15. Statement on Non-Financial Information

15.1. Business model

15.1.1. Description of the business model

The Técnicas Reunidas Group (individually, 'TR', 'Técnicas Reunidas', or the 'Company') is dedicated to providing all types of value-added engineering and construction services for industrial plants for the sustainable production of fuels, natural gas and chemical products, services that range from feasibility studies or basic and conceptual engineering, to the complete execution of large and complex turnkey projects, including engineering and design, management of procurement and delivery of equipment and materials, construction of facilities and other related or linked services, such as technical assistance, construction supervision, site management, project management, commissioning and training, and offering technical solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO_2 sequestration and capture, etc.).

These technical solutions enable its clients to develop their sustainability policies and meet their emission control targets through the construction and modernisation of highly energy-efficient industrial plants, thereby complying with regulatory requirements and voluntary commitments in this area.

The Company's business model is based on three fundamental principles that demonstrate TR's commitment to the development of its activity:

- The quality of the plants built by the Group, which makes TR one of the Groups with the best reputation in the market and guarantees a recurring flow of business from its regular clients.
- The flexibility manifested in its capacity to work under very different contractual structures, in diverse geographical environments and in plants of a very different nature. Along these lines, TR's capacity to penetrate new markets is excellent.
- It can constantly adapt to new environments, which in current times allows its rapid incorporation into technologies that require the transition to clean energy, as well as an immediate response to the change in the operating scenario driven by the digital transformation.

Another aspect of great importance in TR's business is the energy transition, an area in which the Company wants to play a central role in the sector. In this regard, with its Energy Transition Division and its Energy Transition Committee, TR is working to become increasingly involved in projects with a clear positive impact related to decarbonisation and to do so as quickly and fairly as possible, supporting its clients on their path towards decarbonisation. To this end, TR draws on its 60 years of experience as a company specialising in advanced engineering and its solid knowledge of a wide range of industrial processes, combined with its technological and innovative capacity.

In this context, Técnicas Reunidas is committed to directing all its present and future projects toward meeting the objectives of decarbonisation and energy transition, both in terms of its traditional business and the new areas in which it is present, through all types of work schemes

15.1.2. Organisation and structure

Appendices I and II to the financial statements contain the corporate structure of the Company.

15.1.3. Business Areas

Técnicas Reunidas, within its engineering and construction services activity, operates through different business lines. Its refining production and petrochemicals business lines are included in its sustainable growth activity, while its natural gas, circular economy, hydrogen and carbon capture and storage business lines are included in its decarbonisation activity.

- **Refining**: the refining business line provides management, engineering, procurement, construction and commissioning services for facilities throughout the value chain for the production of fuels that meet the highest specifications (Euro V / Euro VI). These facilities convert waste streams into high quality fuels, optimising the use of natural resources. In addition, the Company has extensive experience in the design and construction of the most advanced technologies for refining production processes. Similarly, TR offers its clients the possibility of modernising existing plants with the aim of improving their efficiency and making progress in the sustainability actions and commitments that they have decided to implement.

  The Hassi Messaud project has not yet been launched and the client, Sonatrach, and the contractor, JV

Tecncias Reunidas and Samsung, are analysing the way forward for relaunching the project or other possible alternatives.

- **Natural Gas:** This line provides direction, management, engineering, procurement, construction and commissioning services for facilities throughout the supply chain, from natural gas production to regasification terminals, as natural gas is a key fuel for advancing toward decarbonisation objectives. In this regard, the Group has designed and built all types of facilities, from production facilities in natural gas fields, to treatment and processing plants, compressor stations, liquefaction, storage tanks and final regasification facilities.

- **Petrochemical:** This area provides direction, management, engineering, procurement, construction and start-up services for facilities dedicated to the production of basic chemical materials used in water distribution, pharmaceuticals, health, food, energy efficiency in buildings and transport systems, among others. Clean fuel production plants are being integrated with petrochemical operations, supplying both markets in an efficient and flexible manner and optimising the consumption of natural resources.

- **Low-Carbon Technology**: the Low-Carbon Technology line encompasses all of the Company's greenhouse gas reduction capabilities and services, including the following:

  - **Hydrogen**: through the Hydrogen line's activities, the Company provide similar services to the other lines for the production of hydrogen, considered one of the cornerstones of a future clean, safe and affordable energy system. Técnicas Reunidas is actively involved in structuring projects for green hydrogen (produced by electrolysis of water with renewable energies), blue hydrogen (produced by capturing carbon in the reforming of natural gas) and green ammonia from green hydrogen. Green ammonia is used in fertiliser production and will be used as a fuel in shipping.

  - **Circular economy and bioproducts**: through the circular economy and bioproducts lines, TR provides similar services to the other lines for the production of biomethane and the conversion of biomass and waste into fuels (biodiesel, bio-kerosene) and chemical products (bioethanol, biomethanol), electricity and steam. Técnicas Reunidas is actively involved in structuring projects in these technologies for their integration into existing value chains.

  - **Carbon Sequestration and Storage**: the Carbon Sequestration and Storage line allows the Company to provide similar services to the other lines for carbon capture in industrial processes in energy-intensive activities, such as refining production, the chemical industry, the cement industry and the iron and steel industry. Técnicas Reunidas implements carbon capture plants in these industrial processes. The captured carbon is subsequently taken to specialised infrastructures for final storage or converted into synthetic fuels. Significant activity is expected in this market, as other decarbonisation alternatives are not easy to implement in these energy-intensive plants.

- **Other**: This segment provides direction, management, engineering, procurement, construction and commissioning services for facilities related to activities outside the Group's business lines. The main activities are water treatment, port infrastructures and oil production. Also included in this segment are those projects whose completion was not achieved as a result of customer termination of the contract, through the enforcement of guarantees. The purpose of this inclusion is to avoid distorting the analysis of the remaining segments.

The diversification of business areas allows for a well-distributed project portfolio.

This commitment to segmentation and innovation has enabled the Company to implement projects of different scopes in multiple regions, including those related to conceptual studies, basic engineering, FEED, PMC, EPC OBE and LSTK, among others.

15.1.4. Business environment and markets

Técnicas Reunidas operates in a constantly changing environment, marked by rising energy demand in emerging countries, continuous adaptation to new environmental standards and the evolving needs of refineries towards more complex and profitable configurations.

In turn, this work context is increasingly demanding, due to there being increasingly stricter standards including environmental ones, the development of new technologies, and growing competition from Asia. In this regard, TR takes on increasingly complex projects, highly demanding in terms of technical specifications, deadlines, scope of work and performance conditions.

Diversification by product and geographic area allows TR to address new opportunities that may arise in connection with its activities.

To supply a growing demand for energy, clients need to make investments, and TR is well-positioned and has the credentials demanded by investors and proven with over sixty years of worldwide experience and in particular, in regions where most of the investments are likely to be made.

In 2022, market conditions were influenced by the Covid-19 pandemic to a lesser extent than in 2021, except in Southeast Asia due to China's 'zero Covid' policy, which continued to have an impact, mainly in terms of logistics and inspections. Another key event was the outbreak of the Russia-Ukraine conflict, which has led to a significant increase in energy commodity prices and exacerbated global inflationary pressures. In addition, the prolongation of the military conflict (with the progressive shutting out of Russia's oil and gas exports) and the persistence of high inflation rates have adversely affected global economic activity, which has slowed down more than expected. In addition, the influence of the external trade embargo between Spain and Algeria from June 2022 must also be considered. As a result, the growth prospects for 2023 have worsened in almost all areas, mainly in advanced economies.

In line with the situation described above, in the case of Técnicas Reunidas, the political instability and volatility of the macroeconomic environment in the first half of the year caused clients to put off final investment decisions. After the summer period, however, commercial activity was substantially higher and there has been an acceleration in tender processes. As a result, TR is currently managing an order book of EUR 9.4 billion with a lower risk profile. It should be noted that the impact of the Russia-Ukraine conflict has also led to the adoption of alternative solutions for affected customers, such as expanding suppliers, changes in strategy to avoid cost increases, promoting work in prefabrication workshops, measures to offset losses, etc.

On the other hand, it should be noted that significant growth in all of the Company's business lines is expected by 2023. In this regard, the Russia-Ukraine conflict has led to the acceleration of the Companies' strategic investment plans in the short term and an exacerbation of investments to improve self-sufficiency and make up for the energy shortages resulting from the impact of the war, as well as accelerating the energy transition.

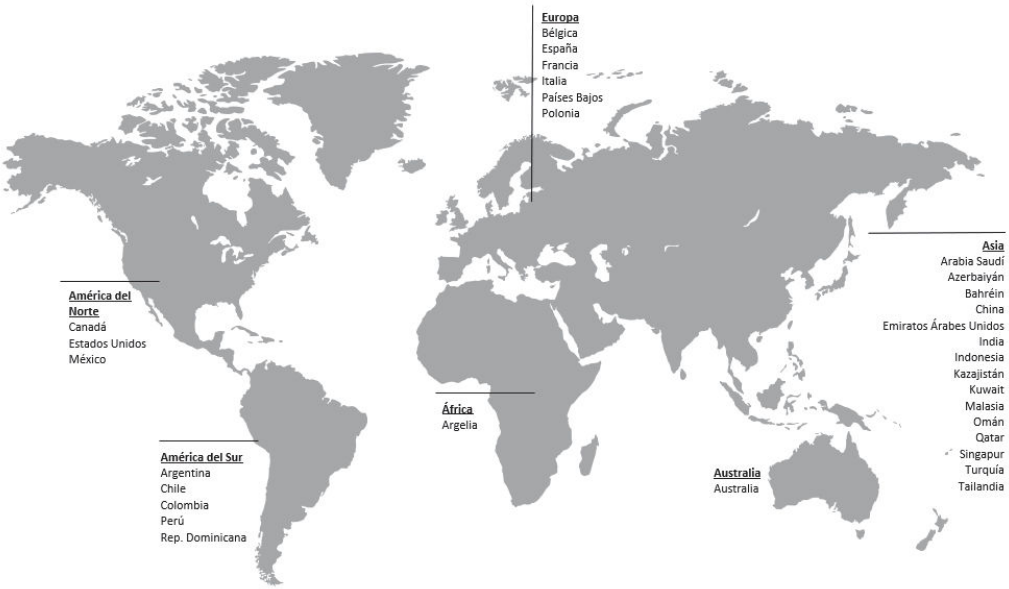
To supply a growing and environmentally sustainable demand for energy, investments must be made in establishing, upgrading and improving the efficiency of existing facilities, where TR is well positioned and has the credentials required by investors, the technical capacity and over sixty years of proven experience worldwide, particularly in those geographies where most of the investments are expected to take place. In this regard, the Company expanded its workforce in 2022 and plans to continue to grow in 2023, including in other important geographic areas due to its proximity to customers.

Likewise, TR is well positioned, thanks to its leadership in the face of climate change, the diversification of its activities, and its adaptation to new trends that go beyond just legal matters. This enables the Company to take advantage of the opportunities that will arise from increased regulatory pressure on environmental issues, as it has the technology and solutions to help its clients meet these growing environmental demands. This diversification of activities focuses on collaboration with the client in terms of the environmental improvement of its facilities: production of refining, natural gas and chemical products, low-carbon technology (hydrogen CO_2 sequestration and storage, circular economy and bioproducts) and, therefore, the reduction of greenhouse gas emissions.

In 2022, it is worth highlighting the market’s consolidation of the contracts Técnicas Reunidas was awarded in the field of renewable energies and energy transition, mainly services. The Company was awarded 20 Energy Transition projects (feasibility studies, basic engineering and FEEDs), including important strategic projects in the circular economy, decarbonisation, biomethanol, green ammonia and the production, transport and compression of green hydrogen both in Spain and abroad. In this sense, TR has managed to

position itself strategically to carry out the future phases of these projects, some of which are planned for 2023, as well as being a benchmark company in the sector.

