIONS</p> <p>GRI [305-1]; [305-2]; [305-3]; [305-4]</p>	<p>Greenhouse gas emissions**: 39,863.94 tCO₂eq. Emissions intensity***: 964 tCO₂eq/million euros in revenue.</p> <p>* - For the 3 scopes, the emission figure for the last three months of the year is an estimate: - For scopes 1 and 3: the estimate consisted of a projection of the months from October to December based on the average emissions in the first nine months. - For scope 2, however, since electricity consumption is concentrated mainly in offices and depends primarily on the time of year, the last three months are an estimate based on consumption recorded from October to December 2022. Emissions net of avoidable emissions from renewable energies are indicated.</p> <p>- On the other hand, the sources used for the calculation of emissions are indicated: Scope 1 (IPCC 2006), Scope 2 (CO₂ Emissions from fuel combustion-International Energy Agency, 2023), and Scope 3 (UK Government GHG Conversion Factors for Company Reporting, 2022).</p> <p>** The calculations of scope 1 and 2 emissions considered the tons of CO₂ and tons of CO₂ eq. of CH₄ and N₂O. ***Scope 1 emissions intensity: 6.40 tCO₂eq/million euros in revenue. Scope 2 emissions intensity: 0.65 tCO₂eq/million euros in revenue. Scope 3 emissions intensity: 2.59 tCO₂eq/million euros in revenue.</p>									
<p>MATERIALS</p> <p>GRI [301-1]</p>	<p>Evolution: In 2023, steel consumption decreased by 6% compared to 2022 and copper consumption increased by 29.6% compared to 2022. Variations from year to year in these indicators are caused by a strong dependence on the degree of progress in projects, which can cause significant variations depending on stages and procurement needs.</p> <p>On the other hand, paper consumption fell by 5.3% compared to 2022.</p> <p>Material consumption (t) in 2023*</p>  <table border="1" data-bbox="555 1084 962 1323"> <thead> <tr> <th>Material</th> <th>Consumption (t)</th> </tr> </thead> <tbody> <tr> <td>Steel</td> <td>40,044.02</td> </tr> <tr> <td>Copper</td> <td>335.50</td> </tr> <tr> <td>Paper</td> <td>33.86</td> </tr> </tbody> </table> <p>* When calculating the data to be reported, the consumption of materials over the last 3 months was estimated. The estimate consisted of a projection of the months from October to December based on the average materials consumed in the first 9 months. Note: Of the materials reported, only paper is considered recyclable.</p>	Material	Consumption (t)	Steel	40,044.02	Copper	335.50	Paper	33.86	<ul style="list-style-type: none"> • Optimization of the use of material resources in all phases of the value chain. • Recovery of materials through R&D&I activities. For example, the development of technologies for recovering non-ferrous metals. • Participation in European consortia to develop technology in projects for recovery of metals and rare earths. • Use of environment-friendly paper in offices. • Awareness campaigns related to responsible paper use.
Material	Consumption (t)									
Steel	40,044.02									
Copper	335.50									
Paper	33.86									

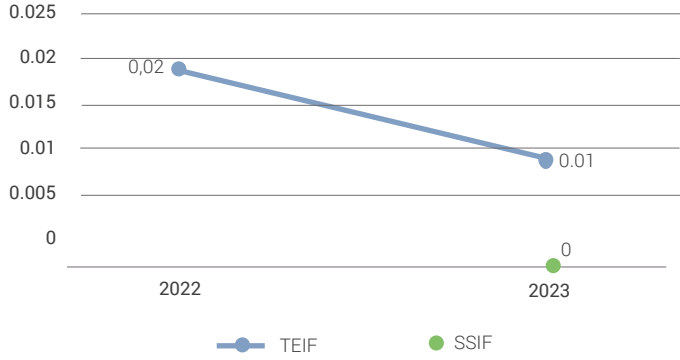


¹⁵ In some cases, the result of partial sums may differ slightly from the total due to rounding errors.

ASPECT	2023 TARGETS AND INDICATORS ¹⁵	LINES OF ACTION AND MILESTONES														
<p>WASTE</p> <p>GRI [306-3]</p>	<p>Evolution: The generation of non-hazardous waste dropped by 78% in 2023, mainly due to the degree of progress of many projects with respect to the prior year.</p> <p>Generation of non-hazardous waste (t) in 2023*</p>  <table border="1"> <caption>Generation of non-hazardous waste (t) in 2023*</caption> <thead> <tr> <th>Category</th> <th>Value (t)</th> </tr> </thead> <tbody> <tr> <td>Urban waste</td> <td>3,327.91</td> </tr> <tr> <td>Other effluents</td> <td>214.44</td> </tr> <tr> <td>Inner waste</td> <td>13.83</td> </tr> <tr> <td>Wood</td> <td>41.49</td> </tr> <tr> <td>Paper and cardboard</td> <td>9.47</td> </tr> <tr> <td>Toner</td> <td>0.01</td> </tr> </tbody> </table> <p>Total non-hazardous waste: 3,607.14 t.</p> <p>* The waste figure for the last three months of the year is an estimate. The estimate consisted of a projection of the months from October to December based on the average waste generated in the first 9 months.</p> <p>Note: Municipal waste includes wastewater that has not been discharged into the sewage system and that has been collected in projects for appropriate treatment.</p>	Category	Value (t)	Urban waste	3,327.91	Other effluents	214.44	Inner waste	13.83	Wood	41.49	Paper and cardboard	9.47	Toner	0.01	<ul style="list-style-type: none"> • Circular economy commitment, preventing surplus materials from becoming waste. • Promotion of prevention, reuse and recycling as opposed to incineration and dumping. • Waste prevention, mitigation, and management control by integrating the most advanced techniques in the environmental design of processes in its plants.
	Category	Value (t)														
Urban waste	3,327.91															
Other effluents	214.44															
Inner waste	13.83															
Wood	41.49															
Paper and cardboard	9.47															
Toner	0.01															
<p>Evolution: The generation of hazardous waste increased by 2,050% in the last year due to an operation conducted for one TR project using chemical water (53,537.39 t). Given that this figure corresponds to isolated consumption, it is kept separate from the forecasted data.</p> <p>Generation of hazardous waste (t) in 2023*</p>  <table border="1"> <caption>Generation of hazardous waste (t) in 2023*</caption> <thead> <tr> <th>Category</th> <th>Value (t)</th> </tr> </thead> <tbody> <tr> <td>Residual waters</td> <td>53,357.39</td> </tr> <tr> <td>Hazardous product packaging</td> <td>23.747</td> </tr> <tr> <td>Others</td> <td>9.0</td> </tr> <tr> <td>Filtering and absorbent materials</td> <td>4.9</td> </tr> <tr> <td>Biosanitary waste</td> <td>0.03</td> </tr> <tr> <td>Oils</td> <td>0</td> </tr> </tbody> </table> <p>Total hazardous waste: 53,566.07 t.</p> <p>* The waste figure for the last three months of the year is an estimate. The estimate consisted of a projection of the months from October to December based on the average waste generated in the first 9 months.</p> <p>Note: The "Other" category includes button batteries, fluorescent tubes, and other items. Hazardous waste does not include data about sludge generated by projects, which is managed by authorized waste management companies.</p>	Category	Value (t)	Residual waters	53,357.39	Hazardous product packaging	23.747	Others	9.0	Filtering and absorbent materials	4.9	Biosanitary waste	0.03	Oils	0	<ul style="list-style-type: none"> • Awareness and sensitivity campaigns in offices and on construction sites. • Start of data accounting for residual materials reused onsite or sold as raw materials. Some construction projects have started accounting for these amounts to be able to track the evolution thereof over time. • Elimination of almost all plastic bags used in offices. 	
Category	Value (t)															
Residual waters	53,357.39															
Hazardous product packaging	23.747															
Others	9.0															
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¹⁵ In some cases, the result of partial sums may differ slightly from the total due to rounding errors.

ASPECT	2023 TARGETS AND INDICATORS ¹⁵	LINES OF ACTION AND MILESTONES									
<p>ENVIRONMENTAL INCIDENTS AND SPILLS</p>	<p>Targets: The Company set a target in 2023 of 0.19 for the TEIF and 0.05 for the SSIF.</p> <p>Evolution: Both TEIF and SSIF have remained below the Company's targets during 2023.</p> <p>In 2023, the TEIF decreased by 50% in comparison to the year before due to the proper operation of safety measures implemented by the Company. On the other hand, only the SSIF is indicated as it is not comparable to the prior year due to a change in the measurement criteria.</p> <p>TEIF and SSIF Indexes in 2023</p>  <table border="1" data-bbox="395 638 1077 996"> <caption>TEIF and SSIF Indexes in 2023</caption> <thead> <tr> <th>Year</th> <th>TEIF</th> <th>SSIF</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>0.02</td> <td>-</td> </tr> <tr> <td>2023</td> <td>0.01</td> <td>0</td> </tr> </tbody> </table> <p>TEIF (Total Environmental Incident Frequency) is the total number of environmental incidents that have taken place on construction sites. The index is calculated as $TEIF = (\text{Number of environmental incidents} \times 200,000) / \text{Hours worked}$.</p> <p>SSIF (Significant Spill Incident Frequency) helps show trends in serious spills (those equal to or greater than 20 liters with the potential to contaminate soil or water). The index is calculated as $SSIF = (\text{Number of serious spill incidents} \times 200,000) / \text{Hours worked}$.</p>	Year	TEIF	SSIF	2022	0.02	-	2023	0.01	0	<ul style="list-style-type: none"> • Definition of specific indicators for monitoring (TEIF and SSIF). • Specific measures to prevent these situations (the use of anti-drip trays, periodic inspections, and other measures) or, otherwise, reducing the environmental impact to a minimum (installation of kits for action in the event of spills, emergency drills, cleaning and adequate treatment of the waste generated). • Implementation of an action protocol in the event of any significant spill that occurs on-site.
	Year	TEIF	SSIF								
2022	0.02	-									
2023	0.01	0									



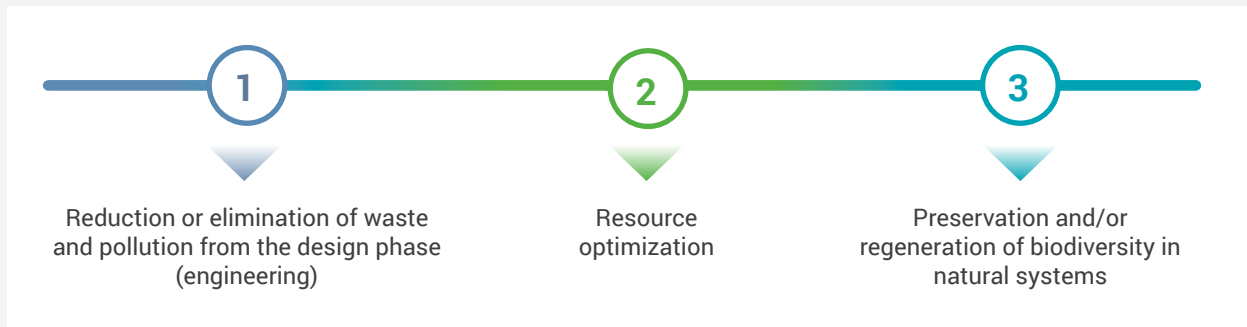
¹⁵ In some cases, the result of partial sums may differ slightly from the total due to rounding errors.

Corporate Circular Economy Strategy

The circular economy is one of the keys to the European Green Deal, the European agenda for sustainable growth. A circular economy reduces the pressure on natural resources, fosters sustainable growth and employment, helps reach the European Union goal of climate neutrality for 2050, and halt the loss of biodiversity.

As part of the Sustainability Policy and pursuant to the SDG, Técnicas Reunidas developed a circular economy strategy in 2023 for implementation at both their offices and all the projects executed.

There are three cornerstones to this strategy:



The Company's activity regarding circular economy projects includes three lines of action: optimizing resources, using recycled materials, and managing waste correctly to encourage its conversion into raw materials. This management is carried out both onsite and off-site.

The main waste reuse actions are as follows:

On-site:

- Use of excavated soils and land for backfilling foundations and trenches, ground leveling or similar.
- Use of concrete demolition debris for improving roads used during construction in a project.
- Use of wastewater after on-site treatment for irrigation required in construction, dust control of roads and paths and irrigation of landscaped areas.
- Reuse of leftover wood, metal, and other materials to make information panels, handrails, pedestals, road barriers and other support elements.

Off-site:

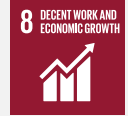
- Sale of reusable waste materials to material management companies, such as cable drums, scrap metal, pallets, cable scrap and drums that can be fed back into the supply chain.
- Selection or replacement of waste managers according to the final destination of the waste. Encouraging research to identify managers that can ensure the reuse and revaluation of waste.



6.5 OCCUPATIONAL HEALTH AND SAFETY

Técnicas Reunidas ensures the safety and health of its employees and subcontractors, implementing those necessary measures to create a safe and healthy environment and prevent occupational risks.

Contribution of Técnicas Reunidas to achieving the SDGs



MAIN SITE INDICATORS - SUBCONTRACTORS' EMPLOYEES

INDICATOR	DATA 2023		EVOLUTION 2022-2023
Hours worked (number)	89,090,371		-13.15%
Number of workers on site	32,640		-3.97%
LTIR ¹	Objective 0.050	Actual 0.02	The value of these indexes has remained below the targets
TRIR ²	Objective 0.190	Actual 0.079	
SR ³	Objective 0.018	Actual 0.007	



MAIN SITE INDICATORS - TÉCNICAS REUNIDAS' EMPLOYEES

INDICATOR	DATA 2023		EVOLUTION 2022-2023
Hours worked (number)	16,912,065		78.39%
Number of workers on site	3,286		9.05%
LTIR ⁴	Objective 0.050	Actual 0.012	The value of these indexes has remained below the targets
TRIR ⁵	Objective 0.190	Actual 0.012	
SR ⁶	Objective 0.018	Actual 0.014	



2023 MILESTONES

- The development of a new platform to record health and safety observations during projects.
- Compliance with the targets established for accident rate.
- Monitoring a new indicator "Safe Practices and Conditions Reported" on positive observations.
- In-person training for project managers on legal and corporate responsibilities, as well as on lessons learned from major accidents related to health and safety.
- Development of a space dedicated to wellness and health on the Company's intranet.
- Completion of ordinary medical check-ups and 2023 flu vaccination campaigns among employees.
- Creation of an in-company physiotherapy service at the central offices.
- Successful completion of the regulatory health and safety audit in accordance with Spanish legislation.

¹ LTIR (Lost Time Incident Rate): (No. of accidents leading to a medical leave/No. of hours worked) *200,000. This index refers to the accident frequency. The health and safety indices presented consolidate the accident rate data for sites involving workers and subcontractors.

² TRIR (Total Recordable Incident Rate): (No. of recordable accidents (as per OHSAS)/No. of hours worked) *200,000. This index refers to the employees and subcontractors accident frequency on site.

³ Severity Rate (SR): (No. of days not-worked due to a workplace accident leading to a medical leave/Total no. of hours worked) *1000. This index refers to the severity of accidents involving employees and subcontractors on site.

⁴ LTIR (Lost Time Incident Rate): (No. of accidents leading to a medical leave/No. of hours worked) *200,000. This index refers to the accident frequency. The health and safety indices presented consolidate the accident rate data for sites involving workers and subcontractors.

⁵ TRIR (Total Recordable Incident Rate): (No. of recordable accidents (as per OHSAS)/No. of hours worked) *200,000. This index refers to the employees and subcontractors accident frequency on site.

⁶ Severity Rate (SR): (No. of days not-worked due to a workplace accident leading to a medical leave/Total no. of hours worked) *1000. This index refers to the severity of accidents involving employees and subcontractors on site.



2024 GOALS

- Complying with the targets set forth in the Sustainability Plan concerning worksite safety.
- Continuing to promote the Plan for a Health and Safety Culture that includes employee awareness campaigns.
- Making best health and safety practices at worksites internally visible and boosting the Técnicas Reunidas brand abroad, including the optimization of the HSE auditing process at worksites.
- Implementing the new health and safety observation recording tool during construction phases of all projects.
- Implementing a new KPI "HSE + Discipline Inspection" in the construction phase of all projects. This new KPI consists of carrying out joint on-site inspections between the HSE team and the supervision of other disciplines (Civil, Pipelines, etc.).
- Establishing and developing a comprehensive digital ToolBox Talks (TBT) library accessible to all the staff of Técnicas Reunidas, both in offices and on site. This platform will provide a centralized space to improve efficiency and uniformity in these TBTs, as well as to share relevant technical documentation, which will contribute to the improvement of the quality of work in the workplace environment.
- Providing training on legal responsibilities associated with health and safety during the construction phase to those in charge of the projects.
- Contracting an Employee Assistance Program to help with psychosocial risks.
- Finalizing the integration of the Heymo Prevention Service in the Group Joint Prevention Service.
- Continuing with the optimization of the implementation of the Integrated Management System for ISO 45001 certification.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT APPROACH

GRI [3-3]; [403-1];

[403-2]; [403-7]; [416-1]

Since 2008, Técnicas Reunidas, through its HSE department, has had an Occupational Health and Safety Management System (OHSMS) that covers the various stages of the life cycle of its projects. The implementation of this system is supported by the Corporate Quality, Health, Safety and Environment Policy (QHSE) and is based on three principles: a philosophy of preventing accidents and incidents, integrating health and safety in the strategy, and ongoing improvement of the methods and processes. This Policy complies with the requirements of the ISO 45001 standard, regarding health and safety, and 14001, regarding the environment.