LIST OF MARKETS WHERE TÉCNICAS REUNIDAS OPERATES



15.1.5. Factors and trends that may affect the Company's evolution

Apart from market developments, the Company may be affected by factors related to other areas of its business. Therefore, Técnicas Reunidas detects and analyses emerging factors that could have an impact on its management model in order to take action in this regard and adapt its business strategy.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
TRENDS	Models of Contracting and execution models that spread client chargers (milestone billing rather than progress payments, reduction in prepayments, delays in resolving claims and high level of warranties). Increased tax burden from governments to offset deficits. Volatility of certain emerging market currencies.	Uncertainty regarding the evolution of oil prices, with knock-on effect for investment decisions and execution of projects. Decreased uncertainty due to higher raw material prices, energy and transport costs. Geopolitical uncertainty: Middle East, Russia, the United States, China, Latin America and North Africa. Increased competition in turnkey projects. Increased client and subcontractor litigation. New demands from clients in the execution structure of projects (e.g.:	Adaptation to occupational safety requirements established by the countries where construction projects are carried out. Increased demand from clients regarding the qualifications and requirements of onsite personnel with health and safety responsibilities. Need for highly practical on-site training programmes on occupational safety. Incorporation of new technologies for improved performance and monitoring of safety and health projects.	Growing concern from clients regarding the sustainability requirements of projects. Stricter environmental and social requirements from entities such as clients, World Bank, financial institutions or accredited certification bodies. Assessments by financial institutions with increasingly stringent environmental requirements. Increased regulatory pressure. Commitment to process units with highly efficient designs, oriented towards carbon capture, minimisation of emissions and reuse of waste, supporting the circular economy.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
TRENDS	Evolution of the USD, TR's reference currency. Increased perception of risk by financial institutions with regard to the engineering sector. Uncertainty regarding the evolution of the economic cycle. OECD regulation on taxation (BEPS). Cash preservation policies for clients.	joint ventures or revamping). Postponement of critical negotiations with customers and suppliers to the final stages of the project. Preference of certain clients for early engagement of contractors prior to tenders Need for clients to find financing for their projects. Focus on process units with highly efficient designs, oriented towards carbon capture, minimisation of emissions and reuse of waste. Trend toward prioritising gas use over oil. Commitment in many markets to petrochemicals. Major developments in everything related to energy transition projects (hydrogen,		

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
TRENDS		ammonia, biofuels) Creation of tax incentives for generating green hydrogen Greater use of digital technologies as a more efficient alternative to traditional physical presence.		
HOW IS TR PREPARED?	Maintenance of available lines of financing. Customer and supplier management (collection and payment periods, discounts, confirming). Development of policies for allocation of profits to the countries where they are generated (BEPs). Currency hedging policy by using forwards. Development of a highly diversified pool of banks, with greater presence of local banks. Rescheduling of project execution schedules and margin generation.	Continuing to monitor the streamlining and improving efficiency actions arising from the efficiency plans. Geographical diversification of products and projects Experience in sustainable markets. Selective management of potential projects. Closer integration with clients from the initial phase onwards. Technical capacity and proven experience carrying out highly complex designs. Consolidated know-how and work procedures. Implementation of the 2022-2024 TR-	Implementation of a Compliance System that covers, among others, environmental, health and occupational safety and criminal liability risks. Training in international health and safety standards aimed at project managers. Stronger collaboration between human resources and the departments involved in the construction phases. Acquisition of specific software and migration of periodic reports for internal health and occupational	Sustainable supply chain management: strengthening the system for evaluating the social and environmental compliance of local suppliers. Internal audits on environmental and social matters and due diligence on integrity aspects. Identification of ESG risks and monitoring of environmental risks and opportunities. Linking 10% of the variable remuneration of the executive director to environmental aspects. Leading the way in the area of sustainability and climate change trends.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?	Extension and diversification of liquidity sources. Obtaining mechanisms to strengthen the Company's capital and liquidity structure (SEPI).	ansforma Plan to make the Company more efficient, reducing the costs of implementing the projects and adapting to the digital transformation. Knowledge of the local markets where the Company carries out its projects, including relevant suppliers and providers. Alliances with competitors for specific projects. Leverage based on proprietary technologies. Strengthening of legal team and involvement in the various project implementation stages. Providing support to clients in finding sources of financing for project implementation, including bank financing covered by export credit insurance provided by Export Credit Agencies (ECAs). Flexibility and responsiveness in adapting to local requirements for carrying out projects, as well as changes in scheduling. Adaptation of its commercial and operational	safety management. Linking 10% of the executive director's variable remuneration to health and safety aspects.	Diversification of activities focused on decarbonisation. Comprehensive compliance with current local, national and international law and international environmental standards. Procuring materials locally and hiring locally. Implementation of the circular economy strategy: efficiency in the use of natural resources, waste reduction and reuse.

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?		structures to optimise the likelihood of being awarded contracts and immediately starting project implementation. Recasting of the Company's Risk Control System in order to have Predictive Analytics for key execution decisions. Strengthening the economic focus of the operation and its projects by reinforcing the Business Control and Management unit. Simplification and adaptation of Reporting and Management Control to the new reality of Técnicas Reunidas, monitoring the economic performance of the projects with key P&L and cash reports. Creating specific management control products for each project, including reports with aspects of economic planning, results, cash and general expenses, with ratios and alerts. These reports are issued 8 times a year. Reducing construction risk through service projects and		

	FINANCIAL ENVIRONMENT	OPERATING ENVIRONMENT	SAFETY REQUIREMENTS	ENVIRONMENTAL REQUIREMENTS
HOW IS TR PREPARED?		partnerships with other companies. Growth plan in specific country offices, where the Company believes it can gain commercial, operational or strategic advantages.		

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
TRENDS	Growing geopolitical uncertainty. Volatility of commodities and currencies. Selection of competitive construction and assembly companies. Protectionism of companies towards local staff. Increased supplier litigation. Risk of return of difficulties in the global supply chain. Reduced financial strength of subcontractors. Tightening of global measures restricting the movement of labour. Increased energy and industrial production process costs.	Importance of digitisation and the use of new technologies to increase efficiency, ensure swifter client responses and reduce costs, among other reasons. Focus on raw materials and especially on certain critical or strategic raw materials for relevant sectors such as telecommunications, defence and aeronautics, and energy. Sustainability, environmental, circular economy etc., legislation as new business opportunities to develop technologies related to waste management. Emission reductions in the nitric acid plant regulations for greenhouse gases (NOx, N_2O). Improved recovery of effluents with high nitrate content in ammonium nitrate plants in order to minimise soil contamination risks.	Quantitative and qualitative increase in non-financial and sustainability disclosures due to new sustainability regulations (Due Diligence Directive, CSRD). Classification of economic activities under EU Taxonomy criteria. Development and updating of European Taxonomy regulations. Increased compliance requirements, including anti-corruption, anti-fraud, anti-money laundering and countering of terrorist financing. Impact on diversity in the management bodies of companies. Increased relevance of Human Rights issues for stakeholders. Intensifying activity of corporate governance bodies and need to strengthen internal control and risk management systems, including criminal risks.	Demand from clients for increasingly skilled human resources to master not only the technical aspects but also management, monitoring, safety and quality assurance skills. Consolidating the internationalisation of the Company's business. Increasingly high demand for maintaining criteria on flexible work hours and work/family balance. Widespread loss of talent in the labour market due to the resignation of workers who, in the current environment, decide to change business, sector or even stop working. The need to have highly technically qualified resources with strong management skills, client orientation capacity and results.

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
TRENDS		Establishing lines of collaboration with clients, partners, suppliers and subcontractors. Increasing importance of technologies aimed at energy transition (e.g. green hydrogen and green ammonia and their derivatives and decarbonisation). Use of by-products derived from energy transition technologies such as hydrogen-derived green ammonia and ammonia by-products such as nitric nitrate. Growing client requirements due to the emergence of the 'digital twin' concept and its implicit data standardisation.	Ensuring equitable treatment of shareholders and taking the expectations of other stakeholders into consideration. Increased relevance of sustainability issues for significant stakeholders. Special consideration of sustainability in decision-making. Increased requirements in the fight against corruption and fraud, including anti-money laundering and countering of terrorist financing. Supervision of the implementation of the Criminal Compliance Management System by the Audit and Control Committee.	

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
HOW IS TR PREPARED?	Strengthening synergies report with greater focus on the supplier's financial situation. Maximising the use of insurance to minimise commodities volatility. Expanding and updating the Company's worldwide database of subcontractors. Conducting technical and physical analyses to ensure subcontractors' abilities to perform construction works. Analysis of subcontractor cash flow in new contracts. Models of subcontracts and contracts with lower risk derived from the increase in the costs of production processes.	In-house developments in all areas of work and in relation to the energy transition (e.g. green hydrogen, CO_2 capture and recovery, Circular Economy and Critical Raw Materials). Strategy in the field of digitisation to strengthen competitiveness, adapt to client demands and optimise processes. Specialists in the management of R&D+i and know-how in the development areas. Offering optimal technical solutions for the development of efficient industrial plants that enable clients to implement their sustainability and emission control and reduction strategies. Strengthening of the José Lladó Technology Centre, with specialised capabilities and resources in strategic lines of research. Case-by-case contracts with suppliers of catalysts to implement	Adoption of new regulatory compliance policies. Creation of a multidisciplinary European Taxonomy Committee, reporting to the Sustainability area, which classifies all the Company's activity in accordance with the criteria of the regulations. Implementation of the Company's Sustainability Policy and deepening of the principles of responsible action. Implementation of the Sustainability Plan and monitoring of the various specific and coordinated actions between the various areas. Reviewing the Policies and procedures that make up the Criminal Compliance Management System. Development of new policies and commitments such as the Human Rights Policy, the Business Secrets and Confidentiality Policy and the Group's Corporate Governance and Definition Policy.	Increased emphasis on training geared towards management skills and competences and leadership. Continuous training in technical aspects, innovation and know-how. Globalisation of Human Resources management hand-in-hand with the departments and projects concerned. Multi-country management: adaptation of internal policies to local labour and tax regulations, as well as to the culture in the target country. Development of tools to continuously analyse the labour market and locate availability of highly-qualified professionals. Allocation of key personnel during the implementation phase of the project design. Continuing analysis of the national and international labour market to attract and retain the best professionals in the sector. Making working hours flexible to allow better

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
HOW IS TR PREPARED?		treatments for minimising greenhouse gases in nitric acid plants. In-depth analysis of projects to plan their management throughout the implementation period. Introduction of virtual reality into the design and implementation of projects for management over the implementation period. Continuous technological surveillance and economic intelligence in strategic development areas with a focus on detecting new business opportunities. Participation by Técnicas Reunidas in the development of projects related to green ammonia derivatives and decarbonisation, both in Spain, Europe and the rest of the world, with conceptual phases during 2022, while promoting the subsidiary ESPINDESA's own technologies for green ammonia derivatives such as nitric acid, ammonia nitrate, ammonium-calcium	Consolidation of the role of the Board committees, mainly in non-financial information and sustainability. Continuous development and adaptation of internal documents aligned with best practices of corporate governance. Supervision by the corporate governance bodies of tax and information security risks. Reinforcing communication channels with key stakeholders. Reporting and verification of sustainability information in accordance with the highest standards. Creation of a Sustainability Area. Ongoing adaptation of the Regulatory Compliance Management System and the prevention of criminal risks, and its supervision by the Audit and Control Committee. Incorporation of parameters linked to sustainability into	reconciliation of personal and working life, as well as personalised treatment of requests for adapted working hours for family reasons. Framework agreements with universities to recruit new engineering graduates.

	SUPPLY CHAIN AND OUTSOURCING	INNOVATION AND NEW TECHNOLOGIES	GOVERNANCE AND SUSTAINABILITY	HUMAN RESOURCES
HOW IS TR PREPARED?		nitrate and nitrosulphate. Agreements with electrolyser and ammonia technologists to complete the production chain with proprietary nitric and nitrate ammonia-derived technologies, while maintaining an active presence in the industrial ammonia plant business.	the CEO's variable remuneration. Reviewing third parties to determine whether they have a culture of regulatory compliance, especially in the area of corruption and fraud prevention. Third-Party diagnosis of the suitability of the existing Criminal Compliance Management System with proposals for improvements where appropriate, especially in the area of corruption and fraud prevention.	

15.1.6. Objectives and strategy

TR's strategy is structured around four essential pillars: methodology, diversification, quality and safety.

a. Methodology:

The methodology is based on the development, systemisation and proper use of all the know-how that TR has acquired since 1960 executing projects around the world. This commitment to the methodology makes it possible to develop the efficiency of the work processes, an aspect that TR has been emphasising in recent years. In this pillar, both the excellent human capital of TR, with highly qualified professionals, and the innovation and digitalisation of work methodologies are essential. These aspects are part of TR's DNA, which allow it to have the necessary technical solutions and human capital to provide its clients with high added value services that enable them to meet their sustainability objectives, in particular those related to reducing the emissions from their production centres.

b. Diversification:

TR diversifies its client bases, products and geographical areas, contributing to sustainable growth and an effective energy transition. In turn, the Company has clients of recognised prestige who assist in consolidating its presence in the market and their business is highly recurring.

c. Quality:

TR’s emphasis on the quality of all its processes (which requires selecting the right suppliers and subcontractors) guarantees the execution of every project in accordance with client’s needs and requirements, especially with regard to sustainability aspects.

d. Safety:

TR fosters the creation of a specific corporate culture in occupational health and safety, introducing training processes for staff and encouraging their participation in prevention efforts and improving working conditions, promoting shared responsibility at various levels of the organisation.

TR's annual objectives are established at department level. This allows objectives to be adapted to the Company’s strategy while at the same time including the specific needs of each areas. As a result, the objectives are defined ad hoc, which facilitates both their adaptation to each specific case and their traceability and comparability. The objectives established by TR for each area are detailed below:

General Secretariat objectives - Sustainability - Non-financial information	- Complete the implementation of the 2021-2023 Sustainability Plan, in particular those actions to be carried out in the short term. - Continue approving policies for the development of the Company's Corporate Governance system. - Maintain a high percentage of votes in favour of the items on the agenda of the General Meeting of Shareholders of the Company. - Develop and approve a new Sustainability Plan for 2024-2026. - Achieve validation by SBTi (Science Based Target Initiative) of emission reduction targets - Carry out the necessary actions to respond to the development and implementation of the European Taxonomy regulations. - Development of the Sustainability Area integrated into the General Secretariat, expressly assigning the competences in this area to a Board committee.
Objectives for H R	- Provide coverage from all aspects of HR and General Services to the needs of Operations in the different projects and countries, with special attention to the new countries and strategic projects (India, Abu Dhabi, Turkey, Chile). - Attract and retain talent to cover staffing needs in all areas of the Company and to respond to the significant workload in 2023. - Sustainable integration of new hires, both nationally and internationally, adapting corporate policies and the different management, training and development tools to the needs of operational growth and local realities. - Development of new work-life balance policies to improve the quality of life of the workforce. - Improve internal communication by launching a new intranet and various applications. - Implement management tools to improve productivity control and resource efficiency. - Launch of the new START ICEX VIVES international internship programme to recruit and train interns in international subsidiaries. - Implement Equality Plans in all TR companies, negotiated and agreed with employee representatives. - Space optimisation plan, by means of management tools for on-site spaces and obtaining licences that allow greater use to be made of the available space.
Environmental Objectives	- Improve the energy efficiency of office buildings in Spain. - Implementation of new measures following the Company's ESG risk diagnosis. - Implementation of the action plan to reduce emissions. - Implement the Integrated Management System for ISO 45001 and ISO 14001 certifications. - Continue to develop a circular economy strategy within the framework of the company's Sustainability Policy.
Energy Transition Objectives	- Develop Técnicas Reunidas' proposal for energy transition, taking advantage of the opportunities offered by decarbonisation and the growth of investment in low-emission technologies. - Take advantage of Técnicas Reunidas' industrial presence to structure projects in decarbonisation 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 geographical areas (United States and Europe). - Configure new services and business models for the decarbonisation of production chains, such as carbon management and methane management. - Enhance TR's development and scaling capacities at industrial level for low-emission or circular economy technologies. - Move forward and increase the number of research projects in the field of energy transition and present projects for funding in the tenders for 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.

Objectives of R&D+i	- Continue with the development of the Swiss Zinc project for the future urban waste recycling complex in Switzerland that will include the ZINCEX™ and ECOLEAD™ technologies for the recovery of Zn and Pb by contracting the technological package that includes Basic Engineering, the licensing of the technologies and the supply of proprietary equipment. - Continue with the development of technologies in the circular economy strategic line (solid urban waste, electronic components, plastics, industrial effluents, etc.) to obtain and/or recover critical raw materials essential for the energy transition, such as lithium, cobalt, rare earths, etc.; development of green hydrogen production technologies using AEM (Anionic Exchange Menbrane), SOEC (Solid Oxide Electrolyzer Cell), PCEC (Protonic Ceramic Electrolysis Cell) and alkaline electrolysers and CO_2 capture and recovery technologies. - Consolidate the development of projects related to green ammonia and its derivatives with a project at a more advanced stage than the conceptual project and understanding ammonia plants as 'Green', based on the electrolysis of water with green energies instead of those based on the reforming of natural gas. - Continue to develop technologies for obtaining and recovering critical raw materials essential for the energy transition such as lithium, cobalt, rare earths, etc. - Development of products associated with the decarbonization of combustion equipment. - Strengthen digital innovation lines by creating workshops to identify challenges and solutions, as well as working in an ecosystem to co-innovate and seek synergies. - Creation of a data and artificial intelligence area to work with the business areas and put the operating model into practice. - Development of the methane monitoring platform in a strategic partnership with Google. - Development of PC MAKER purchasing terms management tool. - Development and implementation of unique risk management tool, uRisk. - Completion of development and implementation in projects of the CostApp cost control tool. - Development of version 2 of the Smart Construction 360 on-site progress capture tool. - Implementation of Taski construction task control system in project war-rooms. - Development and implementation of the economic dimension variant of the PCS application.
Financial Objectives	- Follow up on the previous agreement implemented with the Tax Administration. - Maintain active participation in the Large Taxpayers Forum. - Obtain liquidity mechanisms associated with EU plans and the energy transition. - Continue to negotiate bilateral and syndicated lines of guarantee for the execution of ongoing projects whose execution deadlines are affected by the pandemic or the conflict in Europe and the Company's new businesses. - Reinforce proactive communication with the market. - Monitor the process of implementing the Company's efficiency plan. - Continue to seek investors and financial products linked to the energy transition and sustainability. - Continue to seek mechanisms to strengthen the Company's lines of credit.
Procurement Objectives	- Continue to develop new applications and improve and update existing ones to further reduce analogue processes and enable greater traceability and efficiency in the monitoring and execution of processes. - Implement new actions linked to the Procurement Area within the framework of the Sustainability Plan. - Continue with the implementation of the TR-ansforma Plan, extending its scope. - Consolidation of growth and optimisation of local entities in UAE, Saudi Arabia and India. - Consolidate Multi-Project Teams: expansion and right-sizing. - Optimisation and updating of the electronic archiving of project procurement information, integrating accessibility, cybersecurity and confidentiality requirements. - Continue to reinforce cybersecurity through training and specific updated training of users on cybersecurity. - Implementation of the methodology for the Close-Out of metallic structure supplies.

	- Have the Close-Out Department reinforce the implementation of the new functionalities in PCO (Close-Out application) in the Projects through an exhaustive training programmes in 2023. - Continue with the consolidation of the Prefabrication Workshops Group. - Consolidation of the Auctions application. - Work on employee loyalty and motivation to reduce turnover by conducting personal interviews and establishing career plans. - Promote the use of the internal Vendor App application for the management and optimisation of supplier technical assistance. - Remote supplier inspections: study the standardisation of 'virtual shop tours' to determine the possible revision of the frequency of workshop inspection/activation; as well as the active participation of staff in remote inspections as a training activity.
Construction Objectives	- Continue digitisation of processes and procedures. - Explore new robotic process automation (RPA) developments. - Explore new framework agreements and partnerships with subcontractors. - Start the process of assessing subcontractors in the area of cybersecurity and privacy through e-Supplier. - Continue the unification of work procedures and methodologies following the merger of Initec with Técnicas Reunidas. - Implement digitalised on-site staff evaluation systems.
Health and Safety Objectives	- Continue to fulfil the objectives set out in the Sustainability policy in relation to safety on site. - Continue to promote the health and safety culture plan, including campaigns to raise awareness among employees. - Give greater visibility to good occupational health and safety practices on construction sites within the company and promote the TR brand to the outside world, including optimisation of the on-site HSE auditing process. - Provide project managers training on the legal liabilities associated with health and safety during the construction phase. - Implement, as a pilot project, the new IT tool for recording health and safety observations during the construction phase - Implement the Integrated Management System for ISO 45001 and ISO 14001 certifications. - Study and contracting of Employee Assistance Programme in relation to psychosocial risk assistance. - Develop a health and wellness space on the new intranet. - Integration of Heymo's Prevention Service in SP Mancomunado Grupo TR.
Regulatory Compliance Unit Objectives	- Maintain the UNE19601 Criminal Compliance Management Systems Certification. - Alignment of Policies, Procedures and system elements with standard ISO37001, Anti-Bribery Management Systems. - Implementation of a general fraud prevention policy. - Update the Corporate Code of Conduct based on best practices in the organisation's sector of activity, especially with regard to HR and sustainability. - Continue with the deployment of the regulatory compliance function in those geographic areas that, due to their volume, continued business or new business, require it.
Social Objectives	- Ensure a high percentage of local procurement and outsourcing. - Continue to contribute to the economic and social development of local communities. - Strengthen dialogue with stakeholders. - Train and increase the hiring of local personnel in those regions where the Company is carrying out projects. - Analyse the Group's adherence to national and international sustainability initiatives. - Promote human rights training.
Commercial Objectives	- Further contracting of services in the field of renewable energies and energy transition. - Reopen the office and new projects in the US. - Procurement in Central Asia (Kazakhstan). - Entry into the ammonia and urea-based fertiliser market.

	- Strengthen and expand partnerships with customers for the provision of services within framework agreements. - Pursue alliances with process technologists to add value to TR's offerings. - Continue to enhance collaboration with construction contractors to further hedge construction risk.

15.2. Risk factors (non-financial) associated with the business

Técnicas Reunidas has the necessary tools and procedures to help it identify, prevent, minimise and manage the risks associated with its activity. In this regard, the Company has a comprehensive methodological risk management framework covering all areas and projects in which it is involved.

Using this comprehensive framework, TR prepares a catalogue of the key risks identified in accordance with the COSO 2013 methodology.

To manage these risks, the Company has developed various procedures and management policies, including the following:

- Procedures related to the nature of the projects, such as their selection, geopolitical risk diversification policies and policies to preserve the technical capacity necessary to execute the projects, and to share the risks in their execution with third parties, contracting insurance, ways of contracting quality suppliers, etc.
- Procedures related to the financial management of projects: management of foreign currency risk, liquidity and tax risks.
- Procedures related to Health and Safety Management Systems.
- Procedures related to the Criminal Compliance Management System

The Company's main operating risks are listed below, including non-financial areas such as environment, health and safety, personnel, integrity and reputation. The main operating risks and the management mechanisms available to TR are set out below.

Risk	Description	Main risk management and mitigation mechanisms
Changes in project costs.	Several factors may give rise to a change in project cost estimates in turnkey projects (the complete price is closed at the start while execution costs may change), such as the volatility of raw material prices, changes in project scope, performance by construction and assembly subcontractors on time and with required quality, litigation by clients or suppliers, geopolitical decisions with an immediate impact or weather conditions, among others. The post-Covid environment and the Russia-Ukraine conflict have increased the impact of all these factors. Indeed, the cost of energy has made constructive solutions such as heating and hoarding and the like no longer viable. The assessment of all these factors implies a high level of judgement and estimates. Failure to comply with delivery deadlines may result in having to pay compensation to clients.	- Development of new contracting methods to mitigate risks. - Inclusion of indemnity clauses in contracts with suppliers and subcontractors. - Intense acquisition during the first few months of execution of key equipment with a high level of price sensitivity for raw materials. - Use of derivatives that allow the acquisition of certain essential raw materials and equipment in instalments. - Distribution of execution of work among several subcontractors from an early stage of the project. - Inclusion of contingencies for deviations in budgets. - Reliance on opinions of external consultants in the preparation of estimates and judgements. - Close monitoring of project execution deadlines to detect delays, which allow acceleration and penalty risk mitigation mechanisms to be implemented. - Design of cost control strategy with the Procurement area and negotiation of commodities by price and availability to avoid impacts on projects.
Variations in the price of oil and hydrocarbons.	The price of crude oil and gas, in addition to other factors, affects the investment, award and execution decisions of the Group's clients and suppliers, competitors and shareholders. In 2022, oil price variations contributed to the reactivation of part of TR's activities.	- Predomination of NOCs (national oil companies) over IOCs (independent oil companies) in the portfolio (which include factors beyond purely financial considerations in their decision-making, such as geopolitical and social criteria). - Diversification of products and geographical areas. - Mitigation of negotiation risks with clients and suppliers by the early detection of those matters that may represent a change in the contractual price. - Consortia working schemes and others, in order to minimise construction risk.