In 2022, the Company renewed its OHSMS certification under standard ISO 45001 for a period of three years. The process concluded satisfactorily confirming that the design of the System is effective, without detecting any significant non-conformity. In addition, the Company has continued carrying out several awareness campaigns for its employees on the implications of ISO 45001 certification for their jobs.

At the same time, Técnicas Reunidas has HSE diligence procedures in place covering all its activities. The Company evaluates each project, ensuring that up to the moment of delivery, they comply with internal health and safety standards, as well as with client requirements, and applicable laws.

To identify and manage OHSMS risks and opportunities, since 2020, the Company has had the E-risk tool for the identification and management of risks and opportunities of the System at all levels of the organization.



Key principles of occupational health and safety management at Técnicas Reunidas

Integration of health and safety in the strategy

Health and safety aspects are integrated in the strategic business plans, establishing objectives throughout the Company, both at worksites and in the offices, evaluating their compliance in both cases.

Accident and incident prevention philosophy

Disseminating a work philosophy based on incident prevention to guarantee the best possible working conditions throughout the Company and among suppliers and subcontractors.

Ongoing improvement of methods and processes

Promoting an ongoing culture of improvement in work methods and procedures and their subsequent application to all activities, as a means of enhancing incident prevention.

Based on an exhaustive analysis of risks and opportunities, as well as the needs and expectations of the interested parties, the Company has identified the following risks associated with health and safety:

- Hiring professionals with little experience in health and safety matters deriving from the demands to increase hirings of local personnel by clients in a short period of time.
- Increase in high-risk activities due to the increase in scopes in the project commissioning and start-up phases.
- Adaptations to the health and safety characteristics and requirements in new markets, with new clients and subcontractors.
- High rate of potentially serious incidents that may lead to serious accidents if immediate action is not taken.
- High volume of professionals, which makes their management more complicated from an HSE perspective.

To mitigate these risks and guarantee proper implementation of OHSMS and its adequacy for the targets established, the Company conducts health and safety assessments to pre-qualify subcontractors as well as internal audits to monitor projects included in corporate health and safety plans. The results of these audits are shared with clients and subcontractors at the project execution site, thus increasing the efficacy of the actions taken to correct potential shortcomings. Moreover, audits are conducted by external agencies on projects during the construction phase.

Técnicas Reunidas carries out a series of audits aimed at improving processes and ensuring compliance with the objectives of its EMS. These audits are carried out jointly with those of its Environmental Management System (EMS), as both are integrated. In particular, the following audits are carried out:

- Internal audits:
 - For FEEDs: an internal audit at 50% progress.

- Engineering and Procurement phase: internal audits at 40% and 70% of project progress. For Energy Division projects only, a single audit is conducted at 50% of engineering progress.
- Construction phase: periodic internal audits, and two annual follow-up audits for the rest of the projects (a joint HSE and commissioning audit is scheduled in the pre-commissioning phase).
- Integrated external audit of Management Systems through an accredited external certifier.

During 2023, Técnicas Reunidas conducted a series of audits aimed at improving processes and ensuring compliance with corporate OHSMS objectives, together with the EMS, in particular:

- EMS and OSHMS:
 - 12 integrated internal corporate audits during the engineering phase of the projects were carried out and 26 integrated internal corporate audits during the construction phase (5 of them in the commissioning or pre-commissioning phase).
 - External: In addition, an external certification audit was conducted for the integrated systems.
- Engineering: 18 internal technical audits were conducted to ensure the correct implementation of corporate processes and procedures (CRM - Corporate Requirements Monitoring) during the project engineering phase.

Among other mechanisms, the Company also has safety and health plans in projects that establish the rights and obligations of workers in this matter, including a specific section on Stop the Job Policy to encourage workers to report and stop the activity if they notice a serious and imminent risk to their safety.

⁷ For more information on the audits carried out on the Environmental Management System, see chapter 6.4. Excellence in environmental performance.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT IN THE VALUE CHAIN GRI [403-2]; [403-3]; [403-7]

Técnicas Reunidas extends its commitment to health and safety to the workers of the subcontractors participating in its projects.

Técnicas Reunidas seeks to maintain high standards of occupational safety throughout its supply chain by establishing high requirements and promoting best practices.

As part of the Técnicas Reunidas OHSMS, the heads of health and safety on site in each of the projects ensure the application of specific plans in this area by subcontractors, as well as the implementation of prevention actions deemed necessary. All those responsible for the management of the health and safety aspects on site report directly to the project management, which reinforces its advisory nature.

For this purpose, both the on-site health and safety team and the prevention team in offices are responsible for periodically conducting information campaigns on safety, risk prevention, healthy habits, and best practices in this area in addition to prevention programs and periodic medical check-ups. To this end, the following milestones stood out in 2023:

- Development of a new pilot project platform to record health and safety observations during projects.
- Creation of a Health and Safety Inspection Committee, which is responsible for evaluating health and safety inspections conducted at supplier workshops visited by the Company's employees belonging to the Procurement Department. This Committee is multidisciplinary and comprised of: Procurement, Quality and HSE.
- Implementation of a new KPI "Safe Practices and Conditions Reported" in all projects in the construction phase.

The Company evaluates its suppliers and subcontractors with specific criteria in terms of health and safety, boosting the plans aimed at ensuring their integrity and respect for human rights, thus guaranteeing adequate working conditions and living wages, among other aspects.

These criteria are first applied during the approval phase through the e-Supplier portal⁸. Depending on the results obtained, suppliers and subcontractors can be rejected, or greater demands may be placed on them such as improved supervision on site, the implementation of an action plan or an increased number of audits. Health and safety aspects are subsequently considered, evaluating their performance both on site and in the workshops through different tools developed specifically for such purposes.

Responsibilities of the team in charge of implementing the health and safety plans.

HEAD OF OCCUPATIONAL HEALTH AND SAFETY ON SITE

- Implement the HSE Plan with the support of the Project Manager.
- Advise on compliance with regulations and HSE plans.
- Direct the training plan on site.
- Evaluate the risks of activities not covered by the HSE Plan.
- Supervise incident notification and investigations.
- Identify high-risk activities not included in the HSE Plan and apply a safe work system.

OCCUPATIONAL RISK PREVENTION TEAMS IN OFFICES

- Advise and guide on health and safety regulations.
- Promote a positive occupational safety culture.
- Conduct drills.
- Develop and implement the QHSE Policy.
- Supervise risk assessments.
- Identify training needs.
- Monitor health and safety performance.
- Supervise incident notification and investigations.

⁸ For more information, see chapter 6.6. Efficient supply chain management.

➤ Safe Commissioning Plan

The aim of the Safe Commissioning Plan is the optimal development of project work guaranteeing the best safety conditions for all professionals.

As part of this Plan, Técnicas Reunidas performed the following actions in 2023:

- Creation of a group to implement actions under different projects, such as expanding the pre-qualification process for vendors involved in pre-commissioning tasks and establishing transition coordinators for these phases.
- Mass dissemination campaigns to enhance perceived risk among site and office personnel.
- Execution of risk analysis to identify possible deficiencies.



SAFETY-BASED CORPORATE CULTURE

GRI [403-2]; [403-3]; [403-4]; [403-5]; [403-6]

Técnicas Reunidas’ Management leads the protection of employee’s well-being and health, both in offices and sites, and promotes their collaboration through various consultation processes, participation and awareness campaigns.



Técnicas Reunidas promotes its corporate occupational health and safety culture with training programs for employees, encouraging their participation through different mechanisms in prevention tasks as well as dialogue regarding working conditions, besides promoting co-responsibility within the Company’s various organizational levels.

> Mechanisms for employee participation in occupational health and safety management

- Técnicas Reunidas’ Prevention Service Mailbox to receive queries or suggestions from professionals through the intranet.
- Health and Safety Committee⁹.
- Direct communication with members of the Prevention Service.
- Notifications to Systems or General Services when hazards or observations are reported must be resolved by maintenance personnel.

⁹ The Company has a Health and Safety Committee (HSC, as it is known by the Spanish acronym) that exercises regular and periodic consultation functions on actions related to occupational risk protection to seek improvements, among other functions. As a joint body, the HSC consists of equal representation by Health and Safety officers and Company representatives, who meet quarterly and whenever requested.

➤ Caring for employees' health and well-being

Técnicas Reunidas provides access for workers (own employees and subcontractors) to medical and healthcare services not related to the job through various actions:

- Awareness-raising campaigns, courses, and the publication of information on the intranet promoting health.
- Monitoring workers' health through a third-party prevention service.
- Medical services with qualified staff, health support and promotion.
- A Joint Prevention Service with specific awareness-raising campaigns to encourage health and safety. To this end, ordinary medical check-ups and flu vaccination campaigns were carried out in 2023 among employees. These campaigns were coordinated by Técnicas Reunidas' Joint Prevention Service and participation was considerably successful.
- Definition of strategies to be followed to ensure worker well-being at camps, dorms, and cafeterias.
- Creation of an urban garden at the main offices where employees learn gardening techniques and can harvest seasonal products.
- Active Break Program with free weekly sports activity classes (pilates, yoga, stretching...) so that employees can learn about the benefits of physical activity.
- Promoting physical health and sport among employees through initiatives such as football and paddle tennis tournaments, as well as their participation in the Companies Race held in Madrid at the end of 2023.
- Launching of TRBienestar Program with help and consultation material on good physical and mental health habits at work.
- Services and workshops that improve the physical and emotional well-being of professionals with mindfulness programs and workshops, as well as in-company physiotherapy service.

Occupational health and safety training for employees

The Company works to ensure standardized health and safety procedures throughout the Organization, thus guaranteeing the utmost efficiency in the dissemination and assimilation of corporate policies. This goal is supported by intensive training efforts. An exercise was carried out in 2023 to identify occupational health and safety training needs for each job position. In particular, 1.66 hours of training on site were provided to Company personnel and subcontractors for every 100 hours worked (21% more than in 2022¹⁰). Standing out among the subjects taught in 2023 was specific training for project managers concerning legal liability linked to health and safety during the project construction phase.

OFFICE STAFF

- Mandatory training in prevention of risks associated with their job for all new hires.
- Specific training, tailored for each department or group.
- Annual training for emergency teams on their duties.
- Health and safety awareness campaigns at the offices.
- Training for designated employees on how to use the defibrillators in all buildings.
- A large variety of health and safety courses through the e-learning platform available for all employees in different languages.

CONSTRUCTION SITE PERSONNEL

- Mandatory new-hire courses on safety, both for internal personnel and subcontracted personnel, before beginning their activities at a project site.
- Specific safety training according to the activity to be performed in a period of one to five years, depending on the type of training.
- Specific course program for personnel participating in the construction stages of the projects, with mandatory and recommended courses.
- Health and safety talks at the worksites (toolbox meetings) at the start of all jobs between employees and their direct supervisors.

¹⁰ In 2022, 1.37 hours of on-site training were provided for every 100 hours worked.

OCCUPATIONAL SAFETY PERFORMANCE GRI [403-9]

Técnicas Reunidas monitors the safety results and indicators at offices, on project sites where it is the main contractor, and on project sites where it participates as part of a consortium and is responsible for health and safety management.

With this monitoring, the Company assesses compliance with the established goals and analyzes, where applicable, the reasons for any deviations in order to implement specific action plans as necessary to reverse the results. The Company records and reports not only accidents and incidents, but also other parameters that help evaluate performance and engage in proactive management. As part of this data analysis, the near misses and observations made during site inspections are studied, as they reveal areas of improvement for accident prevention.

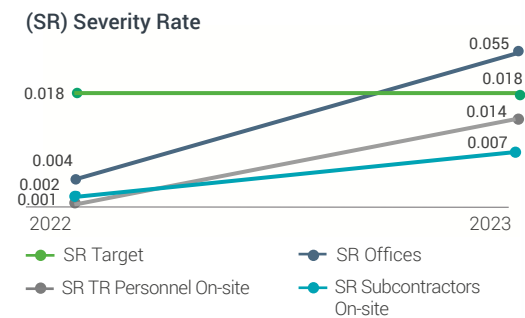
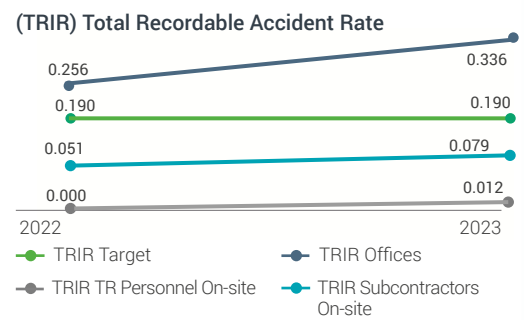
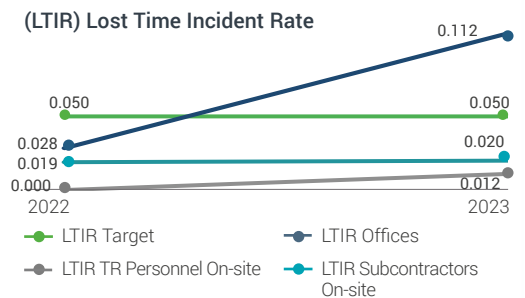
The safety results are communicated to the project management and to the Company's management in order to keep them updated on performance in this area. Likewise, the results of each project and the incidents occurred are shared with all of the agents involved, pursuing improvement throughout the value chain and promoting good practices. The most relevant incidents are addressed during the safety talks (toolbox meetings) given to workers by their superiors. In addition, each of these incidents gives rise to a specific investigation in order to apply corrective measures to prevent their repetition.

Evolution of safety indicators in 2023¹¹

In 2023, nearly 106,002,436 work hours were done at sites, including the hours worked by Técnicas Reunidas' employees and subcontractors. This has meant extraordinary efforts by the Company, which has had to manage a volume of more than 40,479 workers at peak times (internal employees and subcontracted employees), a figure that is 2.49% less than the prior year. Around 7,140,000 work hours have been executed in the offices.

As concerns the main safety indicators evaluated by Técnicas Reunidas (Lost Time Incident Rate – LTIR, Total Recordable Incident Rate – TRIR and Severity Rate – SR), there has been an increase in them. The increase is related to an increase in recorded accidents and a decrease in hours worked. Nonetheless, it is worth mentioning that these rates have remained another year again below the targets set by the Company¹².

Técnicas Reunidas carries out various activities to determine occupational hazards that pose a risk of injury for employees, such as risk assessments, safe work analyses and the definition of working methods. The hazards identified include same-level or different-level falls; falling materials and tools; bruises, cuts or burns resulting from handling tools, equipment or materials; injuries due to sharp objects; particle projection and liquid splashes; leaks from equipment, pipes or valves; the inhalation of gases/vapors; explosions; high temperatures; others. The most common accidents among Company personnel are due to travel by employees going to work and coming home from work (*in itinere* accidents).



¹¹ LTIR (Lost Time Incident Rate): (No. of accidents leading to a medical leave/No. of hours worked) *200,000. This index refers to the accident frequency.
 TRIR (Total Recordable Incident Rate): (No. of recordable accidents (as per OHSAS)/No. of hours worked) *200,000. This index refers to the accident frequency.
 SR (Severity Rate):(No. of days not-worked due to a workplace accident leading to a medical leave/Total no. of hours worked) *1000. This index refers to the severity of accidents.

¹² It should be noted that the safety and health objectives established by the Company are not applicable to the accident rates for offices.

Safety performance of Técnicas Reunidas' direct employees in offices

	2022	2023
No. of deaths resulting from an occupational accident injury	1	0
Rate of deaths resulting from an occupational accident injury	0.06	0
No. of injuries due to occupational accidents with major consequences	0	1
No. of recordable work-related injuries	14	16
(Of which <i>in itinere</i> accidents)	13	12
Injury rate due to occupational accidents with major consequences (LTIR: Lost Time Incident Rate)	0.028	0.112
Rate of recordable work-related injuries (TRIR: Total Recordable Accident Rate)	0.256	0.336
Severity Rate (SR)	0.004	0.055
Main types of work-related injuries	Sprains and strains: 21.43%	Sprains and strains: 33%
No. of hours worked	7,031,062	7,140,000

Safety performance of the Técnicas Reunidas' direct employees at sites

	2022	2023
No. of deaths resulting from an occupational accident injury	0	0
Rate of deaths resulting from an occupational accident injury	0	0
No. of injuries due to occupational accidents with major consequences	0	1
Injury rate due to occupational accidents with major consequences (LTIR: Lost Time Incident Rate)	0	0.012
No. of recordable work-related injuries	0	1
Rate of recordable work-related injuries (TRIR: Total Recordable Accident Rate)	0	0.012
Severity Rate (SR)	0	0.014
Main types of work-related injuries	N/A	Falls from height
No. of hours worked	9,480,446	16,912,065

Safety performance of the employees of the subcontractors of Técnicas Reunidas at sites

	2022	2023
No. of deaths resulting from an occupational accident injury	1 ¹³	0
Rate of deaths resulting from an occupational accident injury	0.01	0
No. of injuries due to occupational accidents with major consequences	10	9
Injury rate due to occupational accidents with major consequences (LTIR: Lost Time Incident Rate)	0.019	0.020
No. of recordable work-related injuries	26	35
Rate of recordable work-related injuries (TRIR: Total Recordable Accident Rate)	0.051	0.079
Severity Rate (SR)	0.002	0.007
Main types of work-related injuries	Wounds/blows to limbs and head	Crushing/ blows to limbs and head
No. of hours worked	102,585,253	89,090,371

¹³ Unfortunately, there was an accident in 2022 at one of project sites which resulted in the death of an employee of a subcontracted company while doing work to position pipes. He received an impact during the maneuver due to an overload.