Risk	Description	Main risk management and mitigation mechanisms
Execution of projects in multiple geographical areas.	TR's projects are developed in multiple geographies, each of which presents a different risk profile to mitigate: political and social tensions, locations with limited access, limited legal certainty, local content requirements, potential double taxation due to execution from several jurisdictions simultaneously, increasing tax burden in all geographies where the Group operates, or complexity of the margin allocation process in projects developed simultaneously in multiple geographies, etc. Performance of projects for the first time in a certain geographical area increases the risk of deviations in margins.	- Project selection based on a detailed analysis of the client and country (establishing a local presence prior to bidding), and other aspects such as project-specific margins and risks. - Analysis of the tax implications of the projects, always with the advice of reputable top-level firms, and monitoring of the regulations and VAT position of the projects. - Use of modular construction methods in locations with limited labour availability or where the site conditions allow for savings compared with other options. - Where possible, TR includes the resolution of disputes at courts or in arbitration in countries where it has prior experience. - Where possible, the Group's contracts include clauses that allow prices to be changed in the event of amendments to laws. - Flexibility to adapt ourselves to domestic content requirements. - Development of BEPS policies. - The Internal Group Tax Risk Manual that establishes the Group's tax strategy and internal tax risk management procedures, which includes training actions and internal investigation plans. - In the bidding phase, tax strategies are defined that minimize risk with local advisers, including in the Group's usual markets. - In the execution phase, the tax settlements presented were monitored, with the support of local advisers and events or deviations from the initial strategies were identified with the aim of correcting them with the support of the Operations area. - Framework of seconding policies at TR Group level, which regulate the seconding conditions that will apply to those who move to new projects that will be performed in the future outside Spain.
Concentration in a low number of clients.	At certain times the portfolio may feature a high concentration in a low number of clients and suppliers in certain countries.	- Concentration only in markets in which the Group has sufficient prior experience. - Diversification policy that allows TR to access very different markets. - Deployment of relevant commercial action with new clients in markets in which TR does not yet have a presence. - Atomisation and diversification strategies for construction with local and international suppliers.

Risk	Description	Main risk management and mitigation mechanisms
Environmental and safety requirements.	TR carries out projects where incorrect performance entails high risks of impact on the environment or health and safety risks. The Company works to control and minimise those risks by collaborating with its clients, subcontractors and suppliers in this area.	- The existence of a Sustainability Policy and Plan and the implementation of measures consistent with it. - The existence of an Environmental and Safety Management System at TR in accordance with ISO 14001 and 45001 certification. - Assurance of environmental management from the engineering phase. Extension of this assurance to suppliers and subcontractors through audits and training. - Reinforcement of the safety of processes from the project design phase. - Promotion of occupational safety at suppliers and subcontractors. - Health, safety and environment policy (ISO 45001 and ISO 14001), introducing the concepts of sustainability, consultation and engagement, and well-being and health.
Economic variables.	Certain economic circumstances (changes in exchange rates, interest rates, availability of financing, taxes, etc.) can have an impact on TR's business and profits. Period of geopolitical tensions with high impact on economic variables (high levels of inflation). Worsening growth outlook in 2023 in almost all areas, mainly in advanced economies and persistent inflationary pressures. High weight in our clients' decisions of the entities or organisations that finance their investments. Financial institutions have increased their perception of risk in the sector in recent years, and they are now more conservative in their support for it. In addition, in general, the application of tighter global monetary policies has led to tighter financial conditions in emerging economies. Potential corporate income tax changes in the countries where the Company carries out its projects could lead to delays in the DTA recovery plan.	- Continuous monitoring of the risks associated with currencies and the arrangement of foreign currency hedges. - Management of a solid balance sheet and availability of adequate financing lines, including those supporting strategic companies managed by SEPI. - Mitigation of the risk of lack of liquidity of clients through active involvement in their financing processes, through banks that support the transactions in which TR participates, as well as through the use of export insurance through banks that support the transactions in which TR participates, and direct contact with the institutions financing its clients, as well as through the use of export insurance. - Growth plan in offices in different specific geographical regions, which makes it possible to control the impact of inflation and not become less competitive. - Continuous monitoring by TR's tax advisors of changes in corporate income tax in the different jurisdictions where it operates.
Information technology.	With the Group's increased digitalisation and teleworking, the risk of intrusion into its systems by cybercriminals has increased (increase in the perimeter of attacks, cyber threats and cyber attacks).	- Information Security Management System certified in accordance with ISO 27001:2013. - Information Security Policy and Privacy Policy, oriented to the Zero Trust model and aligned with international standards such as NIST, CIS, National Security Scheme and ISO27001:2013. - Employee training on cybersecurity matters.

Risk	Description	Main risk management and mitigation mechanisms
		- An Information Security Committee has been created to analyse the development of the Strategic Cybersecurity Plan, the results of the audits and the main risks faced and measures taken. - Incorporation of second layer of email filtering for the prevention of CEO fraud, malicious mail ('phishing').
Retention of key personnel and adaptation of resources to the workload.	The loss of key personnel, as well as gaps in their training, may increase the risk of not executing projects adequately. Furthermore, the excessive concentration of projects or delays may give rise to inefficiencies in personnel management. On the other hand, the Company is faced with fewer available qualified personnel due to the increased demand worldwide in areas such as renewable energy and infrastructure.	- Procedures to identify essential employees that must be retained and the application of policies that contribute to their retention. - Implementation of a flexible human resource structure to adapt swiftly to market changes. - Global management of human resources to unify the criteria applied at the various subsidiaries. - Staff expansion plan, including growth strategy in relevant geographies due to their proximity to clients.
Integrity and reputation.	Improper or irresponsible behaviour by employees or other third parties with which the Group collaborates (suppliers and subcontractors) may negatively affect the reputation and results obtained by TR.	- Internal regulations and training to guarantee the proper behaviour of professionals and the availability of a Code of Conduct, Criminal Compliance Policies and Procedures and a whistleblower channel. - Accreditation of UNE19601 certification in Criminal Compliance Management Systems. - Requirement for suppliers and subcontractors to comply with environmental, human rights, health and safety, anti-corruption and anti-fraud requirements. All this included in the Supply Chain Code of Ethics.
Suppliers and subcontractors	Tensions between countries limit access to suppliers and subcontractors. The pandemic and the conflict between Russia and Ukraine have created an atmosphere of instability and uncertainty that makes it difficult to plan and manage projects efficiently. Increased risk of non-compliance and abandonment of projects due to the implications of the pandemic and the Russia-Ukraine on the construction sector.	- Expanded lists of suppliers and subcontractors that meet client requirements. - Subcontractor evaluation processes including compliance and sustainability criteria, and improved financial and HSE evaluation criteria. - Implementation of payment plans with subcontractors to minimise impacts on projects due to non-payment and reinforcement of collaboration with subcontractors in order to establish plans in accordance with the payment possibilities of the projects.

Risk	Description	Main risk management and mitigation mechanisms
Quality of execution.	Quality in the execution of the works ensures not only the successful completion of the project, but also obtaining projects of a similar nature or with the same client.	- Quality supervision mechanisms in all project phases. - Creation of databases recording the Group's know-how and best practices. - Quality procedures are drawn up by all the departments concerned, minimising the possibility of lack of knowledge, and reviewed by the Knowledge Management Department. - TR has renewed, for 25 years without interruption (since 1997), the certification of its Quality Management System by AENOR in accordance with standard ISO 9001.
Climate Change.	Climate change requirements can impact clients' needs and the way in which TR implements its projects. In addition, one of the most relevant risks in relation to the environment is compliance with the European Union's plan for complete decarbonisation by 2050.	- The Company has excellent technical engineering capabilities to provide clients with solutions that enable them to develop their sustainability activities and emission reduction initiatives through, for example, retrofitting existing industrial facilities. - The Company has advanced technical procedures that enable it to execute projects in extreme environmental conditions, as it has demonstrated in locations such as Saudi Arabia and Canada.
Corporate governance and sustainability.	The growing requirements in these areas require TR to have the structure and resources necessary to respond to them.	- The Company has set up a Sustainability Area that reports to the Secretariat of the Board and provides a specific response to these growing requirements. - For its part, the Secretariat of the Board itself has strengthened its composition to respond to the new corporate governance requirements. - In 2022, the Company worked on developing various policies such as (i) a Business Secrets and Confidentiality Policy that establishes the general framework for action at the level of the Company and its Group to guarantee the confidentiality and consequent protection of its information and know-how with business value, particularly those that may constitute business secrets; and (ii) a Corporate Governance and Group Definition Policy, with the aim of establishing the principles, criteria and guidelines that should govern the organisation and operation of the governing bodies of Técnicas Reunidas, as well as those that should serve as the basis for defining the structure of its Group, all based on applying compliance with the good governance recommendations generally recognised in international markets, adapted to the particularities of Técnicas Reunidas and its Group. These policies are expected to be approved in the first half of 2023. - In 2022, the Company approved specific regulations for each of its three Board

Risk	Description	Main risk management and mitigation mechanisms
		Committees, i.e. the Audit and Control Committee, the Appointments and Remuneration Committee and the Management and Risk Committee, which include the basic principles and rules regarding their composition, operation and competencies. Approving these regulations allows the Company's corporate governance model to be further developed, providing these committees with their own internal regulations to recognise their internal relevance and facilitate the exercise of their functions.
New energy scenario	The energy transition is a new reality to which both TR's clients and the Company itself must adapt themselves so as to meet the decarbonisation budgets and deadlines to which their countries have committed.	- The Company is dedicating 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 launched a financing framework, called Harvest, with the aim of financing its commitment to decarbonisation and energy transition.

In addition to the operational risks mentioned above, TR evaluates other potential non-financial contingencies of minor impact to the Company with the aim of always ensuring the maximum performance levels in terms of sustainability. The details of the procedures applied by the Company to manage these risks may be found in each of the related chapters of this document.

On the other hand, it is worth mentioning the special circumstances that have taken place over the last three years (2020, 2021 and 2022) as a result of the emergence of Covid-19, in particular the Delta and Omicron variants, and the outbreak of the Russia-Ukraine conflict and the commercial embargo against Algeria in 2022, which have had an impact on various aspects of the Company's operations:

- First, the impact of Covid-19 has required excellence in the health protection of its employees, including keeping the extraordinary measures in place both on site and in the offices, including the extensive development of teleworking, including a second teleworking day in 2022 in the Madrid and Cartagena offices. On the other hand, it has also meant a slowdown or delay in the final investment decisions of customers, which has led to a slowdown in accrued sales, with an immediate impact on cash flow. It has also meant the need to adapt resources to the needs of the projects. However, it should be noted that, during the second half of 2022, commercial activity was substantially higher and there was an acceleration in tender processes.

- Second, the impact of the Russia-Ukraine conflict and the situation in Algeria led to the cancellation of business opportunities in the Russian market, mainly related to ammonia and fertiliser projects, as well as the suspension of projects in the conflict zones and/or the enforcement of contract guarantees, and a slight delay in the receipt of materials needed to continue the works.

- Lastly, these special circumstances have led to higher costs, which are reflected in the notes to the Consolidated Financial Statements. The Group's resilience has been demonstrated by its capacity to adapt to clients' schedules, identifying specific financing alternatives for this situation.

The Company also uses all the available tools to assess, manage and mitigate any non-financial risks present in its immediate environment. However, the uncertainty associated with the Russia-Ukraine conflict and the situation with Algeria has given rise to the following significant impacts:

- Changes in the price of crude oil.
- Changes in economic variables.
- Changes in project cost and deadlines.

This new scenario has only reinforced TR's commitment to sustainability as a key element of its future business development. In this context, the Company approved the Group's Sustainability Policy in 2020, and it approved a Sustainability Plan in 2021 that is in line with the principles of the Policy and the implementation of the initial actions

set out in it. In 2022 it continued to implement the actions envisaged in the Sustainability Plan. These advances represent a milestone in TR's relationship with its main stakeholders, as well as a manifestation of the Company's commitment in this area.

The implementation of this Sustainability Policy and its Development Plan has achieved greater coordination of the Company's activity in the area of Sustainability (addressing key issues such as the environment, innovation, development and protection of intellectual capital, labour, compliance and responsible taxation), as well as the establishment of a reference framework containing the Company's principles of action with respect to its stakeholders.

In this regard, it is worth highlighting the Company's commitment to regulatory compliance and particularly to criminal compliance, a fact that has been corroborated by the achievement of the UNE 19601 Certification 'Criminal Compliance Management System' granted by AENOR, an entity accredited by ENAC to audit this standard.

It should be noted that throughout 2022, the Company continued deepening its system of internal control of non-financial information (SCIINF) in various ways, including special consideration in the sessions of the corporate bodies responsible for this matter and the consolidation of the assignment of this competence to the Board (with regard to the approval of the policy of communication of economic-financial, non-financial and corporate information) and to the Audit and Control Committee. Similarly, the Company has consolidated the integration of ESG factors into internal decision-making processes in multiple areas and procedures. In this regard, the Company carried out an in-depth ESG risk identification and assessment exercise in 2022, which will be formally concluded in 2023, to elaborate this issue.

As proof of the Company's good sustainability performance, Técnicas Reunidas obtained a score of 59/100 (corresponding to the 97th percentile,[1] as the average score for the sector is 24/100) in its first participation in the S&P Global Corporate Sustainability Assessment (CSA), placing it among the companies with the best ESG performance in the industry. The CSA is an annual assessment of corporate sustainability practices, based on a methodology that focuses on both industry-specific and financially meaningful sustainability criteria. More than 10,000 companies worldwide are rated using this assessment.

Finally, it should be noted that for the rest of the non-financial issues, Técnicas Reunidas has not identified any additional significant impacts in the year.

15.3. Information on environmental matters

15.3.1. Corporate environmental policy and management systems applied for the identification and management of impacts on the Company in this area

For Técnicas Reunidas, environmental management is a priority integrated into the company's strategy, responding to both its own operations and the activities of its value chain, establishing environmental requirements in all its facilities and projects, and based on the corporate policy in this area.

In recent years, TR has progressively adapted its Environmental Management System to legislative requirements and stakeholder demands. This system is implemented and certified in accordance with ISO 14001:2015 for all Group companies, including TR Sagemis in Italy and TR Engineering in India.

Once again this year, as a result of the set of tools and policies applied, TR had no 'non-conformities' in the external assessment of this certification carried out by AENOR (the Spanish Standards Association), which is valid until July 2023. AENOR is the certification body with which TR has been working since obtaining the certificate for the first time. These excellent results demonstrate the maturity of the management system and the Company's commitment to applying the best available practices in environmental matters.

In 2023, the Management Systems corresponding to the ISO 45001 and ISO 14001 certifications will be integrated to optimise processes, reduce time and costs, while ensuring the correct implementation of both Management Systems.

TR develops products, systems and services with the aim of obtaining energy that is more affordable and reliable and that meets current environmental requirements. All the Company's projects are conditioned by new and increasingly stringent environmental requirements, which must comply with, among others, climate change initiatives focused on reducing CO_2 emissions and improving the waste management system, focusing on waste reduction from a circular economy perspective. To this end, TR has implemented methodologies that ensure the

[1] TR ranks in the 97th percentile overall, 96th percentile in Governance, 95th percentile in Environmental and 97th percentile in Social.

monitoring and verification of environmental information in 100% of its projects. At the corporate level, internal environmental audits of environmental performance indicators and carbon footprint are carried out, among others.

On the other hand, in line with its commitment to the fight against climate change and in line with EU and Spanish environmental legislation, in 2022 TR continued with the implementation of the Sustainability Policy and monitoring of the action plan for the Environment Area, carrying out actions to meet the objectives and goals set by the Company to help protect the environment and combat climate change by developing technical solutions that allow the construction of sustainable and efficient plants for customers, and compliance with the Company's Quality, Safety, Health and Environment Policy.

In this context, the Company is also subject to the Spanish Climate Change and Energy Transition Act 7/2021, of 20 May [*Ley de cambio climático y transición energética*] under which Spain is seeking to achieve neutrality in greenhouse gas emissions by 2050. In addition, the European Parliament and Council Directive on corporate sustainability due diligence and amending Directive (EU) 2019/1937 is expected to enter into force (be transposed), which will strengthen the processes in place in companies. This rule requires companies to establish processes to identify, prevent and remedy adverse human rights and environmental impacts that may be caused by the company itself, its subsidiaries and entities in its supply chain.

In line with the Company's sustainability strategy, the Sustainability Policy and the commitment to contribute to the fulfilment of the United Nations Sustainable Development Goals (SDGs), TR joined the Spanish Group for Green Growth (*Grupo Español para el Crecimiento Verde*, GECV) in 2021. GECV is an association that brings together 50 companies with the aim of promoting public-private partnerships to overcome the environmental challenges that currently threaten our society and promote a sustainable, circular and efficient economy. In this way, the Company contributes to the generation and dissemination of the knowledge necessary for sustainable development and the creation of favourable conditions to achieve a low-carbon economy. In 2022, it collaborated in various campaigns related to climate change and energy transition and participated in several working groups.

One of the Company's strengths is the systematic identification and monitoring of environmental risks and opportunities, identifying and implementing specific actions, both on site and in offices.

Currently, the main environmental risks are those related to climate change (see section 15.3.2) in the geographical areas where TR's projects are developed, and those arising from changes in design limits or applicable legislation during project development. In fact, in the Company's ESG risk diagnosis carried out in 2022, it was noted that, in relation to the environment, the most significant risk is compliance with the European Union's plan for complete decarbonisation by 2050.

There are also great opportunities in environmental matters, including a competitive advantage due to a high degree of knowledge of applicable legislation and standards, which gives the Company great flexibility when developing projects anywhere in the world, and waste management within the framework of the circular economy.

The impact of TR's activities on the environment derives mainly from greenhouse gas emissions, energy consumption, waste generation and material consumption, which are detailed in each of the following sections. Going forward, it is expected that the material environmental aspects will remain the same. However, given TR's activity as an engineering company, it undertakes different projects each year in different phases of action, so a detailed forecast in quantitative terms would not reflect the reality of its performance for the coming years. The environmental KPIs are subject to the degree of progress of the projects underway, the volume of personnel at peak times, the execution phase and the new projects that may be awarded during each year. Given these circumstances, future estimates associated with environmental KPIs do not represent a reliable view of the Company's actual situation.

Throughout 2022, in order to broaden and improve the scope of its activities, TR focused its efforts on monitoring and analysing the information in detail. In this regard it should be recalled that in 2020, TR homogenised the perimeter of calculation of the statistics on the different environmental indicators, which are now calculated per million euros of revenue, and assimilating it into the perimeter of reporting of the Company's financial information. In 2021 it also established 2019 as the base year for setting environmental targets.

It is important to highlight that, depending on the progress of each project, these ratios may vary significantly from year to year. Not surprisingly, the execution of turnkey projects such as the ones performed by Técnicas Reunidas involves different phases with highly variable workloads, supply phases and staff levels.

The monitoring and analysis of all this information allows Técnicas Reunidas to design multiple actions to improve its environmental performance.

Within the scope of the Sustainability Policy, since 2022 Senior Management has been implementing a strategy that it developed aimed at creating value in a sustainable manner and providing high added value services that

enable the Company to design and build efficient, sustainable and environmentally friendly industrial plants. The aim is for them to contribute to combating climate change and the transition to a low-carbon economy, taking advantage of the business opportunities derived from their high technological qualifications and demonstrating its commitment to the Sustainable Development Goals (SDGs). In this regard, in 2022, the Company carried out a detailed analysis of the projects with the aim of reporting on good environmental practices and its commitment to the SDGs.

Specifically, the Environment Area contributes to the following SDGs:

- **SDG 7: Affordable and clean energy**: related to the diversification work being developed, as well as the search for new business opportunities related to energy transition, clean energy and new technologies.
- **SDG 9: Industry, innovation and infrastructure**: explanation linked to the above objective.
- **SDG 13: Climate action**: calculation and action plan on Técnicas Reunidas emissions to contribute to decarbonisation.

In 2021, Técnicas Reunidas launched a financing framework, called Harvest, with the aim of financing its commitment to decarbonisation and energy transition. This framework is the first of its kind in the sector in which the Company operates, and its methodology has been designed following the most demanding international references, with the collaboration of Enea Consulting. In addition, the investor services company ISS-ESG provided an independent opinion on the alignment of the framework with decarbonisation and the energy transition.

Harvest includes an internal methodology that assesses whether or not a new project is aligned with decarbonisation and energy transition objectives. Those that are will be included in the various financing instruments associated with the energy transition that the company uses in the development of its business. Currently, projects eligible under this framework represent almost 40% of the Company's revenues. The objective of this methodology is for part of the financing from markets to be based on this financing framework.

This methodology will be applied to TR projects in low-carbon technologies, such as blue and green hydrogen, CO_2 capture and storage, activities along the natural gas value chain (as a transitional energy source), biofuels and biomass electricity production facilities, as well as other activities related to the circular economy.

Lastly, it should be noted that, during 2022, in the context of COVID-19 it was possible to relax the measures adopted the previous year, and there were no notable negative impacts on the Society's Environmental Management.

15.3.2. Climate Change

The main sources of greenhouse gases associated with TR's activity correspond to the consumption of fossil fuels in the Company's vehicle fleet and facilities and offices (Scope 1), electricity consumption in these same facilities (Scope 2) and emissions from company travel (Scope 3).

In 2022, scope 1 emissions decreased by around 10 % compared to 2021, as TR continued with lower fuel consumption due to, among other factors, the slowdown or completion of some projects.

In scope 2, there was a 53% increase compared to 2021 due to the opening of new subsidiaries abroad whose electricity consumption has no 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 renewable energy consumption represents 77 % of the total electricity consumed, thanks to which the Company managed to prevent the emission of 1,098.72 tonnes of CO_2 equivalent into the atmosphere in 2022.

In scope 3, there was an increase of 1% compared to 2021, due to the return to normality in terms of corporate travel and the company's strong commercial work during the year.

Emissions generated*	2021	2022
Scope 1 emissions (tCO_2eq)	33,942.85	30,536.96
Scope 2 emissions (tCO_2eq)	669.35	1,022.49
Scope 3 emissions (tCO_2eq)	25,863.24	26,171.94
TOTAL	**60,475.44**	**57,731.39**

**An estimate was made of the emissions associated with the last quarter of the year. For scopes 1 and 3, the estimate consisted of projecting the months of October to December based on the average emissions of the first 9 months.*

However, for Scope 2, since electricity consumption is mainly in offices and depends to a large extent on the time of year, the last quarter was estimated on the basis of the consumption recorded from October to December of the previous year. Furthermore, the sources used for the calculation of emissions were: Scope 1 (IPCC 2006), Scope 2 (CO_2 Emissions from fuel combustion-International Energy Agency, 2019), Scope 3 (UK Government GHG Conversion Factors for Company Reporting, 2022).

In 2021, within the framework of the Sustainability Plan, Técnicas Reunidas took on various environmental objectives, including implementing measures to promote energy efficiency, developing new projects related to the energy transition, establishing circular economy plans on site and in the office, and hitting its emission reduction objectives.