PARTICIPATION IN FORUMS AND EXTERNAL RECOGNITION FOR OCCUPATIONAL HEALTH AND SAFETY

The commitment and performance of Técnicas Reunidas in health and safety is recognized by its clients.

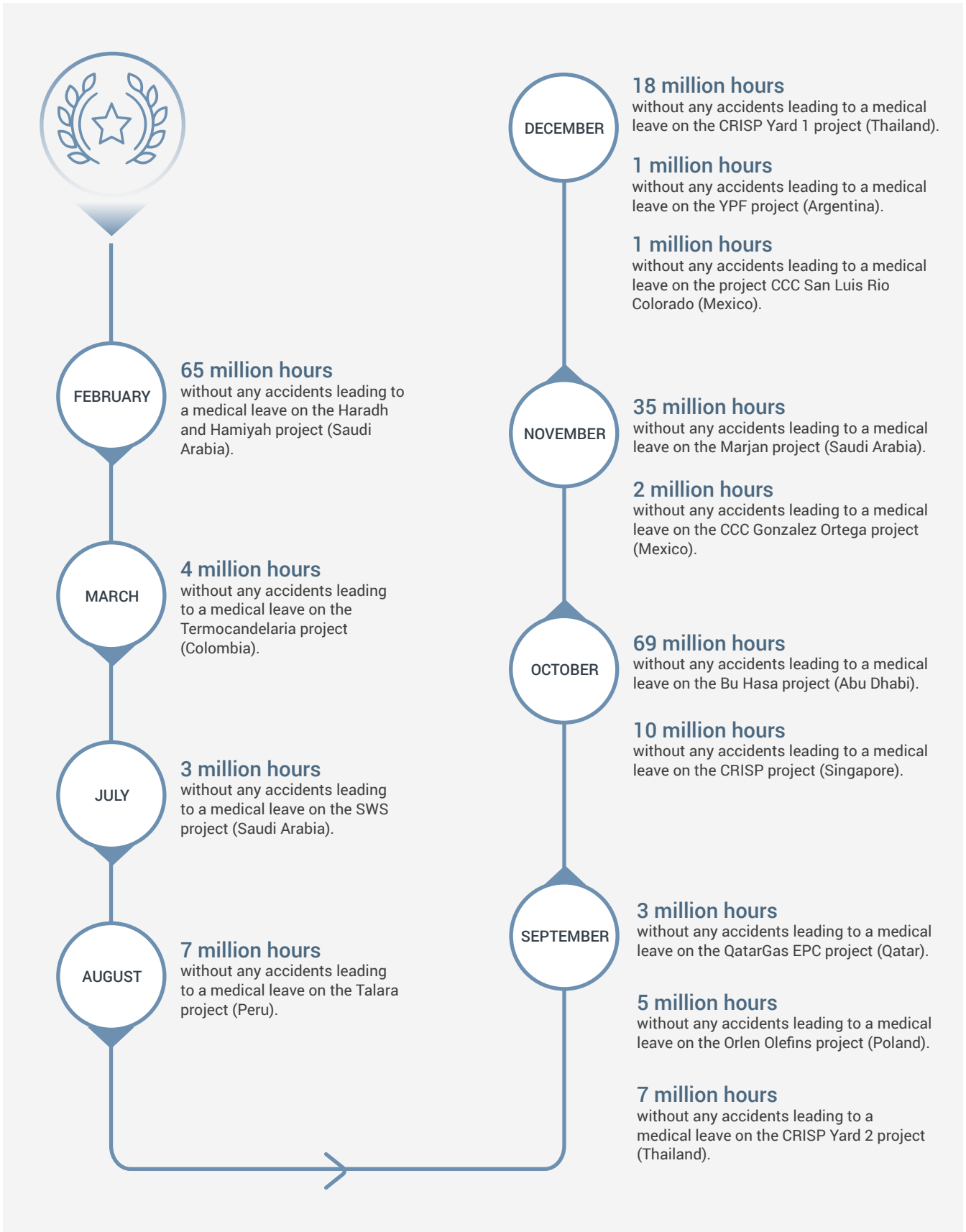
Throughout 2023, the Company has been recognized for its work on health and safety by several clients:

- In January, the CRISP project (Singapore) won Exxon's Global President's SSH&E Award for the second year in a row.
- In July, the CRISP project (Singapore) won the Safety and Health Award Recognition for Projects (SHARP) 2023.
- In September, the Bu Hasa Project (United Arab Emirates) obtained a 5 out of 5 in the ADNOC Onshore in HSE category in the ADNOC (Abu Dhabi National Oil Company) satisfaction survey.
- In October, the Bu Hasa project (United Arab Emirates) was recognized for "69 Million Safe Man-Hours without Lost Time Incident". The highest safe hours record achieved at ADNOC.



Técnicas Reunidas has achieved a number of milestones related to the number of safe hours working on its projects.

Safe hours on projects in 2023



6.6 EFFICIENT SUPPLY CHAIN MANAGEMENT

Técnicas Reunidas works to automate and simplify its processes to identify efficiencies all while strengthening its relationships with suppliers and subcontractors.

Contribution of Técnicas Reunidas to achieving the SDGs



MAIN INDICATORS

INDICATOR	DATA 2023	EVOLUTION 2022-2023
Purchase of materials from suppliers and construction subcontractors (million euros)	3,027.5	-10% ¹
Number of construction workers during peak times ²	40,479	-2%
Local procurement and subcontracting (%)	85%	+18%
Approved suppliers and subcontractors (number)	3,299	+5%
Suppliers subject to audits or evaluations (%)	56%	-2%
Average supplier performance evaluation score (evaluation from 0 to 3)	2.33	+0%
Efficiency in procurement tasks (hours spent per order)	379	+8%
Supplier training hours	233	+385%
Number of days to close non-conformities ³	29.3	5%

¹ The reduction in the sum of materials purchased from suppliers and construction subcontractors with respect to the prior year is due to the progress degree of ongoing projects in 2023.

² Data for direct subcontractors and internal employees on construction tasks during the peak month of the year.

³ This figure has been calculated as the number of days from the opening of the non-conformity up until the corrective action is agreed upon between all parties involved.





2023 MILESTONES

- Implementation of actions of the Efficiency Plan with cost savings.
- Consolidation of Procurement teams in local entities in Saudi Arabia, India, and U.A.E.
- Continuing development of the offices in Türkiye.
- Promotion of internal staff to build employee loyalty and provide professional development within the Company.
- Expansion of collaboration agreements with strategic suppliers to optimize the work performed.
- Digitalization consolidation in the third-party integrity evaluation processes, optimizing the dashboard for better control, follow-up, and reporting. In addition, alerts have been developed to help teams identify pending reporting tasks.
- Reporting of internal KPIs, linked to the Due Diligence Policy implementation, for monitoring and control.
- Collecting suppliers' data on ESG issues through prequalification questionnaires (e-Supplier) and starting suppliers' categorization in terms of sustainability.
- Data collection from our cybersecurity and privacy value chain is initiated through prequalification questionnaires collected through e-Supplier.
- The security of third-party access to SMat tool has been strengthened, creating a specific protocol that includes the approval system, centralized registration of all users, their roles, and permissions.
- Establishment of the Post Order Department integrating the former Activation Department and assuming the review and transversal coordination of all activities from the placement of the order to the delivery of the equipment and materials to the destination.
- Training new professionals in both main offices and branches.
- Detection of training needs and planning of customized training programs for the Area.
- Unification and implementation of the Logistics economic report.
- Implementation in projects of improvements in PCO (Close-Out application).
- Consolidation in projects of procurement methodology for steel structure.
- Implementation of the Certification module in the Steel Structure Control application (SCA app).
- Presence and participation of the Inspection Department in the ASME Pressure Vessel and Piping Conferences sector forum in Atlanta.
- Transformation of the IMA application into a 100% in-house application facilitating greater flexibility and adaptation to the requirements of projects and clients.
- Implementation of new piping material certificate management system significantly improving the efficiency and accessibility.
- Simplification of subcontractor prequalification processes.
- Development of new applications with AI-driven predictive models to improve decision making and efficiency in specific processes.





2024 GOALS

- To implement new actions linked to the Procurement Area as part of the Sustainability Plan, such as strategic suppliers' categorization in terms of sustainability.
- To consolidate multi-project teams and reinforce them by adding people working in different disciplines within the Area.
- To optimize and update the electronic project Procurement information records, integrating the accessibility, cybersecurity and confidentiality required.
- To launch cybersecurity training campaigns for strategic suppliers, thus reinforcing cybersecurity in the supply chain.
- To develop the methodology for close-out in steel structure supplies.
- To create a new Growth and Development Department.
- To study the participation in virtual shop tours and the active involvement of personnel in remote inspections.
- To produce and generate new application developments with AI-driven predictive models to improve decision making and efficiency in various processes.
- To implement a consolidation strategy of the new version of the IMA mobility application allowing its expansion on different platforms and devices based on Android and iOS.
- To produce applications with predictive models driven by artificial intelligence and Data Lake information.
- To develop collaborative efforts with key suppliers for the implementation of digitalization and artificial intelligence initiatives.
- To issue conditions of contracting engineering services.
- To explore new framework agreements and partnerships with subcontractors.
- To continue establishing collaboration agreements with large groups of construction companies.



TÉCNICAS REUNIDAS' SUPPLY CHAIN IN FIGURES

GRI [2-6]; [204-1]

Due to the nature of its activities, the Company manages high procurement and subcontracting volumes each year. In 2023, the total purchases from suppliers of materials and subcontractors were 3,027 million euros. As concerns construction subcontractor employees, on average there were more than 35,926 workers on the projects of Técnicas Reunidas (40,479 workers at peak times).

The Company has a worldwide database consisting of 29,197⁴ materials and equipment suppliers and construction subcontractors (in 2022 it had 28,145), of which 2,161 suppliers and 1,138 subcontractors have already been approved (compared to 1,983 suppliers and 1,151 subcontractors in 2022). This database is integrated into SMat, the management system used by Técnicas Reunidas for the execution of its projects, allowing to access and consult internally in Técnicas Reunidas and externally by suppliers and subcontractors through the e-Supplier portal where they can keep their profiles updated. This global platform with updated information allows the Company to mitigate risk in the selection of suppliers and subcontractors from a financial, performance and quality standpoint, among other aspects.

Developing its projects, Técnicas Reunidas encourages collaboration with local suppliers and subcontractors, and applies a specific procedure to ensure the best treatment of this type of requirement. The Company carries out an exhaustive analysis of the local market to identify potential awardees, including visits to these companies and a prequalification and approval process. It also carries out training and coaching activities with them to strengthen their skills and promote their integration in Técnicas Reunidas projects.

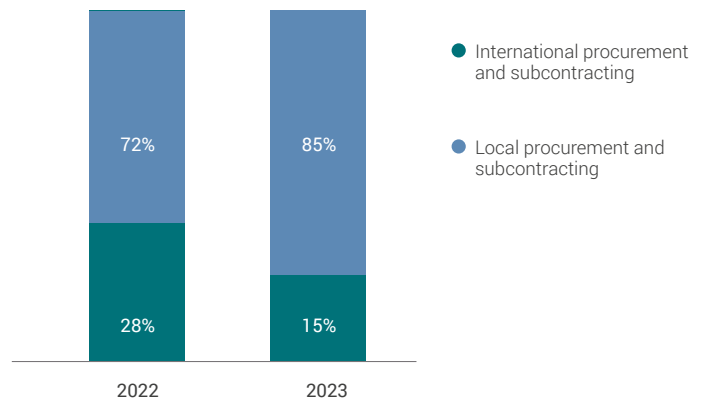
Collaborating with local suppliers and subcontractors provides the Company with a series of advantages, mainly in terms of delivery and completion terms of assembly work and speeding up integration processes in the country.

On the other hand, Técnicas Reunidas' collaboration with local suppliers and subcontractors⁵ not only brings them economic benefits, but it also offers them the possibility of working with an international company with extensive experience, which can be a lever for their growth and means for strengthening their capabilities.

The volume of awards to local suppliers and subcontractors reached 85% of all awards in 2023.

Técnicas Reunidas' Supply Chain	2023	
	Materials suppliers (Including mechanical and static equipment, piping materials, electricity, instrumentation)	Construction subcontractors (Including civil engineering work, mechanical assembly, electrical assembly, and instrumentation)
Number of approved suppliers and subcontractors	2,161	1,138
Number of regular and recurring suppliers and subcontractors	481	113
Number of strategic suppliers and subcontractors	108	19

Purchases from materials suppliers and subcontracts between 2022 and 2023*



* Note: data considering the invoicing dates. Local procurement and subcontracts include those made by foreign subsidiaries, branches, and joint ventures. International procurement and subcontracts include those managed from Spain even if they are awarded internationally.

Total purchases from suppliers of equipment, materials, and construction subcontractors in 2023: 3,027.1 million euros.

⁴ The total number of suppliers includes all suppliers, subcontractors, inspection agencies and forwarders that perform activities with the Company.

⁵ Técnicas Reunidas considers any transactions with companies whose registered address is outside Spain as procurement with local suppliers and subcontractors. Likewise, the analysis of the procurement volume includes all transactions completed by various Group companies irrespective of the volume of each operation.

MANAGEMENT APPROACH GRI [3-3]

The main objective of Técnicas Reunidas supply chain management is to achieve competitive contract awards for materials, equipment, and assembly services (subcontracting) in accordance with the excellence and quality standards required by the sector. Also key for the Company is having a supply chain aligned with its values and requirements regarding health and safety, the environment, workers' rights, respect for human rights, equality, ethics, and integrity.

Management of this supply chain is becoming more and more complex due to the growing need to adapt to the clients' requirements, the globalization of operations and the complexity of suppliers and business operations.

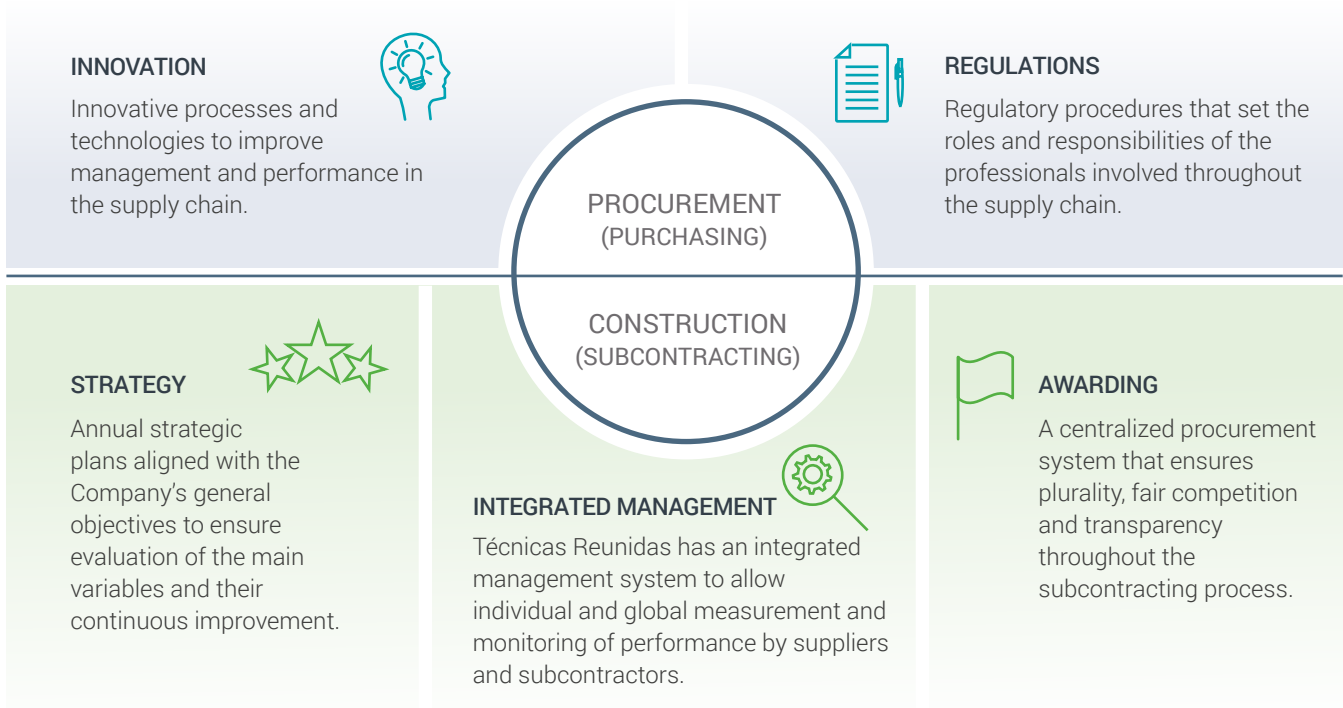
To overcome this challenge, the Company has equipped itself with innovative tools that enable it to analyze and monitor the performance of its suppliers and subcontractors, maximizing efficiency, creating new opportunities, and adequately managing risk. To achieve this, it has a network of global suppliers with updated information that allows it to mitigate risk when selecting suppliers and subcontractors.

Moreover, to manage this complex supply chain, Técnicas Reunidas has a management framework that governs the action of the two main areas responsible for the supply chain: Procurement area (responsible for purchases from materials and equipment suppliers) and Construction area (responsible for subcontracting construction and assembly work).

These two areas manage Técnicas Reunidas' supply chain in accordance with five principles:

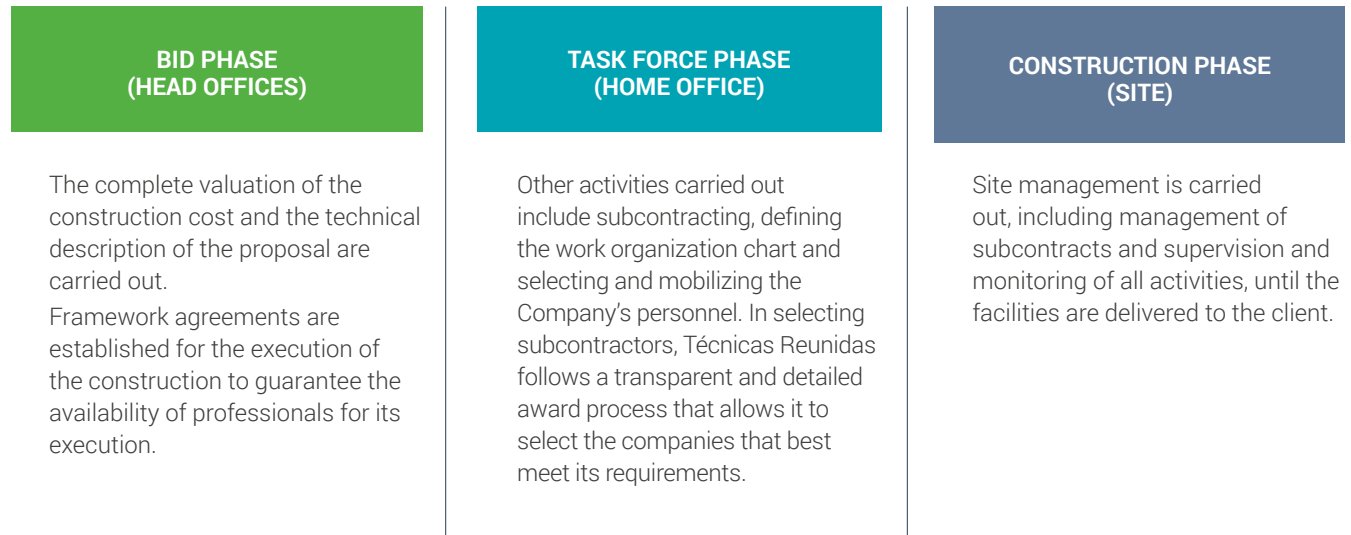
- Continuous innovation in supply chain management.
- Availability of rules and regulations in all processes (bidding, awarding and management).
- Development of annual internal strategic plans that respond to the context of the activity and are aligned with the global objectives of Técnicas Reunidas.
- Existence of an integrated supply chain management system that allows individual and global measurement and monitoring of supplier and subcontractor performance.
- Centralization of the awarding system that ensures transparency throughout the awarding process to suppliers and subcontractors.

In 2023, the average number of workers in Técnicas Reunidas projects was 35,926. To meet the challenges of managing its supply chain, the Company had more than 3,770 professionals dedicated to financial monitoring and control of subcontractors' work.



SUBCONTRACTING MANAGEMENT IN CONSTRUCTION

The Construction area responds to the needs that arise in the different phases of EPC projects:



All the activities that make up these three phases are regulated by corporate procedures audited throughout the project lifetime to ensure continuous compliance with requirements.

Moreover, to reinforce subcontractor management, Técnicas Reunidas has implemented various applications and procedures in recent years to digitalize, enhance budget oversight and certifications, standardize onsite construction processes and optimize the management of subcontractor personnel on site.

To this end, Técnicas Reunidas has developed a set of tools that are constantly upgraded to facilitate such oversight. These include the ESAM software tool, which aims to improve the time and cost efficiency of subcontractor management processes, reinforce communication, increase process control and strengthen forecasting capabilities; and CSTM, which enables better management of Group's personnel on site and optimization of supervision costs.

➤ Effective management of subcontractors

Técnicas Reunidas has continued improving the ESAM platform in 2023 to generate synergies among the different Company projects and ensure traceability and control of all the contracts with its subcontractors. Added to this are improvements in subcontractor certification procedures as well as the expansion of supporting documentation for subcontract awards, particularly those concerning the documentation to be generated by the subcontractor and the establishment of standardized assembly procedures and agreements with construction partners on projects.

SUPPLY CHAIN RISK MANAGEMENT GRI [3-3]

Técnicas Reunidas has identified potential risks that may occur in the supply chain and designed specific mitigation mechanisms. Supply chain risks include production risks (which are minimized by closely monitoring the progress of the work), financial risks (managed by evaluating suppliers and subcontractors prior to award) and risks associated with lack of quality (which are controlled by monitoring during the execution of the work).

As concerns non-financial risks Técnicas Reunidas analyzes the risks that due to their characteristics are more relevant for the Group, such as collaboration with suppliers and subcontractors who are not committed to human rights (as per the United Nations and International Labor Organization framework of action), that are included on international corruption lists, that have no money laundering and terrorism financing prevention policies or that do not have confidentiality policies.

It is also important to mention that, during the last fiscal years, the Company has identified an increase in risks related to:

- Delays or cancellations of projects and delivery of materials.
- Impact on execution costs and commercial conditions of construction works.
- New markets and projects with local content requirements.
- New plant typology with the emergence of new vendors with no previous experience with Técnicas Reunidas.
- New protectionist tariff policies in countries where projects are implemented.
- Tensions in international transport.

- Geopolitical tensions and national development programs affecting mobility, access to specialized resources, barriers, migration processes, etc.
- Blockades or barriers to imports and exports.
- Shortage of specific skills and abilities in developing countries, accentuated in those with protectionist labor policies.
- Development of new environmental policies.

All of this has led to a significant increase in the costs of producing industrial materials with the resulting variability in the costs of supplies and construction and thus, an increase in risks deriving from the execution of turnkey contracts. In this regard, the high volatility of raw material and energy prices has had a major impact on the economic and operational viability of projects, as well as on the new investments.

Additionally, the high volume of projects at an international level and the large investments underway in different locations has generated a significant lack of personnel for the execution of the projects, increasing project execution times and construction costs significantly.

Likewise, construction companies have been severely impacted financially, reducing their financing capacity and their cash flow needs to undertake the works, increasing the limitations of mobilization of personnel, equipment rental, purchase of materials, etc.

Nonetheless, this complex situation has only emphasized the creativity, response capacity and commitment of the different teams involved in managing procurement and subcontracting within the Company, as well as clients, subcontractors,



and suppliers. As a result, Técnicas Reunidas has seen its operations strengthened and has achieved better efficiency in its processes thanks to the way in which this exceptional situation has been handled. The main actions that have been taken to adapt the supply chain and the execution of the projects are detailed below:

- Issuance of work instructions for all project teams to facilitate filing and transfers of documentation, media and evidence between departments that detect an impact and the departments that manage them.
- Improvements to the tool for detecting risks and impacts in early phases.
- Hedging through the purchase of futures and financial entities to guarantee nickel, copper, silver, and palladium.
- Implementation of price revision formulas to purchase metal structures.
- Technical/commercial agreements with suppliers.
- Strengthening internal communication and coordination.
- Continuous communication with suppliers and subcontractors to adapt the contractual conditions (with prior authorization from the clients), as well as to solve any problem in the project quickly and efficiently.
- Negotiation of new conditions and agreements with subcontractors.
- Acceleration of the Company's digital transformation process.
- Search for logistics containers within the same country of origin to ensure supply to the site.
- Slowdown in the award of logistics services in the projects about to start the execution phase to avoid contractual commitments that would oblige the project to operate with freight costs affected by market volatility.
- Coordination of the real need for materials on site between the Procurement and Construction areas to assess potential delays and avoid extra freight costs.
- Improvements have been made to the payment terms associated with subcontractor works to adapt them to the financing needs of subcontractors.
- Framework agreements have been signed with construction companies to guarantee the resources and costs of the projects from the proposal phase.
- The criteria for the financial and compliance evaluation of subcontractors have been improved.
- Continuous training to anticipate the implementation of new regulatory policies.
- Signing of an agreement with ITQAN (an educational institution under the Vocational Training Council and Aramco) to develop an on-company training program for young Saudi graduates in the specialties of welding, general mechanics and electricity, which will enable them to enter the labor market as inspector assistants, which in turn will enable them to be certified as Aramco Inspectors.

In addition, to increase safety and reduce supply chain risk, Técnicas Reunidas expressly regulates the subcontracting of work or services to critical suppliers and subcontractors through specific clauses included in the corresponding contracts.



SUSTAINABILITY IN THE SUPPLY CHAIN GRI [3-3]

To ensure project success, suppliers and subcontractors must be aligned with the Company's required standards and values.

Técnicas Reunidas is committed to ensuring its supply chain is aligned with its values and requirements regarding health and safety, the environment, workers' rights, respect for human rights, equality, ethics, and integrity. As a result of this commitment and to strengthen the integrity of its supply chain, the Company has a specific Supply Chain Ethics Code for suppliers and subcontractors, detailing the requirements in the areas of ethics, social and environmental, as well as a specific Integrity Declaration Form for suppliers and subcontractors, aligned with the Company's Code of Conduct. These are the most significant aspects:

- Behavioral integrity among Técnicas Reunidas professionals and stakeholders.
- The importance of suppliers and subcontractors acting responsibly, efficiently and with quality.
- Promoting equal opportunities and non-discrimination.
- A commitment to human rights.

Técnicas Reunidas requires all companies in its supply chain to adhere to the Supply Chain Ethics Code for suppliers and subcontractors by registering with the e-Supplier website. Of the total number of records in the database (29,197), Técnicas Reunidas has 2,082 suppliers and subcontractors that have accepted the Code of Conduct and have prequalification questionnaires approved. Throughout 2023, 57 subcontractors have performed this work.

As part of the effort to disseminate the content and in addition to maintaining the Supply Chain Ethics Code and the compliance questionnaires and requirements that accompany it to e-Supplier in 2023, the Company keeps educational content on these issues to which its suppliers and subcontractors have access through its [website](#).

In addition, Técnicas Reunidas has a series of specific requirements regarding environmental, labor, and human rights protection matters, particularly including specific requirements aligned with standard ISO 14001, compliance with environmental laws and reporting other sustainability-related information.

All this information is collected and made available in SMat and ESAM, always in compliance with privacy requirements. This enables more efficient, transparent, and agile management of the supply chain to improve the Company's competitiveness, the quality of its work, the optimization of costs and the minimization of risks in projects. To improve the integration of sustainability criteria in the supply chain,

Supply Chain Ethics Code



Técnicas Reunidas is working on a system that allows to categorize its strategic suppliers and subcontractors in terms of sustainability.

Técnicas Reunidas considers social and environmental responsibility to be an essential part of its relations with its suppliers and subcontractors. These aspects are not only considered in the approval process, but also taken into consideration throughout its relationship with them as compliance is monitored. Following the delivery of supplies or finalization of assembly services, supplier and subcontractor performance is evaluated in accordance with various aspects. Environmental safety and performance are two of the aspects Técnicas Reunidas includes in its evaluations. Since 2014, the Company has implemented the use of a specific verification list for the safety, health, and environmental conditions at workshops, which is completed by inspectors during visits.

As part of the implementation of the Sustainability Policy, the Procurement Area has started in fiscal year 2023 to collect data on the supply chain in terms of sustainability.

The actions described reinforce the consideration of ESG criteria for supply chain-related processes and reaffirm Técnicas Reunidas' commitment to enhancing its social and environmental performance.

The main sustainability requirements the supply chain



Environmental management requirements in accordance with ISO 14001.



Ability to comply with applicable environmental laws.



Reporting environmental incidents and accidents occurring in the previous five years.



Reporting environmental fines and sanctions for the previous five years.



Annual carbon footprint reporting.



Health and safety requirements in accordance with ISO 45001.

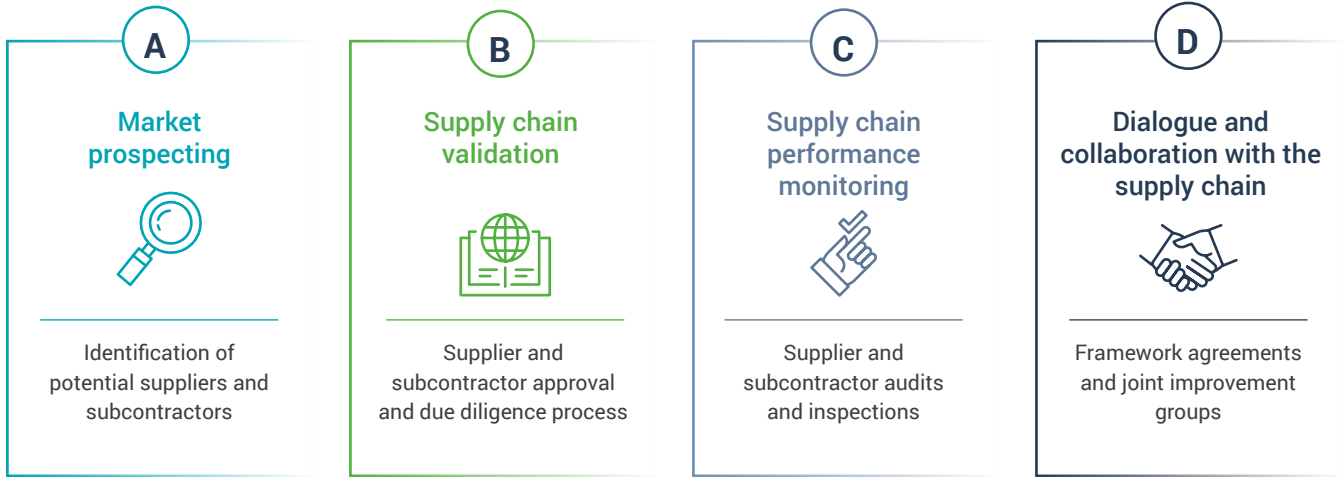


Human rights requirements.



PHASES IN THE SUPPLY CHAIN RELATIONSHIP

The main phases to be highlighted in the Company's relations with its supply chain are as follows:



A Market prospecting

Técnicas Reunidas collaborates with a wide variety of clients and suppliers in different geographical areas. Some of these areas have a long manufacturing tradition, while others are emerging industrial powers. To successfully execute the projects, it is essential to have a solid database with a wide network of collaborators capable of meeting Técnicas Reunidas' needs and understanding its business model. Searching for new suppliers is carried out continuously through market research, international trade fairs or lists of regular customers.

As concerns subcontractor prospecting, Técnicas Reunidas has a specific team that does market studies during the bidding phase to evaluate subcontractor capability and availability on a local level, including in markets where the Company is more heavily entrenched and experienced. Thus, this prospecting, analysis and approval of new subcontractors is done with each new bid. This activity is later extended during the subcontract awarding and management processes throughout the life of a project.





Supply chain validation

Técnicas Reunidas sets forth a series of requirements for its suppliers and subcontractors in the approval process. This includes requirements for specific types of goods and services contracted to ensure that they comply with all criteria, including environmental, social, and governance requirements.

The first step to be able to provide any service to the Company is the completion of prequalification questionnaire through the e-Supplier portal, which serves as a platform for the exchange of information between suppliers and subcontractors and Técnicas Reunidas. Once the documentary review of the capacities has been carried out, and depending on the situation (supplier data, criticality of the supply, etc.), the necessary activities for their approval are defined.

Then, whether the supplier is approved or not, the procurement coordinator may request additional information for orders that are more technically complex, costly or have specific client requirements.

Ultimately, the Company has a supplier performance evaluation system where the supplier's performance in all phases of the order (RFQ, manufacturing, delivery, etc.) is evaluated. The information obtained in this process is always made available to the procurement team and is considered in the supplier's purchase recommendation.

Subcontractors go through a similar approval process, and those that do not meet the established requirements are rejected during the request for offer phase.

Moreover, it is important to mention that if significant risks are detected in an award, Técnicas Reunidas rules out the award to that supplier or subcontractor and searches for alternatives. If they do not exist or the risk can be kept under control, a series of actions are established in the order requirements or subcontract to minimize the risk, including more thorough monitoring during manufacture and construction.

The Company has a list of disqualified suppliers and subcontractors to reduce project execution risks. The main reasons for putting a supplier or subcontractor on this list are defects or serious non-compliance in work execution, being subject to claims with arbitration proceedings, or being in a negative financial situation, or not complying with the necessary compliance requirements, leading to a risk for project execution.

Third-party due diligence

In order to ensure the integrity of the supply chain, the Compliance Area reviews the Third-Party Integrity Assessment Policy and Procedure to adapt it to best practices. Since 2022, prior to the establishment of business relationships with suppliers and subcontractors from the integrity point of view, due diligence studies are conducted on compliance, especially on the protection of human rights and anti-corruption. The Policy sets forth different levels of analysis (standard, reinforced or highly reinforced) which conclude with an integrity report determining the degree of satisfaction in each area.