To meet its environmental objectives, the Company is working continuously to identify and implement measures, the most important of which were as follows in 2022:

- In terms of energy efficiency, the lighting was changed, installing LED bulbs to save energy, and we have also begun to install solar panels in the office buildings in Madrid, with Gorbea being the first installation to be carried out.

- The use of collaborative and digital platforms has been promoted in the processes, for example, in the collection of data on site/project and the recording of observations.

- In 2022, an additional day of teleworking was allowed for employees, allowing fuel savings and consequently less pollution.

- As part of the Sustainable Mobility plan, TR maintained the timetables of the shuttles available to employees that connect its offices with the city of Madrid, and it has continued to improve access to them through a mobile application. The aim is to encourage the use of collective transport over individual transport, adopting all the necessary safety and hygiene measures.

In relation to emission reduction targets and climate neutrality, TR has applied to join the SBTi (Science Based Target initiative), a global initiative through which Técnicas Reunidas undertakes to establish emission reduction targets in the short term and climate neutrality targets in the long term, both based on science. Accordingly, the Company has submitted its internally approved decarbonisation targets to SBTi for validation.

To keep all its objectives and strategies in line, the Company continuously monitors all issues related to climate change.

TR is highly aware of the potential impact that climate change may have on its business, and it has developed a Climate Risk and Opportunity Matrix together with the relevant adaptation plan, transparently reporting its climate change performance through participation in initiatives such as the Carbon Disclosure Project (CDP) in which TR has participated for several years. In 2022, the Company improved its rating by obtaining an A- in the Climate Change category. This was the highest score in the industry in 2022 and places TR among the leading companies worldwide in terms of climate change. In this regard, TR stands out positively in the following categories: scope 1, 2 and 3 emissions, as well as emissions reduction, strategy, scenario planning and analysis, governance, risk management and disclosure.

In governance, TR has assigned the Board to supervise its sustainability matters, including climate issues.

The Secretary of the Board of Técnicas Reunidas is responsible for coordinating the activities of the Board of Directors and other areas of the Company in matters of sustainability. This facilitates the implementation of resolutions on climate issues, which is TR's main governance mechanism in relation to climate change.

TR identifies the main climate change risks affecting the Company. In this context, the Company is mainly exposed to transition risks, in particular those dependent on regulatory developments that could have an impact on various customers, an increasingly demanding regulatory environment, which can translate into significant reputational risk at corporate level. In fact, in the Company's ESG risk diagnosis carried out in 2022, it was noted that, in relation to the environment, the most significant risk is compliance with the European Union's plan for complete decarbonisation by 2050. Another risk to be taken into account is the introduction of new taxes that could lead to higher energy prices.

The physical risks particularly include the geographic location of some clients, which are subject to extreme temperatures (for example, the Middle East or Canada), which can lead to changes in working conditions during the performance of projects. Also noteworthy is the increase in extreme weather phenomena, such as rising sea levels or water stress in some of the regions where the Company operates and the impact this may have on projects.

On the other hand, in the area of climate change opportunities, TR is well positioned, thanks to its leadership on climate change, the diversification of its activities, especially in fields related to the energy transition, and its adaptation to new trends, which go beyond legal issues. This enables the Company to benefit from the opportunities that will arise from increased regulatory pressure on environmental issues, as it has the technology and solutions to help its clients meet these growing environmental demands.

This diversification of activities focuses on working with clients to improve the environmental performance of their facilities: production of clean fuels, natural gas and chemical products, biomass and solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO_2 capture and storage) and, therefore, the reduction of greenhouse gas emissions. Below are some of the most relevant projects in this field awarded in 2022.

Técnicas Reunidas, through its Internal Technology Development Division, achieved an excellent result in 2022 in the use of funds from the European Recovery Plan (Next Generation Eu).

The Centre for Technological Development and Innovation (CDTI), which reports to the Spanish Ministry of Science and Innovation, awarded Técnicas Reunidas 4 projects that it submitted to the call for the MISSIONS Programme, integrated within the State Programme to catalyse Innovation and Business Leadership of the 2021-2023 State Plan for Scientific, Technical and Innovation Research, within the framework of the **Recovery, Transformation and Resilience Plan (PRTR)**, according to the Final Resolution published by the CDTI.

The Missions 2022 projects awarded, all of them located within the field of energy transition, are:

- The **MINETHIC MISSIONS** project, a project led by Técnicas Reunidas and based on the development of technologies for obtaining Critical Raw Materials essential for the success of the energy transition.

  The **MISSIONS EFISOEC** project, led by REPSOL, in which Técnicas Reunidas participates as technologist and engineer for the development of technology for the production of Green Hydrogen by means of SOEC (Solid Oxide Electrolyzer Cell) technology.

- The **HY2DEC MISSIONS** project led by ACERIAS DE ALAVA and Técnicas Reunidas is participating as a technologist and engineer for the 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 intensive Spanish industrial processes with the aim of making progress in their decarbonisation.

- The **MISSIONS SUNRISE** project led by MAGTEL Técnicas Reunidas participates as a technologist and engineer for the 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.

In this MISSIONS 2022 call, in which more than 140 projects were submitted and 32 were awarded to large companies, the **MISSIONS MINETHIC** project came in first with a score of 90 out of 100 points, the **MISSIONS EFISOEC** project came in second with a score of 87 points and the **MISSIONS HY2DEC** project came in third with 87 points, which gives an idea of the quality of the proposals in which Técnicas Reunidas participated.

In short, Técnicas Reunidas is the Spanish company with the most projects awarded in this call for proposals, and it is also the company with the highest total grants awarded.

- On the other hand, the Ministry of Industry and Trade awarded the **PERTE VEC (Electric and Connected Vehicle) 'FUTURE:FAST FOWARD'** project led by SEAT and in which Técnicas Reunidas participates as a partner in the RELOAD project included in it. It is an initiative led by the VOLKSWAGEN and SEAT group, in which 62 companies from 11 autonomous regions are participating. It has a EUR 10 billion budget, making it the largest industrial investment in Spain, with the aim of 'electrifying Spain' and making Spain a hub for electric vehicles in Europe.

- The **RELOAD** project is part of the multidisciplinary block of the Circular Economy, in the R&D&I line and as an Industrial Research project. It aims to contribute to the supply of high-value metals in the VEC industrial value chain, reducing dependence on imports and promoting a sustainable, circular industrial model with a smaller environmental footprint. To this end, research will be carried out into the recovery of metals from vehicle components, such as lithium-ion batteries and electric motors, at the end of their useful life, thus achieving the reuse of metals and therefore reducing the waste produced by electric vehicles.

In short, the aim is to achieve new models of circular economy, improving the competitiveness of Spanish industry and promoting new models of production and consumption.

Another milestone for 2022 is the Company's participation in multiple projects for the conceptual development of green ammonia and its derivatives in the world of fertilisers, both in Europe and the rest of the world.

With regard to climate scenarios, the Company takes into account those designed by leading organisations such as the International Energy Agency (IEA), the World Energy Outlook and BP Energy Outlook. In all scenarios, the structure of demand changes, with fossil fuels becoming less important in 2050, while renewable energies gain a greater share. All of the projected scenarios call for a drop in oil demand due to increased efficiency and the electrification of transport, while gas consumption will benefit from increased demand until the 2030s. On the other hand, wind and solar energy are leading the rapid growth of renewable energies and hydrogen use will increase starting in the 2030s.

Based on these scenarios, Técnicas Reunidas has defined its short-, medium- and long-term horizons, the objective of which is to adapt to the challenges posed by climate change, to meet the needs of its clients and ensure it retains its technical advantage, a key factor for competing successfully in the future:

- **Short term (0-2 years)**: the Company will continue with its current strategy in the planning and construction of industrial plants, taking advantage of its technological leadership and the context of growing climate sensitivity to help its clients produce energy more cleanly and efficiently, reducing the carbon footprint in the projects in which it participates and adapting to current legislation.

- **Medium term (2-6 years)**: this time horizon will include the progressive adaptation of the Company's current strategies, adapting them to the new regulatory requirements, which are expected to be more restrictive in relation to the reduction of emissions and the objective of decarbonisation. The Company will also advise its clients on the need to produce energy in a cleaner way, offering the best available solution in each case.

- **Long term (6-30 years)**: current strategies will be combined with the implementation of new ones to maximise the use of climate opportunities and minimise the Company's exposure to the different risks derived from climate change. To this end, TR bases the development of its future scenarios on the three reference organisations mentioned above. In this regard, TR will increase its efforts and technical capacity to provide solutions that match the needs of its clients in each of the three scenarios, seeking to anticipate the confirmation of the scenario as far in advance as possible so that the appropriate operational, technical and financial measures can be taken.

A more comprehensive climate scenario analysis is planned for the near future which, taking into account the best available climate scenarios (including at least one aligned with the objective of limiting the global temperature increase to 1.5°C), will allow TR to obtain greater detail in its estimate of the financial impacts of the risks and opportunities related to climate change.

15.3.2.1. Information on the EU Taxonomy for climate change mitigation and adaptation targets

a) Introduction

The Taxonomy Regulation[2] (Regulation 2020/852) is a key component of the European Commission's action plan to redirect capital flows toward a more sustainable economy and represents a fundamental step toward achieving the EU's stated goal of achieving GHG neutrality by 2050.

The Taxonomy Regulation also envisages the creation of a classification system for environmentally sustainable economic activities throughout the EU. It thus creates a common language that companies, investors and policy makers can use to identify projects and economic activities with a positive and substantial impact on the climate and the environment, based on the recommendations of experts and scientists. The taxonomy also introduces reporting obligations for companies and financial market participants.[3]

A first step in shaping this classification system ('European Taxonomy') was the enactment of Delegated Regulation 2021/2139,[4] which sets out the economic activities eligible under climate change mitigation and adaptation

[2] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

[3] Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

[4] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

objectives, as well as the criteria for determining whether those activities are aligned with the Taxonomy. After that, a Supplementary Delegated Act to the Climate Taxonomy on climate change mitigation and adaptation was published, covering a number of activities related to gas and nuclear energy.[5]

Following the publication of those technical criteria, Delegated Regulation 2021/2178 was enacted, which describes the quantitative and qualitative information relating to the EU Taxonomy to be disclosed by the different types of companies, including companies subject to the obligation to publish non-financial information statements (NFI), in accordance with articles 19(a) and 29(a) of Directive 2013/34.

Therefore, Técnicas Reunidas, in response to Article 8 of Regulation 2020/852, reports in this section of its statement of non-financial information the proportion of eligible, aligned and non-eligible activities according to the taxonomy in terms of its turnover (billing), its investments in fixed assets (CapEx) and its operating expenses (OpEx). These indicators have been obtained at a consolidated level, i.e. at the Técnicas Reunidas Group level.

The **eligible economic activities** of a company according to the taxonomy are defined as those that comply with the description set out in the regulation, which includes activities that substantially contribute to one or more environmental objectives, regardless of whether the activity complies with any of the technical criteria established in the regulation. The **economic activities aligned** with the taxonomy are those eligible activities that meet the technical selection criteria set out in the regulation (Delegated Regulation 2021/2139 and Delegated Regulation 2022/1214) and the minimum safeguards, in accordance with Article 3 of the Taxonomy Regulation:

- Meets the criteria of substantial contribution to one or more environmental objectives.
- Does no significant harm to any of the environmental objectives.
- Is carried out in compliance with the minimum safeguards.

Finally, **ineligible economic activities**, according to the taxonomy, refer to any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.[6]

b) The activity of Técnicas Reunidas

The Técnicas Reunidas Group is dedicated to providing all types of value-added engineering and construction services for industrial plants for the production of clean fuels, natural gas and chemical products, while also offering its clients a wide range of solutions linked to the energy transition, the circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO_2 sequestration and capture, etc.). Therefore, and according to the taxonomy, a relevant part of the Company's technical capabilities have the potential to contribute substantially to climate change mitigation, and are therefore categorised as eligible. In this regard, TR is developing a set of energy transition projects whose impact on the taxonomic indicators of turnover, OpEx and CapEx will be gradually reflected in the coming years, as their presence in the Company's portfolio becomes more significant in percentage terms.