In this context, Técnicas Reunidas has continued to make progress in procedure digitalization and efficiency, updating a large part of the supplier and subcontractor documentation and having a single advanced repository to centralize and manage Compliance documentation in a single point between the various areas of the Company. This progress makes it possible to optimize the visualization of the workload assigned to each party, documentation statuses and document searches.

During 2023, internal KPIs linked to the implementation of the Due Diligence Policy have been established and reported, allowing its monitoring and control.

Likewise, cybersecurity and privacy supply chain data has been collected through prequalification questionnaires collected via e-Supplier. The process of categorizing suppliers in this area is scheduled to begin in 2024.





Supply chain performance monitoring

GRI [308-2]; [414-2]

Técnicas Reunidas maintains optimum control over compliance with requirements, especially as concerns contractual deadlines and the quality of projects, suppliers and subcontractors through ongoing performance and skills evaluation.

Among the tools that have facilitated this process is the use of the IMA App (Inspection Management Application) which enables better data collection and analysis to evaluate collaborator performance. Thanks to this app, the Inspection Department can keep a more complete track of the collection of materials and the different manufacturing phases, creating an alert system that minimizes possible deviations that could impact the delivery targets of the projects. IMA can also automate cost control processes linked to inspection activities. This allows greater control and management, helping keep to a project's targets.

Subcontractors are also supervised during work execution to ensure compliance with all contract requirements as well as periodic audits done by HSE and Quality teams. During these audits, all work done by the subcontractor is inspected and is only accepted when the Company's inspectors have verified that it has been carried out in accordance with the project designs and specifications. If Técnicas Reunidas detects any deviation in health, safety, environmental or other social matters, the deviation is studied in detail. Depending on the type of deviation and its seriousness, the supplier or subcontractor may be required to take corrective and preventive actions. If the deviation is serious, the possibility of banning the supplier from future bids or awards is considered. Verification of the corrective actions established is a habitual activity during these inspections, which is documented in detail in the quality files delivered to the client.

A total of 310 HSE audits were conducted during 2023 (1,520 in 2022), of which 289 (93%) concluded with a satisfactory pass (versus 1,430 in 2022) and 21 (7%) of them did not pass (90 in 2022). All audits in which an incidence has been recorded will be duly addressed by Técnicas Reunidas with the implementation of improvement plans. The decrease in HSE audit indicators in 2023, by 80% compared to the previous year, is due to a change in assessment criteria in 2023 to maximize the Company's efficiency, focusing HSE sampling on those vendor facilities that are most representative and therefore have the greatest presence of our personnel. The data collection criterion is adjusted for sampling at those facilities where it is decided to implement resident inspectors at the vendor's facilities.

In addition, the Company evaluated the supply chain as it does every year in accordance with social and environmental criteria. A total of 1,448 suppliers were analyzed in 2023, based on social and environmental criteria (1,529 in 2022). This reduction (5%) arises from the implementation of two new integrity due diligence processes for subcontractors, which include both social and environmental criteria, prior to the procurement award process. The aforementioned new evaluation processes implemented were the IDDR (Integrity Due Diligence Report) and World-Check One. There were no significant impacts on the supply chain identified in relation to these matters.

Finally, the Company also monitors the health and safety conditions in the actions of its suppliers and subcontractors, covering three main aspects:

- Evaluating the health and safety conditions in the workshops with which it collaborates.
- Advising and assisting vendors on health and safety issues where necessary.
- Ensuring the safety and health of own and subcontracted inspectors in the workshops where the material is inspected.





Dialog and collaboration with the supply chain

For Técnicas Reunidas, dialog and collaboration with suppliers and subcontractors have a direct positive impact on the Company's performance. Not only does it create synergies and enhance communications, but it also helps optimize execution times, allowing us to anticipate and manage changes and improve delivery times.

These collaborations have led to a reduction in quality non-conformities and a performance improvement, not only with Técnicas Reunidas but also with other clients. An example of this type of collaboration is the participation by companies with extensive technical knowledge in very specific areas, such as heavy lifting. These companies integrate with Técnicas Reunidas starting at the bidding phase, providing technical solutions for lifting large equipment, transporting modules and, in general, handling large loads. This collaboration enables the Company to optimize costs and increase safety in its projects.

In this context, Técnicas Reunidas has a series of mechanisms to strengthen relationships with its suppliers, especially with strategic suppliers. These mechanisms include framework agreements with overall commercial conditions covering different projects and joint improvement groups dealing with the main areas for improvement according to the performance shown in project execution. Likewise, collaboration and association agreements have been signed with construction companies to act as a joint venture on different projects, taking advantage of synergies in the construction phase and reducing the risks and exposure of Técnicas Reunidas to variations in the construction phase.

It should be noted that another fundamental tool for developing its relationship with suppliers is to have consolidated a growing knowledge that allows the Company to guide the supplier in the event of any difficulty. The Procurement Area has specialist areas to respond to this need. Having expert staff in the main supply fields allows us to evaluate bids better, advise the client more thoroughly, anticipate problems, and respond more quickly and uniformly to problems in the fabrication process. One of the significant challenges lies in organizing all the problem-solving knowledge accrued experiences in different projects.

Training sessions are also held with suppliers to enhance understanding and strengthen the mutual relationship.

➤ Importance of communication with subcontractors

A very important part of Técnicas Reunidas' management is promoting continuous communication and strengthening the relationship with its subcontractors by offering flexible and effective solutions to any health or safety problems and obstacles associated with delivery deadlines, costs, or sales conditions. The Company holds recurrent meetings with subcontractors to agree to any necessary measures required, set goals and coordinate progress in projects. This, along with framework agreements with subcontractors and the horizontal management thereof among all projects, makes it possible to establish synergies and reuse know-how acquired by these subcontractors on various projects.

Additionally, new contracts are signed with construction partners to get them involved in the entire lifetime of a project, thereby improving communication with them, increasing their visibility of project progress in all phases, and enabling their collaboration from the early stages of a project. The signing of collaborations and partnerships on projects has taken on much greater importance due to the financial difficulties of subcontractors resulting from the various global events of recent years. Likewise, the high demand for labor has made these collaborations increasingly necessary.

Técnicas Reunidas regularly participates in national and international exhibitions and trade fairs to contribute to the development and strengthening of its clients and suppliers.

CONTINUOUS IMPROVEMENT OF EFFICIENCY IN THE SUPPLY CHAIN

Técnicas Reunidas made progress in 2023 on a series of initiatives to optimize the supply chain and reduce some costs without compromising the quality of its services, helping it increase margins and boost its long-term strategy for leadership in the sector.

A large portion of management has been focused on process digitalization and simplification, which has increased the efficacy and efficiency of monitoring, reporting, coordination, and transmission of communication between departments, as well as the analysis of work execution. This has also increased the amount of information available, thereby contributing to greater control and traceability of the same. This has enabled the inclusion of new metrics and key performance indicators within existing score cards and the development and implementation of new ones.

Likewise, the Construction Area has implemented several measures to improve subcontractor management processes:

- Enhancing the organization of administration teams on site and certification processes via ESAM.
- Developing procedures for better productivity on site.
- Implementing constructability procedures to improve the sequence of work and reduce direct labor needs at the sites.
- Self-certification of subcontractor personnel on new procedures of Técnicas Reunidas to enhance standardization between sites.
- Establishing a construction and commissioning work method database to streamline specific generation thereof among projects and foster the dissemination of knowledge.
- Simplifying permit processes on site to decrease disruptions at the sites.

Operational integration was also strengthened throughout the year with training, the implementation of procedural methods as well as tools linked to more effective and standardized management following integration. At the same time, the vertical and horizontal communication of the Area has been improved through greater communication through periodic meetings and the frequent issuance of information pills.

In line with the foregoing, Técnicas Reunidas also continues digitalizing processes to optimize the work done, including the robotization of new processes, improvements to existing tools and reports, and the development of new tools driven by artificial intelligence. Moreover, as part of the Efficiency Plan, the Company has implemented several actions aimed at cost saving in 2023, such as the management of logistics insurance and surplus material as well as technical/commercial agreements with suppliers that enhance execution and oversight in all phases of a project cycle with respect to suppliers.

On the other hand, in 2023 it has continued with training campaigns and training for all personnel in the Procurement Area in cybersecurity, with content that is constantly updated, thus enabling the continuous reinforcement of security in this area. As objectives for 2024, the supply chain categorization process in terms of cybersecurity and privacy will begin through the e-Supplier tool and training campaigns in this area will be promoted for users of strategic suppliers, thus reinforcing cybersecurity in the Supply Chain.

In addition, the security of third-party access to the SMat tool has been strengthened, establishing an approval process and creating a centralized record of all users with access, their registration and cancellation dates, as well as the definition of their roles and permissions, all of which is included in a specific internal procedure.



DIGITAL TRANSFORMATION OF PROCUREMENT AND CONSTRUCTION PROCESSES

The new management system for piping material certificates has gone into production in the last quarter of 2023. This new development in which the Inspection Department, Commodity Manager, IT, Knowledge Management, Materials (Construction) and Site QC Departments have participated, significantly improves the efficiency and accessibility of materials certificates by Materials Management and Site QC immediately and efficiently.

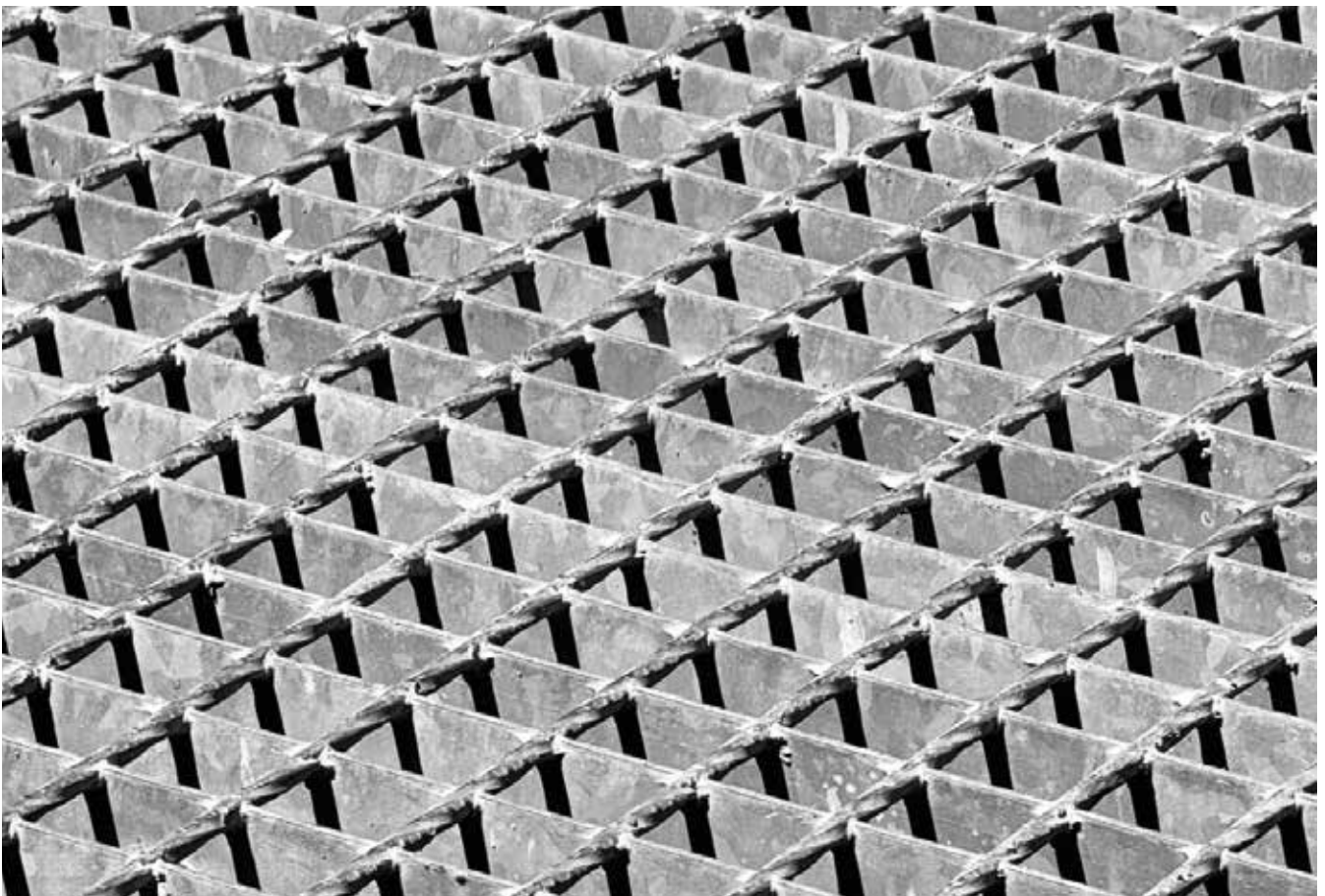
The documentation is hosted in a corporate SharePoint organized by order and IRC and archived with a series of metadata that make it possible to search for a Material Test Certificate by certificate number, by casting, by position, etc.

The development has involved great efforts and complexity since it connects external systems such as those of the supplier with corporate applications of Técnicas Reunidas, such as Técnicas Reunidas' SharePoint and IMA.

In 2024 it will be consolidated and expanded to other suppliers allowing a relevant improvement in:

- Search for material certificates and traceability of data (position, castings, quantities, certificate no., etc.) by Materials Management at site and Site QC.
- Handover of these certificates to subcontractors. This will result into a significant decrease in the hours dedicated by the Inspection Departments (search and sending of materials' certificates to site), Materials Management and Site QC (searching for data in digital documents of hundreds to thousands of pages long).

On the other hand, it will allow the management of surpluses between projects, something practically impossible to do in some cases due to the impossibility of locating the materials' certificates.



6.7 | RELATIONSHIP WITH SOCIETY AND STAKEHOLDERS

Técnicas Reunidas considers the needs of its stakeholders, through continuous dialogue, to generate positive impacts.

Contribution of Técnicas Reunidas to achieving the SDGs



MAIN INDICATORS

INDICATOR	DATA 2023	EVOLUTION 2022-2023
Amount allocated to social action projects (€)	299,595	+51% ¹
No. of organizations with which the company collaborates on social matters	14	+17%
Amount of local purchases and subcontracting (millions €)	2,586.56	+7%



2023 MILESTONES

- Promotion of local purchases and subcontracting to 85% of the total.
- Development of specific training actions for each project involving local talent.
- Corporate volunteering activities with local communities.
- Collaboration in solidarity campaigns (food and clothing collection, blood donations with Red Cross, etc.)
- Participation in programs organized by the United Nations Global Compact.
- Participation in initiatives of Forética, the leading association of companies and professionals in sustainability and corporate social responsibility in Spain.



2024 GOALS

- Maintain a high percentage of local purchases and subcontracting, thus promoting local consumption and the local economy.
- Continue to contribute to the economic and social development of local communities, getting involved in the projects executed by the Company.
- Strengthen dialogue with stakeholders to learn about all their concerns, focusing on those people affected by the projects.
- Train and increase the hiring of local personnel in regions where the Company is executing projects.
- Promote human rights training.

¹ The increase in social action is due to the increase in the Company's donations to foundations in 2023 and the launch of new projects in Mexico, where there is a strong social action.

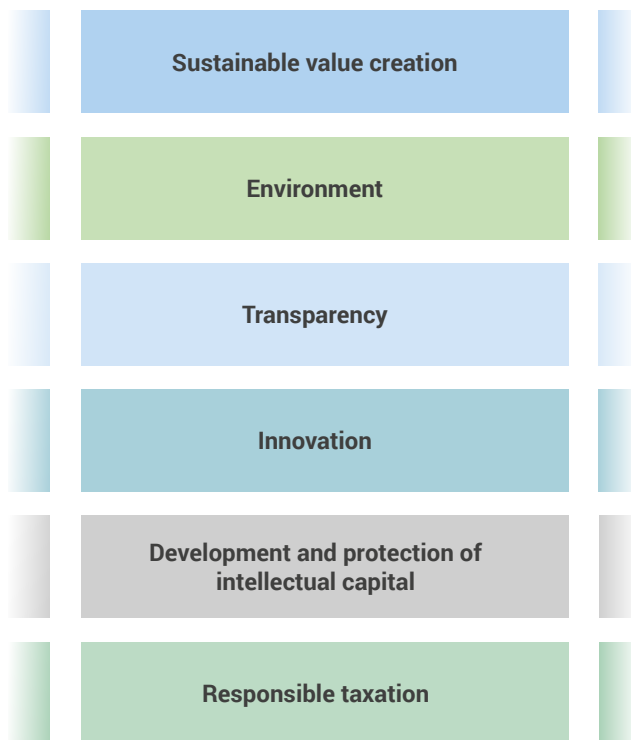
PRINCIPLES OF ACTION GRI [3-3]

Técnicas Reunidas works to create value for people, companies and their environment by promoting innovation, employment and economic growth. All within an ethical, transparent and egalitarian framework.

The Company contributes to environmental protection and the fight against climate change by developing technical solutions that enable it to design and build sustainable and efficient plants for its clients, helping them to achieve their sustainability and decarbonization objectives.

Likewise, as part of its responsible corporate behavior, Técnicas Reunidas offers quality jobs for its professionals, promotes equality and fosters research and innovation, and carries out actions to ensure that its projects make a significant contribution to the sustainable development of the local communities in the countries in which it operates, as set out in the Human Rights Policy.

The Company's Sustainability Policy contains the principles of action in sustainability and corporate governance, common to all its stakeholders². These principles represent Técnicas Reunidas' social commitment:



A determining strategic element for the success of Técnicas Reunidas' social action is the integration of these action principles and the United Nations SDGs in the Company and its activity. The purpose of this approach is to position the Company at the forefront of best practices in sustainability to achieve the goals of the 2030 Agenda. Aware of its role in promoting and achieving compliance with the SDGs, the Company carries out activities aimed at creating shared value in the environment in which it operates, increasing its social contribution to local communities, offering solutions linked to the energy transition, and collaborating through sponsorships or other forms of participation in projects that help social and labor inclusion or aim to raise awareness on matters that contribute to sustainable development.

In particular, the technical solutions developed by the Company and its actions aimed at creating value in the environment and communities where it operates allow it to:

- Design and build quality, safe, and sustainable industrial plants, promoting energy efficiency and universal access to energy services.
- Contribute to the decarbonization of the economy and preserve the environment through the projects that the Company promotes and collaborates in.
- Promote the hiring of local suppliers and subcontractors with the aim of generating a positive socioeconomic impact in the environments in which it operates.
- Promote local talent and invest in its training.
- Preserve the cultural and natural heritage of the region where the Company operates.
- Encourage the efficient management of resources and their reuse, thus promoting the circular economy.
- Collaborate with institutions in the fields of culture, science, research and education.
- Responsibly manage the risks and opportunities derived from the evolution of the environment, avoiding short-term approaches or those that do not adequately consider the expectations of all stakeholders.
- Use the most appropriate channels of communication, participation and dialogue with local communities.

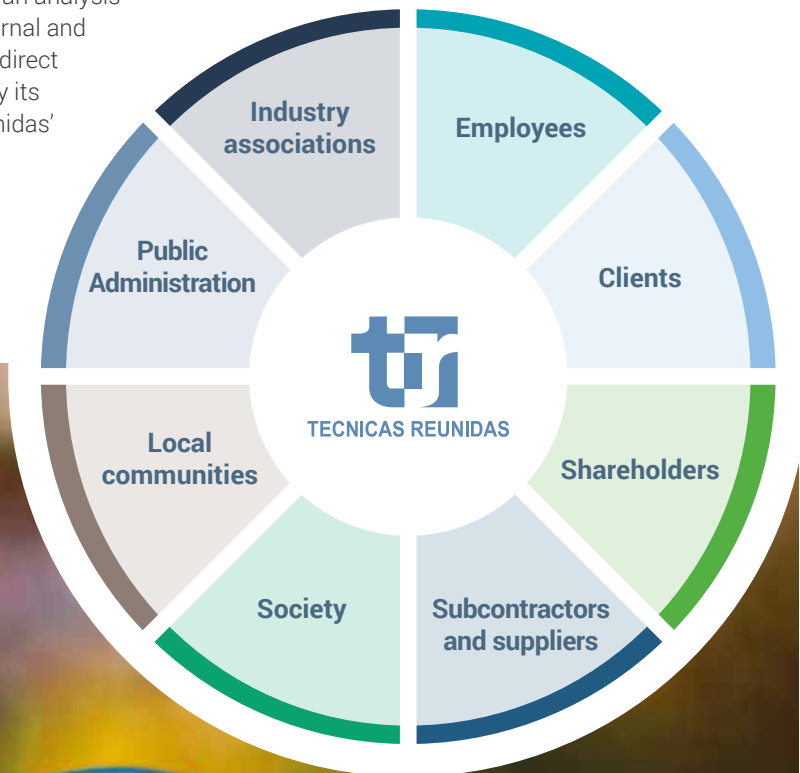
² For more information on the principles of action in relation to certain stakeholders, please see our [Sustainability Policy](#).

PARTICIPATION AND DIALOGUE WITH STAKEHOLDERS

GRI [2-29]

Técnicas Reunidas involves all its stakeholders in its sustainability strategy.

The Company has defined its stakeholders through an analysis and identification of the individuals and groups, internal and external, with whom the Company has a direct or indirect relationship and whose interests may be affected by its activities and operations. As a result, Técnicas Reunidas' stakeholders are:



To maintain and strengthen its relationship with stakeholders, Técnicas Reunidas has several channels through which it is able to identify the issues that are most relevant to them in relation to the Company's activity.

Communication channels and relevant issues for Técnicas Reunidas' stakeholders

STAKEHOLDER	MAIN CHANNELS	RELATIONSHIP FREQUENCY	RELEVANT ISSUES IDENTIFIED IN 2023
Employees	<ul style="list-style-type: none"> • Training, mentoring and interviews. • Website. • New intranet. • Integrated Report. • Competences' evaluation. 	Ongoing	<ul style="list-style-type: none"> ▶ Workload. ▶ Relationship with the Company, superiors and other colleagues. ▶ Low turnover. ▶ Job stability. ▶ Remote work.
Clients	<ul style="list-style-type: none"> • Regular meetings. • Satisfaction surveys. • Forums and conferences. • Website. • Financial statements. • Integrated Report. • Project manager. 	Ongoing	<ul style="list-style-type: none"> ▶ Negotiation of proposals. ▶ Execution of awarded projects.
Shareholders	<ul style="list-style-type: none"> • Relations with investors. • Forums and conferences. • Annual Shareholders Meeting. • Website. • Visits to the headquarters. • Integrated Report. • Proxy advisors. • Social networks (X and LinkedIn). 	Periodical	<ul style="list-style-type: none"> ▶ Hosting of webcasts and roadshows with investors. ▶ Live broadcasting of Annual Shareholders Meeting. ▶ Attendance hybrid model, face-to-face and remote, to encourage participation.
Subcontractors/Suppliers	<ul style="list-style-type: none"> • Regular meetings and calls. • Website - special reference to the supplier's section. • Integrated Report. • Assist with the financing of suppliers and subcontractors. • Recruitment procedure. • Monitoring their performance in the execution of their tasks, including aspects of sustainability and human rights. 	Ongoing	<ul style="list-style-type: none"> ▶ Company's performance in projects. ▶ Increase in the features of the Técnicas Reunidas e-Supplier management portal for suppliers and subcontractors. ▶ Establish and integrate quantitative ESG criteria into value chain management strategy, in both the certification stage and contract clauses. ▶ Significant volume of purchases from local suppliers and subcontractors.

STAKEHOLDER	MAIN CHANNELS	RELATIONSHIP FREQUENCY	RELEVANT ISSUES IDENTIFIED IN 2023
Company	<ul style="list-style-type: none"> • Visits to facilities. • Website. • Integrated Report. • Regular meetings. 	Periodical	<ul style="list-style-type: none"> ▶ Communication of collaboration opportunities. ▶ Information on the Company's economic performance and its impact on the environment.
Local communities	<ul style="list-style-type: none"> • Visits to facilities. • Meetings with local representatives. • Website. • Integrated Report. • Identification of relevant stakeholders in each project, with special consideration to local and indigenous communities, and ongoing dialogue with them during project execution. 	Project-based	<ul style="list-style-type: none"> ▶ Monitoring of the impacts of project implementation. ▶ Participation in social action projects in the local environment. ▶ Local hiring for the projects. ▶ Volunteer actions adapted to the circumstances of each project. ▶ Promotion of local economic activity.
Public Administration	<ul style="list-style-type: none"> • Meetings with local government representatives. • Participation in work groups. • Website. • Integrated Report. 	Project-based Ongoing in the case of government entities in the countries where projects are implemented since many clients are Public Administrations.	<ul style="list-style-type: none"> ▶ Dialogue with Public Administrations' local representatives of the countries where projects are executed.
Industry associations	<ul style="list-style-type: none"> • Participation in work groups. • Website. • Fairs, forums and conferences. 	On a permanent basis, usually expressed through participation in administrative or management bodies.	<ul style="list-style-type: none"> ▶ Participation and knowledge exchange in business forums such as <i>Emisores Españoles</i> or CEOE. ▶ Collaboration with leading sustainability organizations such as the Sustainability Excellence Club (<i>Club de Excelencia de Sostenibilidad</i>), SERES Foundation (<i>Fundación SERES</i>), Forética or Global Compact. ▶ Participation in industry associations such as Tecniberia and IndesIA.



SOCIAL PROJECT MANAGEMENT

GRI [3-3]; [203-2]; [413-1]; [413-2]

The Company considers that one of the most relevant stages during the execution of its projects is the identification and adequate management of the risks and opportunities that its activity may cause in the environment and society, especially in the local communities. To this end, Técnicas Reunidas establishes the appropriate mechanisms to optimize the positive impacts in the execution of its activities and to detect negative impacts at an early stage so that they can be properly managed.

In particular, the Company has a Social Management Framework promoted by Project Sustainability area and developed through internal policies and protocols. This Framework allows Técnicas Reunidas to plan what actions are required, prioritizing coordination and constant collaboration with communities and other local stakeholders (Public Administration, partners, suppliers, or subcontractors).

Social Management Framework for Técnicas Reunidas’s Projects

Assessment and management of social impact

Individualized analysis of the social impact of each project in the bidding stage. Obtaining the “social license” is the responsibility of the client.

Dialogue with the local community

The Project manager maintains a constant dialogue with community representatives and local institutions throughout the project life cycle.

Carrying out projects to support the local community

As a result of the coordination with the local community, Técnicas Reunidas is informed of their needs and expectations to analyze the ways in which it can support them according to the characteristics of each project.

Complaint and restoration of social impact mechanisms

Although the impacts of the projects are essentially positive, the Company analyzes local regulations to detect potential negative social impacts and provide the community with appropriate complaint and redress mechanisms.

Social manager

In certain projects, the Company has a social manager who, under the supervision of the project manager, is responsible for allocating resources to specific projects and needs and for establishing a dialogue with representatives of the local communities affected by the project.

Constant monitoring of the local environment

Técnicas Reunidas permanently monitors the local environment during the execution of its projects, including the performance of third parties involved in them, such as suppliers and subcontractors.



Técnicas Reunidas identifies as significant issues for local communities the hiring and training of local personnel, infrastructure development in the surrounding area, potential environmental effects and cultural needs.

Consequently, the Company carries out activities aimed at increasing the social contribution generated by its business activity, as the main source of value creation for the local communities in which it operates. As a result of these initiatives, the Project Sustainability area promotes initiatives to ensure that the social and environmental impact is positive. To this end, continuous dialogue with stakeholders is key to understanding the initial situation of the area where the projects are to be implemented and to jointly assess the programs.

In this way, the performance of Técnicas Reunidas' work is highlighted, contributing with its activity to the development of its clients' sustainability strategies, providing engineering solutions linked to energy transition, circular economy, and decarbonization, and implementing actions that contribute to the development of local communities and the most vulnerable groups in every region.

In this context, Técnicas Reunidas has continued its process of analysis and evaluation of the social dimension of the projects, with the aim of influencing the positive impacts and reducing and/or mitigating the negative ones. In particular, the procedure for analyzing these impacts has been strengthened during the bidding stage, through the Proposals Department, as well as during the project execution phase through the Operations Management. This is an in-depth analysis of the circumstances of each client and geographic area and results in high level of local procurement and subcontracting along with the employability of specially qualified local personnel who are included in the project team, among others.

Given the key role played by Técnicas Reunidas personnel in projects, the Company exhaustively analyzes the suitability of its professionals, carrying out an exhaustive selection process of all its employees until they travel to the project execution site. In this regard, the recruitment process, and the Social Management Framework, assessed by the Project Sustainability area, allow us to meet both local recruitment and expatriation needs within the timeframe required for the successful and timely implementation of the Company's projects.



Featured case

The projects in which Técnicas Reunidas participates generate a number of positive impacts on society³

Employability of staff and strengthening of the local business. In 2023, the number of Técnicas Reunidas professionals was 8,490, 49.82% of whom work outside Spain.

- Hiring local suppliers and subcontractors, reinforcing the positive economic contribution that the Company makes to its environment. In 2023, total procurement and subcontracting expenditure amounted to €3,027 million, of which 85% (€2,587 million) was spent on local procurement and subcontracting (compared to €2,411.72 million, 72% in 2022).
- STEM training (Science, Technology, Engineering and Mathematics) in the projects aimed at companies, local and subcontracted staff who request it, provided in courses and workshops organized by the Company. Social investment in training in 2023 was over €2 million.
- Facilitate access to energy and the creation of new infrastructures in the projects being executed by the Company.
- Corporate volunteering initiatives in the local communities, with special attention to vulnerable groups. In 2023, social contributions within the framework of projects amounted to €31,714. Some of these volunteer programs and solidarity campaigns were:
 - Delivery of food or drinking water in areas where these resources are limited.
 - Renovation work on buildings or surfaces.
 - Delivery of school supplies, sports equipment, and toys for children.
 - Cleaning of public spaces.

³ For more information on how these positive impacts relate to the SDGs, see chapter 4.2 Strategic Pillars.

The Company develops an important training program for local personnel in fields of high technical qualification such as environmental matters, technology, sustainability, as well as health and safety.



Featured case

Development of communities through the training of local talent

Técnicas Reunidas contributes to the development of society and, specifically, of the local communities where it carries out its projects, through the essential training of local talent in line with SDG 4. The Company provides specific training with the aim of strengthening the skills of all its employees and promoting the integration of local employees in its projects. Thanks to the training and experience they receive, the local population benefits economically and broadens their knowledge, allowing them to expand their professional opportunities in the future.

In this context, one of the major contributions of Técnicas Reunidas in 2023 has been a social investment of €2.05 million for the training of local workers in the field of project implementation.



Featured case

AGUA-R³

Técnicas Reunidas is firmly committed to innovation, offering technological solutions that have a positive impact on both its clients and the communities in which it operates.

AGUA-R³ initiative takes place in the United Arab Emirates, within the framework of the Dalma project. It consists in the reduction and optimization of water consumption in industrial plants through advanced technical design solutions and the inclusion of additional water treatments.

This initiative contributes substantially to the sustainable management of water, drastically reducing its use and enabling it to be used by the local communities surrounding the plant in activities such as agriculture and livestock farming. It also boosts the growth of the local economy and generates greater social cohesion.

It should be noted that several areas of the Company are collaborating on this initiative. Dialogue with local communities is continuous throughout the life cycle of the project executed by the Company. In fact, the relationship with local farmers is direct, in addition to the interaction with local institutions and representatives of the collective to identify needs, as well as agree on the periodicity and logistics of water donations.

As a result, AGUA-R³ provides more than 480,000 m³ of water annually to the local communities. These water consumption benefits for the local communities will remain throughout the life of the Dalma project plant, estimated at 30 years.

Técnicas Reunidas, within the framework of its projects, carries out social actions in the surrounding local communities to promote their social and economic development.



Featured case

Social Management Plans in Mexico

Técnicas Reunidas develops social management plans for its projects in Mexico including a set of mechanisms and tools that promote social inclusion and effective community involvement.

First, the Company conducts an analysis and characterization of social management, which consists in identifying the Mexican population, its structure, composition, dynamics, and quality of life, along with an evaluation to determine coverage and quality in the provision of public and social services in Mexico, types of social and political organization; social and cultural practices that form a link between the inhabitants and their land, conditions of the territory in relation to the pressure that the inhabitants exert on the resources, their level of development and the comparative and competitive advantages offered by the territory, etc.

Based on this characterization, the impacts are identified along with the space in which they will occur, as a result of interaction between the environment and the project. To manage these impacts, a set of general, local and specific measures are developed to ensure that actions to manage them are focused on the population that is affected. These actions make up the Social Management Plan:

- Implementation Plan to prevent and mitigate negative social impacts and strategies for scaling up positive social impacts identified in the social impact assessment.
- Communication and Community Engagement Plan, to engage with stakeholders and sectors of interest, establishing a fluid communication and dialogue, through which the Company can transmit information related to the project, focused on highlighting the economic and social benefits of its construction. In this regard, the Company establishes complaint mechanisms to receive, examine, and monitor the doubts, concerns, expectations, and suggestions of the populations in the area of influence and stakeholders. The Plan covers the actions, human and financial resources required for its implementation.
- Social Investment Plan, which includes the strategy and actions proposed for the benefit of the communities located in the project's zone of influence, including the forecast of human, financial,

and material resources. It also includes monitoring indicators and elements related to sustainability principles and policies, community engagement or human rights.

- Continuous Social Impact Assessment Plan, which includes interviews with inhabitants of urban and rural areas within the zone of influence of the project, as well as with key stakeholders and sectors interested and involved, in order to identify their perception of the effects of the project and the capacity to respond to the impacts.

In addition, a quarterly technical report is prepared providing detailed information on compliance with the Social Management Plan. Upon completion of the project, the actions included in this plan are reduced, as well as the reporting periodicity.

Social Management Plan in the project CCC Riviera Maya - Valladolid and its associated Interconnection Network.

Components of the Social Management Plan after characterization:

- The project's Social Impact Study identified a total of 13 social impacts, 7 of which were assessed as positive (such as the generation of direct and indirect jobs with a gender focus, growth of the local economy and strengthening of the electricity supply in the region) and 6 negatives (e.g., non-compliance in gas, particles, and waste emissions, impact on vegetation, and workplace accidents).
- The Implementation Plan for prevention measures, mitigation of negative social impacts, and expansion of the positive social impacts identified included measures such as (for the gender-focused direct and indirect generation of jobs) hiring at least 60% of the workforce locally, which would favor the local economy and the social impact of the project. To this end, dissemination actions and monthly personnel recruitment meetings are held.
- In accordance with the Communication and Community Engagement Plan, on the one hand, information was submitted to stakeholders and sectors of interest through meetings and printed media, for which 6 meetings were held, 252 leaflets in Spanish and Mayan were distributed in nearby areas, and two billboards were placed.
- Moreover, four mailboxes were placed in municipal, or state public buildings located in the area of influence for complaints, claims, proposals, and comments. These

mailboxes will remain operational for the duration of the project and are reviewed monthly.