1. Eligibility

To identify eligible activities, an exhaustive analysis of each of the Group's project types was first carried out as the basis for identifying the activities carried out by TR that could be linked to the taxonomy. After this, and to confirm the eligibility of each of the activities identified as 'presumably eligible', these were cross-checked against the definitions in Delegated Regulation 2021/2139 and Delegated Regulation (EU) 2022/1214. Thus, as a conclusion of this analysis, the following table lists the eligible activities for the climate change mitigation objective.

Table 1. TR's economic activities analysed in accordance with the environmental taxonomy

Economic activity in accordance with Taxonomy	Description of the activity	Eligibility	Alignment
3.2 Manufacture of equipment for the production and use of hydrogen	Design projects for green H_2 production facilities, developed by the Energy Transition area[7]	✓	✗

[5] Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

[6] Given the complexity of this classification system, the European taxonomy is under construction; currently the technical criteria regulation for climate change mitigation and adaptation objectives has been published. However, the remaining four objectives covered by the taxonomy are in draft form. Furthermore, it should be noted that, in its current configuration, the taxonomy does not consider all economic activities.

[7] Técnicas Reunidas designs and assembles green H_2 production facilities. Although it does not manufacture the equipment for these facilities, its activity, insofar as the Company designs and assembles the equipment, is essential for performing eligible activity 3.2. For this reason, and also considering the FAQs documents published by the European Commission on Taxonomy regulation, this activity is considered eligible.

Economic activity in accordance with Taxonomy	Description of the activity	Eligibility	Alignment
4.13 Production of biogas and biofuels for transport and production of bioliquids	Projects for the construction of biofuel (biomethanol) production plants, developed by the Energy Transition area.	✓	✓
4.25 Production of heat/cooling from residual heat	Construction and assembly projects for shell and tube heat exchangers, waste heat recovery boilers, air coolers and cooling towers	✓	✓
4.29 Power generation from gaseous fossil fuels	Projects for the construction or operation of installations for the generation of electricity from gaseous fossil fuels (natural gas)	✓	✗
5.3. Construction, extension and operation of sewage collection and treatment systems	Projects for the construction of networks of oily effluent collection collectors and associated treatment plants	✓	✓
5.11. CO_2 transport	Projects for pipelines designed to transport CO_2 for subsequent underground injection	✓	✗
6.10. Maritime transport of goods, vessels for port operations and ancillary activities	Modular maritime transport activities	✓	✗
7.1. Construction of new buildings	Building construction projects	✓	✗
7.2 Renovation of existing buildings	Building Renovation Projects	✓	✗
9.1 Research, development and innovation close to the market	Implementation of applied research projects in the area of Energy Transition.	✓	✗

Legend

✓	Eligible or aligned (according to column)
✓	Partially eligible or aligned (according to column)
✗	Not eligible or not aligned (according to column)

Additionally, no activities have been identified that could be eligible in relation to the climate change adaptation objective.

2. Alignment

Based on the eligible economic activities indicated above, in a second step TR conducted a detailed analysis to assess compliance with the technical selection criteria relating to the climate change mitigation objective, as set out in Delegated Regulation 2021/2139 and Delegated Regulation 2022/1214, in terms of substantial contribution to one or more environmental objectives and not significantly harming any of the other environmental objectives, as well as compliance with the minimum safeguards.

The actions taken in each case are detailed below.

i. Substantial contribution to climate change mitigation criteria

The first criterion requires that the economic activity **makes a substantial contribution to one or more of the environmental objectives**. To determine this, each activity[8] and its technical characteristics were analysed to determine whether it meets the criteria for substantial contribution to climate change mitigation specified in Regulation 2021/2139.

These substantial contribution criteria were assessed for each of the eligible activities listed in the table above (see the 'Eligibility' section). Following this assessment, TR made the calculations and gathered the necessary information to demonstrate the substantial contribution of the activities in Taxonomy 4.13 'Production of biogas and biofuels for transport and production of bioliquids' and 4.25 'Production of heat/cooling from waste heat',[9] as well

[8] Compliance with the technical criteria is only analysed in those projects in which Técnicas Reunidas exercises effective control over the project.
[9] Activity 4.25. itself has no substantial contribution criteria applicable (its substantial contribution criterion coincides with the activity description).

as, in certain cases, of activity 5.3. 'Construction, extension and operation of sewage collection and treatment systems'. The main methodological considerations of this assessment are presented below:

- 4.13 'Production of biogas and biofuels for transport and production of bioliquids': the evaluated project (BIONER-COFUSA, Uruguay) uses agricultural or forestry biomass that complies with the criteria set by Directive (EU) 2018/2001. Also, the type of biomass used (wood chips) and the proximity to timber areas guarantees not exceeding the limit of 65% GHG emission reduction, based on Directive (EU) 2018/2001, as well as its Annex V.
- 5.3. 'Construction, extension and operation of wastewater collection and treatment systems': the substantial contribution criteria established by the Taxonomy have been re-expressed in terms of COD (Chemical Oxygen Demand), as this pollutant is the most characteristic one in the effluents of most of the facilities in which TR carries out its activity. In this way, the net energy consumption limits established by the Taxonomy (re-expressed in terms of COD) were contrasted with the energy consumption recorded in the eligible treatment plants.

Furthermore, in relation to activity 4.29. 'Generation of electricity from gaseous fossil fuels), the substantial contribution criteria required by the Taxonomy were assessed, concluding that none of the projects meet the established criteria.

For the remaining activities of the Taxonomy (with codes: 3.2., 5.11., 6.10., 7.1., 7.2. and 9.1.), although it is likely that either part or even, in certain cases, all of these activities may be provide a substantial contribution, it was decided to choose not to carry out the assessment against the substantial contribution criteria of application due to a lack of availability of information to test this type of criteria. TR will continue to work in subsequent years to gather the necessary information and effectively assess compliance with the substantial contribution criteria for this group of eligible activities.

ii. Does no significant harm to any of the environmental objectives

The second criterion requires that the economic activity **does no significant harm to any of the other environmental objectives** (DNSH).

In this regard, TR carried out the following analysis of compliance with this set of criteria:

- First, TR demonstrated, across its operations as a whole, compliance with the DNSH criterion relating to adaptation to climate change. Compliance with this criterion at the corporate level implies compliance across all potentially aligned Taxonomy activities.
- For all economic activities where TR could demonstrate a substantial contribution to climate change mitigation, the compliance with the respective DNSH criteria in relation to the other four remaining environmental objectives was analysed in more detail.

The analysis for each of the two points above is set out below:

- **Compliance with DNSH criteria relating to climate change adaptation**

To assess compliance with DNSH, an assessment of the material physical climate risks was carried out in accordance with Appendix A of Annex I for compliance with the DNSH relating to adaptation to climate change.

In this regard, and in some cases from the proposal stage onwards, physical climate risks that may affect the expected project duration are identified in each project and prioritised (qualitatively and/or quantitatively) for possible further analysis or action plans. These risks and opportunities are recorded in a register (with criticality, probability, necessary actions, responsible parties, etc.) that is monitored and updated throughout the life of the project.

- **Compliance with DNSH criteria relating to the sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems**

For this group of DNSH criteria, TR studied the characteristics of the Taxonomy activities for which it has proven they substantially contribute to mitigating climate change:

- In relation to activity 4.13 'Production of biogas and biofuels for transport and production of bioliquids', it took into account the fact that the project is at a preliminary stage (pre-feasibility studies have already been carried out), so the technological solutions on the basis of which to contrast the DNSH criteria with respect to the objectives of 'Sustainable use and protection of water and marine resources' and 'Pollution prevention and control' have not yet been developed. TR will work in the coming years to ensure compliance with these criteria in the development of this project, selecting the necessary systems for this purpose.
- In relation to activity 4.25 'Production of heat/cooling from waste heat', all this equipment is dimensioned by TR using specific software, which guarantees the highest levels of quality and maximum efficiency of the system in terms of heat transmission. Therefore, TR complies in all cases with the DNSH criterion established for the case of 'Pollution prevention and control'.

- In relation to activity 5.3. 'Construction, extension and operation of wastewater collection and treatment systems', TR assessed, where applicable, the wastewater discharge parameters, ensuring lower levels of COD than those established by regulation,

TR also conducted an EIA (Environmental Impact Assessment) of the facility in all its engineering projects, including those corresponding to the activities already analysed (codes: 4.13., 4.25. y 5.3.).

iii. Compliance with minimum safeguards

Finally, the third requirement involves demonstrating that the economic activity is conducted in compliance with the **minimum safeguards** (MS). The MS include all the procedures implemented in the company to ensure that its activities are carried out in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights established in the eight fundamental conventions referred to in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights (Article 18 of Regulation 2020/852).

To assess compliance with the MS, Técnicas Reunidas analysed the four dimensions into which compliance with these minimum safeguards is divided (human rights, including labour rights; corruption and bribery; taxation and fair competition).

In general, TR has a **Code of Corporate Conduct**, which shows the Company's commitment to the highest standards of ethical conduct, establishing the principles and values that the TR Group and all its professionals must observe at all times in the performance of their activities. This Code includes general principles relating to human rights, respect for free competition, rejection of child, forced or compulsory labour, prevention of money laundering and terrorist financing, among others. **Training** is also provided to ensure the upright behaviour of its professionals. The company also has a **Code of Ethics for the Supply Chain**[10] through which it reinforces the integrity of the supply chain. Moreover, Técnicas Reunidas has been a signatory of the United Nations **Global Compact** since 2011.

In addition to these preventive measures, TR has a **whistleblower channel** in accordance with the strictest standards of confidentiality and in compliance with the EU Directive on whistleblower protection.[11]

- **Human rights (including labour and consumer rights).**[12] As a complement to the above documents, TR is developing a **Human Rights Policy** that is expected to be approved by 2023. As a result of policies and procedures implemented in this area, a total of 5 reports were received in 2022, which were processed and closed due to a lack of substantiation. These complaints dealt with labour relations/labour rights issues.

- **Fight against corruption and bribery.**[13] The Group has a **Criminal Compliance Management System** (SGCP) certified in accordance with **UNE 19601**, which is reinforced through various integrity policies. In 2022, the Company continued to implement the Criminal Compliance Management System in new geographical areas and updated the policies, training and effectiveness of the system to adapt it to the certification. It has also implemented an **Internal Due Diligence procedure** and strengthened the procedure for applying the **Due Diligence Policy on third parties**.[14]

- **Responsible taxation.**[15] Since the Company operates in several countries, it is aware of its tax responsibility and the complexity of its operations and has an **Internal Tax Risk Manual** as well as a **Tax Model based on the BEPS criteria** (OECD regulation on taxation). Among other mechanisms, in the bidding phase, tax strategies are defined that minimise risk with local advisers, including in the Group's usual markets.

- **Fair competition**
  To reinforce the Criminal Compliance Management System, and as a result of the development of the principles of the Code of Conduct, the Group has a **Competition Policy**, of mandatory global application, which sets out the guidelines in relation to compliance with the regulations on protecting and defending competition in markets.

c) Taxonomic indicators and accounting policy

The following are the turnover, CapEx and OpEx indicators in terms of eligibility and alignment, formulated and reported in accordance with the applicable regulations for 2022, indicating in each case the accounting policy applied.

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[10] For more information, see section 15.7.3, Subcontracting and suppliers.
[11] For more information, see section 15.5. Information on respect for Human Rights.
[12] For more information, see section 15.5. Information on respect for Human Rights.
[13] For more information, see section 15.6. Information related to the fight against corruption and bribery.
[14] For more information see section 15.7.3, Subcontracting and suppliers.
[15] For more information, see section 15.7, Tax information.

1. Turnover

The key indicator referring to turnover is calculated as the proportion of revenues derived from aligned or taxonomy-compliant activities, as well as the proportion derived from eligible activities that do not meet the technical selection criteria (numerators) over the company's total revenues (denominator). This revenue corresponds to revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008. The denominator of this KPI is provided in the Notes to the 2022 Financial Statements (note 22: 'Ordinary income and other operating income', see 'Total revenue').