- The Social Investment Plan determined a budget of \$20 million for the execution of social works to be agreed upon between three parties: the population located in the area of influence, the local authorities and the Felipe Carrillo Puerto Thermal Power Station.
- In relation to the Plan to assess social impacts, 133 interviews were conducted to identify how they were being perceived and the expectations of the population interested in the project were explored in relation to the positive and negative impacts identified. In addition, continuous monitoring of the indicators associated with these impacts was carried out.

Social Management Plan at the project CCC Mérida.

Components of the Social Management Plan after characterization:

- The project's Social Impact Study identified various social impacts, among which 4 were classified as positive (such as job creation, increased demand for goods and services, strengthening the conditions for regional growth and development in terms of electricity) and 5 as negative (for example, interference with communication routes, inconvenience due to improper waste management, or potential workplace accidents).
- The Implementation Plan for prevention measures, mitigation of negative social impacts and expansion of the positive social impacts identified included measures such as (regarding the negative impact of potential workplace accidents) a Health, Safety, and Environment (HSE) management system that was implemented from the beginning of the work.
- In accordance with the Communication and Community Engagement Plan, 15 socialization and engagement meetings were held with stakeholders and informational material (380 leaflets and 24 posters) was distributed among social stakeholders. Moreover, four mailboxes were placed in municipal, or state public buildings located in the area of influence for complaints, claims, proposals, and comments.
- Under the Social Investment Plan, activities were carried out to form tripartite working groups.

- In relation to the Plan to assess social impacts, 155 interviews were conducted to identify how they were being perceived and the expectations of the population interested in the project were explored in relation to positive and negative impacts identified. In addition, continuous monitoring of the indicators associated with these impacts was carried out.



COMMITMENT TO SOCIAL ACTION GRI [2-28]

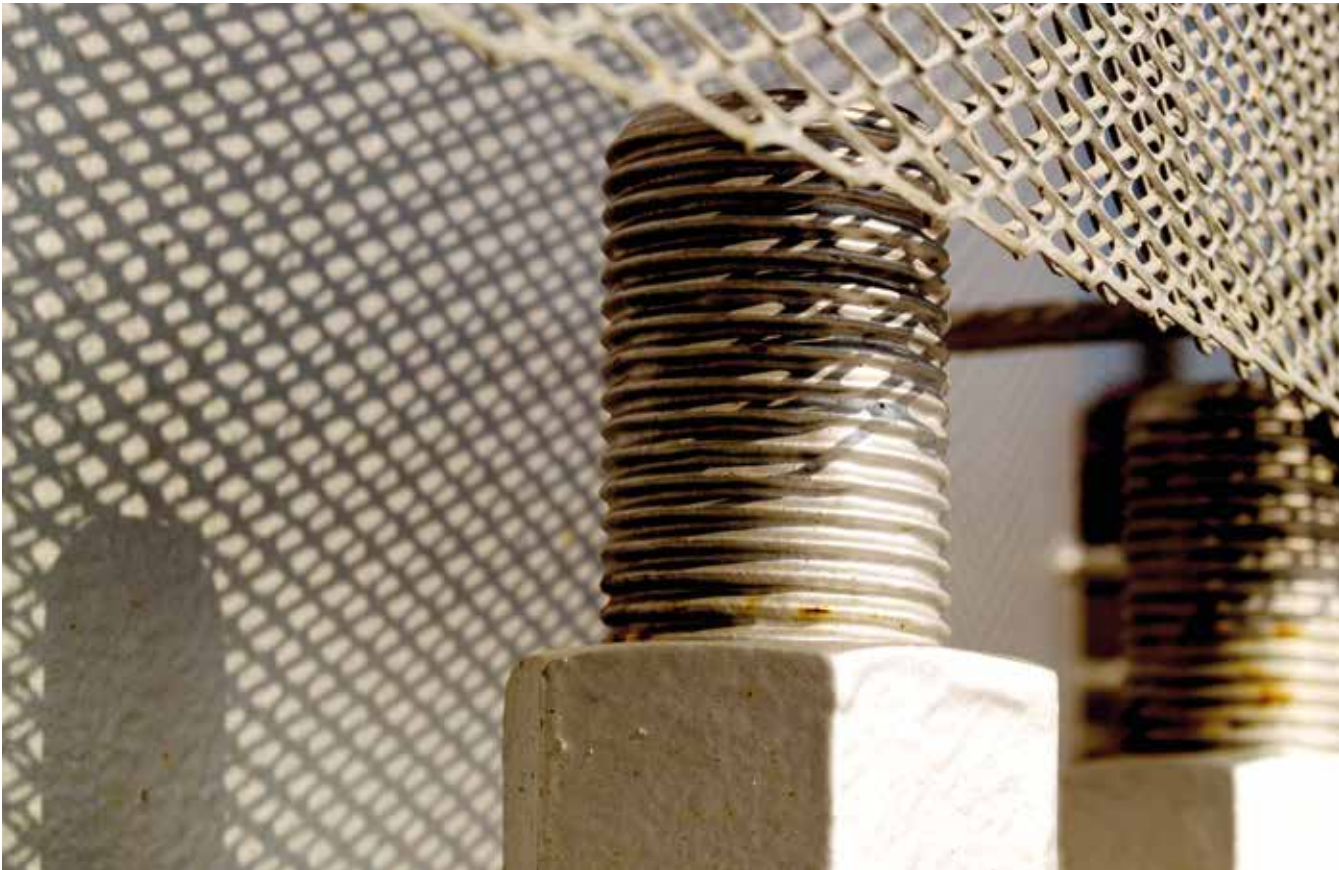
For several years, Técnicas Reunidas has been committed to four areas of work: education, social business and sustainability initiatives, science and research, and culture. The initiatives carried out by the Company in each of these areas are proof of its commitment and are deployed through numerous activities and projects.

In the field of partnership and sponsorship, the main risk is related to the possibility of a third party performing actions, causing reputational damage to the Company. To avoid any type of contingency in this regard, Técnicas Reunidas carries out due diligence procedures in this type of activities, assessing in each specific case whether the organizations with which it collaborates could be detrimental to the Company.

To manage these potential risks, before initiating an action, the Company locates and selects other organizations that share its objectives and explores the possibility of collaborating with them, either through financial support or through other instruments such as participation in working groups, presentations at forums, or volunteer actions. Técnicas Reunidas always rules out any association, sponsorship, or economic contribution to political parties.

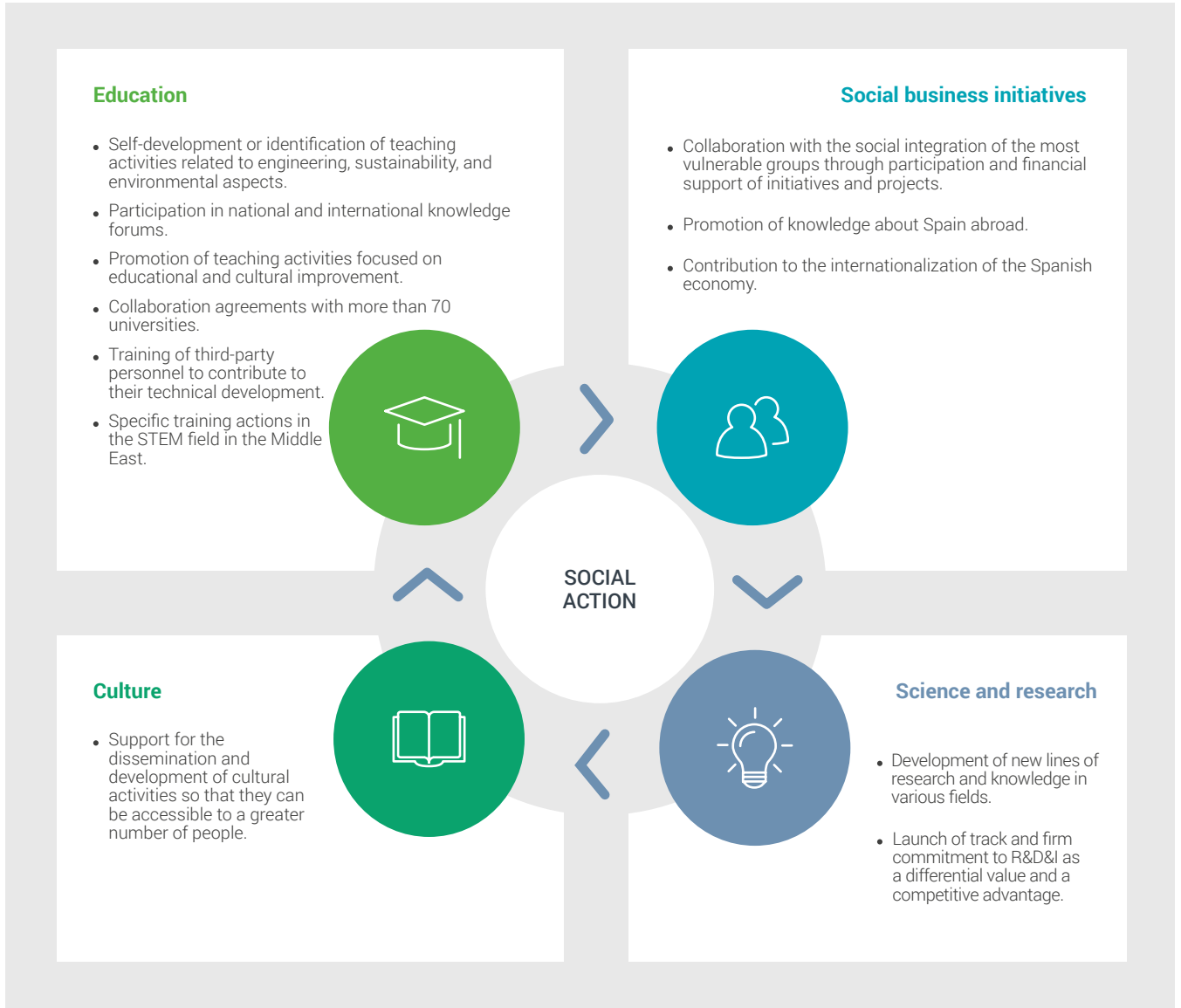
Due to Técnicas Reunidas' commitment to the SDGs, the selection criteria for social action initiatives have been strengthened. For this reason, transparency analysis of the Associations or Foundations with which we collaborate is carried out on a recurring basis. In this way, the Company develops its philanthropic activity by channeling it towards social or environmental action, thus contributing to the SDGs.

In 2023, the Company allocated a total of €299,595⁴ to projects and organizations in the field of social action in addition to €2 million allocated to the training of local talent in its international projects.



⁴ Of these €299,595, €31,714 went to social contributions within the framework of initiatives with the local communities of Técnicas Reunidas projects, while the rest were contributions to non-profit foundations.

Técnicas Reunidas' commitment to social action





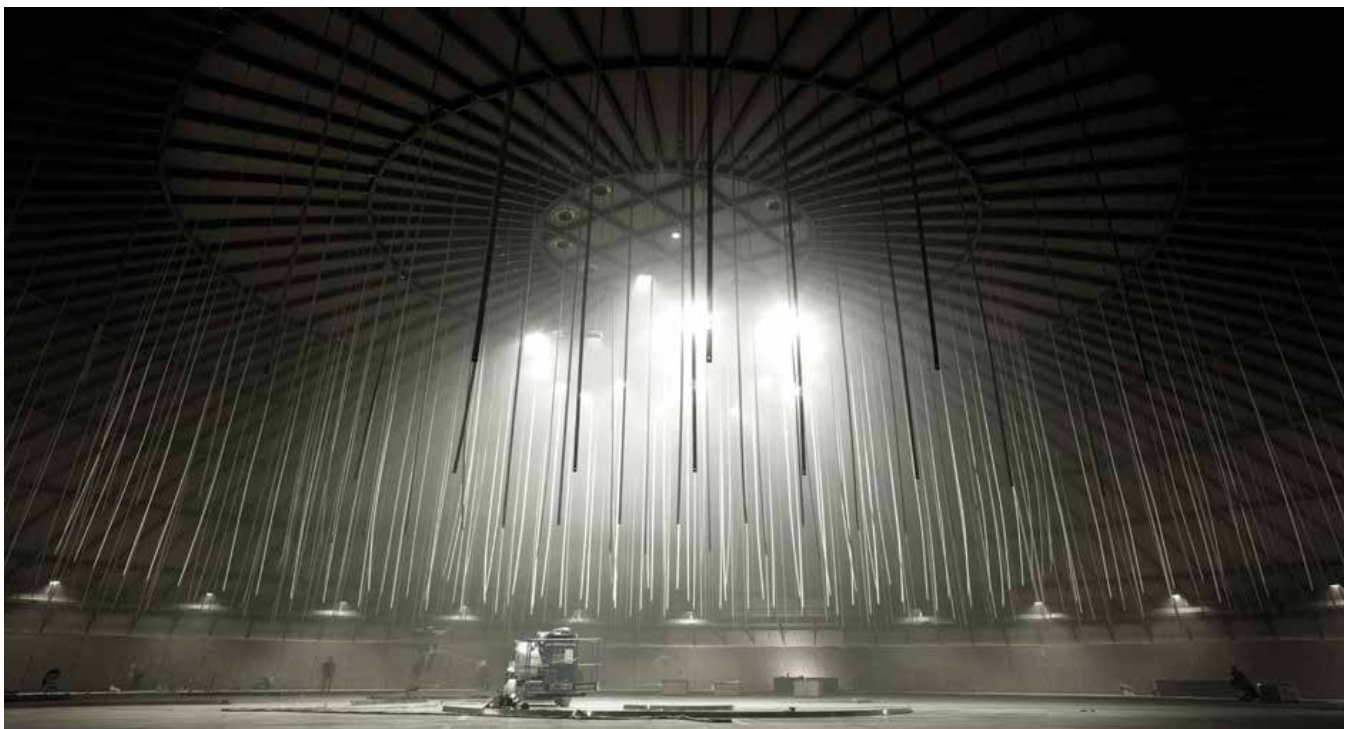
Featured case

Social action and staff awareness

In 2023 Técnicas Reunidas has increased its social action and staff awareness in the areas of volunteering, humanitarian aid and human rights, among others. During the year, communications have been sent periodically supporting social actions such as the collection of food and clothing, campaigns to donate blood on the premises or information pills to raise awareness of the existence of a complaints channel and the need to report any abusive practice or labor or sexual harassment, among others.

These are some of the highlighted initiatives and social contributions that the Company has promoted from its corporate headquarters in Madrid during 2023:

- Técnicas Reunidas donated €267,880.51 to foundations and non-profit organizations.
- The Company has collaborated in the food collection organized by Cáritas carrying out an internal awareness campaign and making the organization's facilities available so that professionals could participate.
- Donation of office furniture to employees, schools, associations, etc.
- The Company has carried out a major external communication campaign, participating in numerous employment forums, working on the search for present and future talent, paying special attention to and highlighting the important role of women in the industry.
- Técnicas Reunidas has led, within IndesIA, the design and development of a Mentoring Program with the School of Industrial Engineers of the Polytechnic University of Madrid.
- In its commitment to innovation and young talent, Técnicas Reunidas has participated as Innovation Partner in Hunger4innovation, an innovation competition in which university students in Spain work on a challenge of the Company's business to offer disruptive solutions and be agents of change.
- The Company promoted the participation of its employees in the Carrera de las Empresas (Business Run) held in Madrid at the end of 2023, among its various initiatives for the health care and well-being of its employees.



Main organizations with which Técnicas Reunidas collaborates

The Company is a member of various associations related to its business and collaborates in numerous initiatives aimed at promoting business and entrepreneurial activity, a fundamental lever for maximizing the impact on society and advancing in the development of new technologies. The establishment of strategic alliances allows the exchange of knowledge, resources, and experiences, strengthening Técnicas Reunidas' capacity to innovate and adapt to the environment and the emerging needs of its stakeholders. These synergies not only enhance the positioning and trust of their customers, but also increase opportunities and allow them to face global challenges by developing integrated solutions.

In this sense, Técnicas Reunidas is committed to social action, culture, education, and research promoted by the entities of which it forms part, participating proactively in them. It also collaborates with other organizations that promote transparency, responsible business conduct being a benchmark in the field of sustainability, such as the Global Compact, the Carbon Disclosure Project, the Sustainability Excellence Club, the SERES Foundation, Forética and ESG performance analysts of recognized prestige.

Técnicas Reunidas' commitment to social action



Culture



Science, research and education



Referential organizations in the field of sustainability





REPORTING PRACTICE FOR THE INTEGRATED REPORT



This is Técnicas Reunidas' eighth Integrated Report, drawn up according to the recommendations set out in the International Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC).

This Integrated Report constitutes the consolidation of Técnicas Reunidas' corporate report and continues the Company's communication efforts, following the stringent criteria of transparency and clarity, covering the most relevant issues for its stakeholders. The Company implements updates and works to improve the quality of the information provided annually.

For the preparation of this report, Técnicas Reunidas has followed the International Framework <IR> and the latest standards of the Global Reporting Initiative, called "GRI Standards" for the preparation of sustainability reports, with an overview of its most significant impacts and how it manages them. Throughout this Integrated Report, the GRI content associated with the information published is identified and Chapter 8 includes a GRI Content Index indicating the pages where information on each content can be found.

PREPARATION IN ACCORDANCE WITH GRI STANDARDS

Técnicas Reunidas prepares its Integrated Report in accordance with the GRI Standards. To this end, throughout this report it complies with the requirements indicated in GRI 1: Foundations 2021.

Técnicas Reunidas has prepared this report in accordance with the eight principles defined in GRI 1: Foundations 2021 (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability) for the compilation and presentation of the information contained in the report.

In Chapter 8. GRI Table of Contents, there is an indication of the pages of this report where Técnicas Reunidas presents the information corresponding to each of the contents of GRI 2: General Disclosures 2021 and the contents of the relevant GRI Topic Standards for each material topic identified.

MATERIAL TOPICS CONSIDERED IN THE PREPARATION OF THIS REPORT

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

The International Framework <IR> and the GRI Standards require the Company to design the contents of its report taking into account "issues that materially affect the organization's ability to create value in the short, medium and long term".

These matters, considered material topics, reflect "the most significant economic, environmental and social effects of the organization, including impacts on human rights" and, therefore, refer to issues that may have a relevant impact on the organization when carrying out its strategy, as well as on the assessments and decisions of its stakeholders.

To determine its material issues, Técnicas Reunidas has carried out a materiality analysis, the process of which has been as follows:

1

Identification of material issues

- Review of the material issues identified in the last reporting year and those identified by the GRI Standards.
- Analysis of other companies' annual and sustainability reports.
- Holding meetings with investors.
- Follow-up of the most relevant issues for proxy advisors and ESG analysts through questionnaires.
- Gathering the opinions of other stakeholders: meetings with senior management, client requirements, regulatory assessment, supplier evaluation, employees focus groups, etc.
- Analysis of Sustainable Development Goals (SDG) and identification of trends.

2

Assessment and prioritization of material topics

- Assignment of priority order to each of the issues identified in the previous stage based on interviews with Técnicas Reunidas executives.

3

Materiality matrix and content development



- Development of a materiality matrix that prioritizes issues according to their relevance for stakeholders and for Técnicas Reunidas (see graph).
- Identification of the GRI contents to be addressed and their development in the Integrated Report.



The materiality matrix for Técnicas Reunidas is shown below. It reflects the topics that have a medium or high degree of materiality for both the Company and its stakeholders.




The following table shows the correspondence between the material issues identified and the name under which they are considered within the GRI Standards. However, although several material topics are not directly linked to GRI content, information on them is included in the Integrated Report. It also indicates the scope of the impact they produce (inside or outside the organization) and the GRI contents through which Técnicas Reunidas provides information on its performance and management in each one.

Strategic issues for Técnicas Reunidas

SCOPE	MATERIAL ISSUE FOR TÉCNICAS REUNIDAS	ISSUES CONSIDERED	IMPACT OUTSIDE THE ORGANIZATION BY STAKEHOLDER GROUP*	GRI ISSUES INCLUDED	GRI ASSOCIATED CONTENTS REPORTED
Economic 	Economic performance	Economic performance.	Shareholders	Economic performance	201-1
	Shareholder and investor relations	Transparency and dialogue with shareholders and investors.	Shareholders	-	[3-3]
		Participation in sustainability initiatives and ESG analysts (CDP, S&P, etc.).		-	
	Taxation	Transparency and fiscal responsibility.	Public administrations Society	Economic performance Taxation	201-1; 207-1; 207-2; 207-3; 207-4
Operational/ Business 	Client orientation and reputation	Client relations.	Clients	-	-
		Compliance with requirements and client satisfaction (plant quality, operation, efficiency and safety).	Clients	Clients' health and safety	416-1
		Development of new business models (Ex: Lump Sum Turn Key).	Clients	-	-
	Business diversification	Product and geography diversification.	Shareholders	General Contents	2-6; 2-22
		Execution of high value-added projects.	Shareholders	General Contents	2-6; 2-22
	Satisfactory execution of projects	Pursuit of quality, efficiency and excellence throughout the Company's value chain, from design to commissioning, including all phases of procurement and construction.	Clients	-	[3-3]
			Society		
		Suppliers			
		Project-related risk management.	Clients Company	-	-
		Information security and digitalization	Use of new technologies in the management of the Company's different areas.	Employees	-
Cybersecurity.	Clients		-	[3-3]	
Business continuity and security.	Employees		-	-	
Innovation	R&D&I, proprietary technologies, etc.	Clients Society	-	[3-3]	

SCOPE	MATERIAL ISSUE FOR TÉCNICAS REUNIDAS	ISSUES CONSIDERED	IMPACT OUTSIDE THE ORGANIZATION BY STAKEHOLDER GROUP*	GRI ISSUES INCLUDED	GRI ASSOCIATED CONTENTS REPORTED
Integrity 	Integrity and corporate governance	Corporate governance.	Shareholders Public Administrations Clients Suppliers Employees	General Contents General Contents Anti-corruption Unfair competition -	The majority of the contents from 2-9 to 2-26 2-15; 205-1; 205-2; 205-3 206-1 -
		Ethical behavior and integrity.			
		Anti-corruption.			
		Prevention of unfair competition.			
		Risk management at the corporate level.			
	Regulatory compliance	Regulatory compliance at the environmental, social and governance levels.		General Contents	2-27
Social 	Relationship with the local community	Company dialogue with the local community, evaluation of social impacts and contribution to the community.	Local Communities	Local communities	413-1; 413-2
		Assessment of the human rights impacts of the Company's activities upon the different environments in which it operates.	Society	General Contents	2-23 a 2-26
	Local dynamization	Socioeconomic impact on the environment in which the Company operates.	Society	Indirect economic impacts	203-2
		Purchases from local suppliers.	Local Communities	Supply practices	204-1
	Supply chain responsibility	Consideration of environmental and social issues in the approval and monitoring of suppliers.	Suppliers	Social evaluation of suppliers	414-2
				Environmental assessment of suppliers	308-2
		Workers' welfare conditions.		Child labor	408-1
				Forced or compulsory labor	409-1
				Security practices	410-1
				Freedom of association and collective bargaining	407-1
	Quality employment	Employment generation.	Employees	General Contents	2-7; 2-8; 2-30
		Equal opportunities.		Employment	401-1
	Talent retention and development	Employees' training and professional development.	Employees	Diverse and equal opportunities	405-1
		Measures that favor the retention of the Company's existing talent.		Training and education	404-1; 404-3
		Talent attraction.		-	-
Health and safety	Employees' health and safety.	Employees	Occupational health and safety	403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-9	

SCOPE	MATERIAL ISSUE FOR TÉCNICAS REUNIDAS	ISSUES CONSIDERED	IMPACT OUTSIDE THE ORGANIZATION BY STAKEHOLDER GROUP*	GRI ISSUES INCLUDED	GRI ASSOCIATED CONTENTS REPORTED
Environment 	Materials consumption	Company's material consumption.	Society	Materials	301-1
	Energy use	Energy use in the Company's activities.		Energy	302-1; 302-3
	Climate change	Mitigation of greenhouse gas emissions.		Emissions	305-1; 305-2; 305-3; 305-4
		Adaptation to climate change.		General Contents	2-22
	Waste management	Management of waste generated by the Company.		Waste	306-3
	Environmental monitoring of projects	Environmental impact management in the execution of projects.	Society Clients Suppliers	General Contents Environmental assessment of suppliers	2-25; 308-2

EXTERNAL VERIFICATION

GRI [2-5]

The contents of non-financial nature included in this Report that come from the Company's Statement of Non-Financial Information¹ have undergone an external review process performed by Deloitte, S.L. in accordance with the "International Standard on Assurance Engagement 3000" standard (revised ISAE 3000, in accordance with the requirements of Law 11/2018).

CONTACT INFORMATION

GRI [2-3]

Readers of this Report may direct their doubts, queries, requests or suggestions through the following channels:



Web: www.tecnicasreunidas.es

e-Mail: sostenibilidad@tecnicasreunidas.es

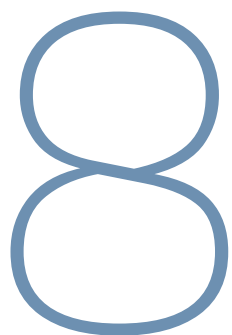


Ordinary mail:

Att.- Secretariat of the Board of Directors - Sustainability

Av. de Burgos 89 - Adequa - Building 6, 5th Floor
C. P. 28050 Madrid, Spain

¹ The selection of the auditors was approved at the 2023 Annual General Meeting of Shareholders. For further information, please refer to the independent assurance report in the [Consolidated Financial Statements for fiscal year 2023](#).



GRI CONTENT INDEX



GRI CONTENT INDEX



2024

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was carried out in the Spanish version of the report.

GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
GRI 1: 2021 PILLARS			
Summary of reporting requirements in accordance with the GRI Standards			
Declaration of use	Técnicas Reunidas has reported in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2023.		
GRI 1 used	GRI 1: Foundations 2021		
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	6-9; 50 Técnicas Reunidas, S.A. is a publicly traded company. Chapter 5.1 shows the ownership structure. Its registered office is located at Av. De Burgos 89 -Adequa, Building 6 P.C. 28050 Madrid Spain	Group
	2-2 Entities included in the organization's sustainability reporting	The financial information is for the Técnicas Reunidas Group. For more information, please refer to Consolidated Annual Accounts .	Group
	2-3 Reporting period, frequency and point of contact	197 The reporting period covered by the report is 2023. The latest edition was published in 2023 with information for 2022. Técnicas Reunidas prepares its reports on an annual basis.	Group
	2-4 Restatements of information	New quantification criteria and measurement and estimation methods have made it possible to restate information in those sections of the report where it is indicated by footnotes.	Group
	2-5 External assurance	197 The Integrated Report 2023 has not been externally assured. However, the contents within the report whose origin is the Company's Statement of Non-Financial Information have been externally assured by Deloitte, S.L.	Group

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GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain, and other business relationships	6, 11-18; 33; 165 You can see the Company's capitalization at the following link of the Técnicas Reunidas website . For significant changes in the size, structure, shareholder ownership, or supply chain of the organization, please see the Annual Report on Consolidated Financial Statements .	Group
	2-7 Employees	94 For additional information on employees and other workers, please see chapter 15.4.1 of the Consolidated Management Report .	Group
	2-8 Workers who are not employees	94	Group
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	51	Group
	2-10 Nomination and selection of the highest governance body	52	Group
	2-11 Chair of the highest governance body	51	Group
	2-12 Role of the highest governance body in overseeing the management of impacts	38; 51	Group
	2-13 Delegation of responsibility for managing impacts	51	Group
	2-14 Role of the highest governance body in sustainability reporting	The governing body that reviews and approves this Integrated Report in Técnicas Reunidas is the Board of Directors.	Group
	2-15 Conflicts of interest	61	Group
	2-16 Communication of critical concerns	51; 66 The Audit and Control Commission is responsible for reporting the main economic, environmental, and social concerns to the Board. The issues communicated to the highest governance body of Técnicas Reunidas in the scope of compliance and risks in the field of sustainability have mainly consisted of specialized or individualized treatment of certain areas or activities within the Company.	Group
	2-17 Collective knowledge of the highest governance body	53	Group
	2-18 Evaluation of the performance of the highest governance body	53	Group
	2-19 Remuneration policies	57	Group
2-20 Process to determine remuneration	57	Group	
2-21 Annual total compensation ratio	57 Omission – Confidentiality restrictions: the information in this disclosure is not published due to specific confidentiality reasons of the Company. Alternatively, the Company includes information regarding the remuneration of its highest governance body.	Group	

Continued

GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
Strategy, policies, and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	4	Group
	2-23 Policy commitments	61; 64 Técnicas Reunidas has a risk and opportunity management program that includes an analysis of potential sustainability impacts, including environmental impacts, on projects from the bid phase to project completion. This analysis includes the identification of measures addressing the precautionary principle and reducing undesirable effects.	Group
	2-24 Embedding policy commitments	61; 64	Group
	2-25 Processes to remediate negative impacts	64; 66	Group
	2-26 Mechanisms for seeking advice and raising concerns	61; 66	Group
	2-27 Compliance with laws and regulations	61	Group
	2-28 Membership associations	188	Group
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	180-182 The Company has selected stakeholders based on a criterion of relevance to the Company and its business. Técnicas Reunidas guides the frequency of its relations with its main stakeholders on the basis of business needs. In some cases, it has established periodic processes, as stated in Chapter 6.7 Company's Relationship with the Stakeholders, in this Integrated Report 2023, specifically on pages 180 to 182. To prepare the report, Técnicas Reunidas has taken into account the main expectations mentioned by these stakeholders. To this end, information and opinions have been requested from the Company's managers, with whom we have worked to define its content.	Group
	2-30 Collective bargaining agreements	98	Group

GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
MATERIAL TOPICS			
Disclosures on material topics			
GRI 3: Material Topics 2021	3-1- Process for determining material topics	193	Group
	3-2 List of material topics	193-197 In this Integrated Report 2023, there have been no significant changes regarding the scope and coverage of the material aspects identified concerning previous years' reports.	Group
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	80; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	80	Group
Shareholder and investor relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	88	Group
Taxation			
GRI 3: Material Topics 2021	3-3 Management of material topics	86; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	80	Group
GRI 207: Taxation 2019	207-1 Approach to tax	86	Group
	207-2 Tax governance, control, and risk management	86	Group
	207-3 Stakeholder engagement and management of concerns related to tax	86	Group
	207-4 Country-by-country reporting	86 Omission - Confidentiality restrictions: Técnicas Reunidas develops projects for individual clients in some countries. The presentation of information country by country presents problems regarding the confidentiality of its clients. Alternatively, the information is presented broken down by geographical areas.	Group
Client orientation and reputation			
GRI 3: Material Topics 2021	3-3 Management of material topics	111; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	152 Técnicas Reunidas evaluates the health and safety aspects of 100% of its projects.	Group

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GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
Business diversification			
GRI 3: Material Topics 2021	3-3 Management of material topics	11; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
Satisfactory execution of projects			
GRI 3: Material Topics 2021	3-3 Management of material topics	111; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
Information security and digitalization			
GRI 3: Material Topics 2021	3-3 Management of material topics	122; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	112; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
Integrity and corporate governance			
GRI 3: Material Topics 2021	3-3 Management of material topics	61; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	49; 61	Group
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	61	Group
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	66	Group
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	66	Group
Regulatory compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	61; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group

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GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
Relationship with the local community			
GRI 3: Material Topics 2021	3-3 Management of material topics	183; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	183 Additionally, all Técnicas Reunidas operations centers are subject to the Environmental Impact Assessment (EIA) process, which considers different social aspects.	Group
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	183 During 2023, no centers have been identified in which the execution of Técnicas Reunidas projects or operations has significant actual or potential negative impacts on local communities.	Group
Local dynamization			
GRI 3: Material Topics 2021	3-3 Management of material topics	166; 168; 183; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impact	183	Group
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	165	Group
Supply chain responsibility			
GRI 3: Material Topics 2021	3-3 Management of material topics	64; 168; 170 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	154; 174	Group
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	64	Group
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	64	Group
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	64	Group
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	64	Group
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	174	Group

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GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
Quality employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	91; 94; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	94 For more information on employment, please refer to chapter 15.4.1 of the Consolidated Annual Accounts .	Group
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	51; 94	Group
Talent retention and development			
GRI 3: Material Topics 2021	3-3- Management of material topics	101; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	101 For further information on training, please see Chapter 15.4.4 of the Consolidated Annual Accounts .	Group
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	90; 100	Group
Health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	152; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	152	Group
	403-2 Hazard identification, risk assessment and incident investigation	152; 154; 156	Group
	403-3 Occupational health services	154; 156	Group
	403-4 Worker participation, consultation and communication on occupational health and safety	156	Group
	403-5 Worker training on occupational health and safety	156	Group
	403-6 Promotion of worker health	156	Group
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	152; 154	Group
	403-9 Work-related injuries	158	Group

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GRI TABLE OF CONTENTS			
GRI STANDARD	CONTENTS AND DESCRIPTION	PAGE/REFERENCE/OMISSIONS	SCOPE
Materials consumption			
GRI 3: Material Topics 2021	3-3- Management of material topics	142; 143; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 301: Materials 2016	301-1 Materials used by weight or volume	147	Group
Energy use			
GRI 3: Material Topics 2021	3-3- Management of material topics	142; 143; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 302: Energy 2016	302-1 Energy consumption within the organization	146	Group
GRI 302: Energy 2016	302-3 Energy intensity	146	Group
Climate Change			
GRI 3: Material Topics 2021	3-3- Management of material topics	142; 143; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	146	Group
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	146	Group
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	146	Group
GRI 305: Emissions 2016	305-4 GHG emissions intensity	146	Group
Waste management			
GRI 3: Material Topics 2021	3-3- Management of material topics	142; 143; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 306: Waste 2020	306-3 Waste generated	148	Group
Environmental monitoring of projects			
GRI 3: Material Topics 2021	3-3- Management of material topics	168; 170; 193 For each material topic, Técnicas Reunidas carries out an evaluation and review of the management approach at least once a year.	Group
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	145; 174	Group



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