On the other hand, the numerator referring to revenues, first, the calculation of the revenues derived from the eligible activities set out in Table 1 was computed by analysing each of the Group's projects from which ordinary revenues were recorded in 2022. In doing so, an exhaustive breakdown of the different activities carried out in the projects was performed and those that meet the eligibility criteria established by the Taxonomy were identified. Projects were considered individually, as were their activities, thus avoiding any possible double counting of information.

Subsequently, the costs derived from each of the activities identified as eligible were extracted. These costs comprise both direct calculation costs, mainly linked to the costs associated with the purchase orders of equipment linked to the eligible activity, as well as the costs of subcontractors, who carry out the site work for the fine-tuning of the industrial processes linked to the eligible activity; and also passed-on costs, referring to costs of activities linked to the project as a whole which, although not specifically destined to a particular eligible activity, contribute to the development and execution of the eligible activities of the project within the framework of the work process as a whole. For these latter items, a different allocation criterion has been established, adjusted to the particularities of each of them.

Lastly, following the models for allocating ordinary income from projects in the Group's consolidated financial statements, the costs linked to eligible activities per project were multiplied by the degree of progress of work in 2022 per project, obtaining the cost incurred in 2022 associated with eligible activities. In turn, this cost incurred per project was increased by the profitability (sales/cost) assigned to each project at year-end, thus obtaining the sales accrued in the year associated with eligible activities (the numerator used in the key indicator).

Next, the numerator relating to income from aligned activities (environmentally sustainable activities, categorised as 'A.1' in table 1) was determined. In this case, based on the breakdown of eligible activities in the projects, those that meet all the technical selection criteria and minimum safeguards and can therefore be considered aligned were identified. The calculation of revenues follows the same methodology as for eligible activities.

According to the calculations performed, the numerator of taxonomically eligible but not environmentally sustainable activities (eligible activities that do not comply with the taxonomy, categorised as 'A.2' in table 1), is the result of the numerator relating to revenues derived from eligible activities minus the numerator of revenues associated with aligned activities.

Thus, the following table presents the proportion of TR's turnover associated with aligned activities on the one hand and eligible, non-aligned activities on the other hand, following the requirements of Delegated Regulation 2021/2178, as well as its Annex II.

As a result of the calculations performed, 10.51% of the Group's turnover in 2022 is eligible, and 4.76% of the Group's turnover in 2022 is aligned. It is further reported that the proportion of eligible turnover in 2021, as reported in the previous year[16] was 7.93%, which is a year-on-year increase (2021 vs. 2022) of 2.58 percentage points. This increase is mainly due to the inclusion of activities as eligible activities that are linked to generating electricity from non-fossil renewable sources (natural gas) that were not categorised as eligible for 2021, but that are eligible for 2022.[17]

[16] In 2021, only information on eligibility was reported, in line with the Taxonomy regulation (Delegated Regulation 2021/2178).
[17] In line with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors.

Template: Proportion of turnover from products or services associated with economic activities that comply with the taxonomy-disclosure for 2022 (Regulation 2021/2178)

				Substantial contribution criteria[18]						Criteria of no significant harm ('does no significant harm')										
Economic activity	**Code[19]**	**Absolute turnover (thousands of EUR)**	**Share of turnover (%)**	**Climate change mitigation (%)**	**Adaptation to climate change (%)**	**Adaptation to climate change**	**Circular economy (Y/N)**	**Pollution (Y/N)**	**Biodiversity and ecosystems (Y/N)**	**Climate change mitigation (Y/N)**	**Adaptation to climate change (Y/N)**	**Adaptation to climate change**	**Circular economy (Y/N)**	**Pollution (Y/N)**	**Biodiversity and ecosystems (Y/N)**	**Minimum safeguards (Y/N)**	**Proportion of turnover that complies with the Taxonomy, 2022**	**Proportion of turnover that complies with the Taxonomy, 2021**	**Category (F: facilitating activity)**	**Category (T: transition activity)**
A. Eligible activities according to taxonomy (%)																				
A.1. Environmentally sustainable activities (complying with the taxonomy)																				
Biogas and biofuels production for transport and bioliquids production	4.13	60	0.00%	100%	0%	NA	NA	NA	NA	-	Y	Y	Y	Y	Y	Y	0.00%	NA		
Production of heat/cooling from residual heat	4.25	168,494	3.98%	100%	0%	NA	NA	NA	NA	-	Y	Y	Y	Y	Y	Y	3.98%	NA		
Construction, extension and operation of sewage collection and treatment systems	5.3	33,149	0.78%	100%	0%	NA	NA	NA	NA	-	Y	Y	Y	Y	Y	Y	0.78%	NA	F	
Turnover from environmentally sustainable activities (which comply with the Taxonomy) -Total A.1.	-	**201,703**	**4.76%**	**100%**	**0%**	**NA**	**NA**	**NA**	**NA**	-	Y	Y	Y	Y	Y	Y	**4.76%**	**NA**	-	-
A.2. Eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy)																				
Manufacture of equipment for the production and use of hydrogen	3.2.	1,072	0.03%																	
Power generation from gaseous fossil fuels	4.29	166,831	3.94%																	
Construction, extension and operation of sewage collection and treatment systems	5.3	12,958	0.31%																	
CO_2 transport	5.11	3,481	0.08%																	
Maritime transport of goods, vessels for port operations and ancillary activities	6.10	8,348	0.20%																	
Construction of new buildings	7.1	49,555	1.17%																	
Renovation of existing buildings	7.2	143	0.00%																	
Research, development and innovation close to the market	9.1	784	0.02%																	
Turnover from eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy). Total A.2.	-	**243,171**	**5.74%**																	
Total (A.1+A.2)	-	**444,875**	**10.51%**														**4.76%**	**NA**		
B. Activities not eligible under the taxonomy																				
Turnover from ineligible activities according to the Taxonomy (B)	-	**3,788,495**	**89.49%**																	
TOTAL (A+B)	-	**4,233,370**	**100%**																	

[18] Only climate targets have been included for the substantial contribution analysis, as they are the only ones approved at the date of publication of this report.
[19] The code assigned to each of the economic activities is the one listed in Annex I of Delegated Regulation (EU) 2021/2139.

Template 1 Activities related to nuclear energy and fossil gas (Delegated Regulation 2022/1214)

Row	**Activities related to nuclear energy**	
1	The company conducts, finances or has exposures to research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with minimal fuel cycle waste.	No
2	The company carries out, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	No
3	The company carries out, finances or has exposures to the safe operation of existing nuclear installations producing electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Activities related to fossil gas	
4	The company carries out, finances or has exposures to the construction or operation of electricity generation facilities that produce electricity from gaseous fossil fuels.	Yes
5	The company carries out, finances or has exposures to the construction, refurbishment and operation of combined hot/cold and power generation facilities using gaseous fossil fuels	No
6	The company carries out, finances or has exposures to the construction, renovation and operation of heat generation facilities producing heat/cooling from gaseous fossil fuels.	No

Template 2 Economic activities that comply with the Taxonomy (denominator) (Delegated Regulation 2022/1214)

Row	Economic activity	Revenues (thousands of euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of the activity that complies with the taxonomy referred to in section 4.29 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	166,831	3.94%	166,831	3.94%	-	-
7	**Amount and share of other economic activities conforming to the taxonomy not mentioned in row 4 above in the denominator of the applicable KPI**	**4,066,539**	**96.06%**	**4,066,539**	**96.06%**	-	-
8	**Total applicable KPI**	**4,233,370**	**100%**	**4,233,370**	**100%**	-	-

Template 3 Economic activities that comply with the Taxonomy (numerator) (Delegated Regulation 2022/1214)

Row	Economic activity	Revenues (thousands of euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of the activity that complies with the taxonomy referred to in section 4.29 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	**Amount and share of other economic activities conforming to the taxonomy not mentioned in row 4 above in the numerator of the applicable KPI**	**201,703**	**100%**	**201,703**	**100%**	-	-
8	**Total amount and share of economic activities that conform to the taxonomy in the numerator of the applicable KPI**	**201,703**	**100%**	**201,703**	**100%**	-	-

Template 4. Economic activities eligible according to the taxonomy but that do not conform to the taxonomy (Delegated Regulation 2022/1214)

Row	Economic activity	Revenues (thousands of euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of economic activity eligible according to the taxonomy but not conforming to the taxonomy referred to in section 4.29 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	166,831	68.61%	166,831	68.61%	-	-
7	**Amount and share of other economic activities eligible according to the taxonomy but not conforming to the taxonomy not mentioned in row 4 above in the denominator of the applicable KPI**	**76,340**	**31.39%**	**76,340**	**31.39%**	-	-
8	**Amount and share of economic activities eligible according to the taxonomy but that do not conform to the taxonomy in the denominator of the applicable KPI**	**243,171**	**100%**	**243,171**	**100%**	-	-

Template 5. Economic activities not eligible under the Taxonomy (Delegated Regulation 2022/1214)

Row	Economic activity	Revenues (thousands of euros)					
		(CCM + CCA)		Climate change management		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
4	Amount and share of the economic activity referred to in row 4 of Template 1 that is not eligible according to the taxonomy under section 4.29 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Amount and share of other economic activities not eligible according to the taxonomy not mentioned in row 4 above in the denominator of the applicable KPI**	**3,788,495**	**100%**	**3,788,495**	**100%**	-	-
8	**Total amount and share of ineligible economic activities according to the taxonomy in the denominator of the applicable KPI**	**3,788,495**	**100%**	**3,788,495**	**100%**	-	-

2. CapEx.

This indicator is obtained as the ratio of fixed assets invested in taxonomy-compliant economic activities and eligible economic activities that do not meet the technical selection criteria (numerators) to the total assets that were acquired in 2022 (denominator).

That denominator (total CapEx) is obtained as the additions to tangible and intangible assets before depreciation, amortisation, revaluations and impairments excluding changes in fair value.

Total CapEx thus covers costs that are accounted for in accordance with:
a) IAS 16 Property, Plant and Equipment, paragraph 73 (e) (i) and (iii);
b) IAS 38 Intangible Assets, paragraph 118 (e), point (i);
c) IAS 40 Investment Property, paragraph 76, points (a) and (b) (for the fair value model);
d) IAS 40 Investment Property, paragraph 79 (d), points (i) and (ii) (for the cost model);
e) IAS 41 Agriculture, paragraphs 50 (b) and (e);
f) IFRS 16 Leases, paragraph 53, point (h).

In accordance with TR's consolidated financial statements, the total CapEx is included in Notes 6: 'Property, plant and equipment', 7: 'Intangible assets' and 8: 'Rights of use on leased assets' in the notes to the 2022 consolidated financial statements, in the row corresponding to 'increases'. In total, in 2022 these items amounted to EUR 17,899 thousand (kEUR), while in the previous year they amounted to EUR 14,174 thousand.

Técnicas Reunidas' business model, mainly based on providing its clients with engineering services, implies minimal CapEx additions compared to turnover or total expenses. Furthermore, the Group's assets linked to the projects mentioned in the section referring to the turnover KPI are not allocated to eligible activities (and therefore not to activities that comply with the Taxonomy either), but are of a more corporate, interdepartmental or sector-specific nature not covered by the Taxonomy (for example, additions associated with long-term office leases, R&D activities not linked to reduction of GHG emissions or development of solutions for the aerospace industry). Therefore, it has been decided to take a conservative approach and not consider these items in the calculation of the numerator of the CapEx indicator. In addition, an exercise has been carried out to identify other CapEx items that could be eligible, such as those referring to energy efficiency and the installation of renewable energy systems in buildings, and no relevant CapEx additions have been found in this respect. All of the above implies that the Taxonomy-eligible CapEx ratio is close to 0%; in turn, the Taxonomy-adjusted CapEx ratio would also be 0%, the same as in 2021.

Template: Proportion of CapEx from products or services associated with economic activities that comply with the taxonomy-disclosure for 2022 (Regulation 2021/2178)

				Substantial contribution criteria						Criteria of no significant harm ('does no significant harm')										
Economic activity	**Code**	**Absolute CapEx (thousands of euros)**	**Proportion of CapEx (%)**	**Climate change mitigation (%)**	**Adaptation to climate change (%)**	**Adaptation to climate change (%)**	**Circular economy (Y/N)**	**Pollution (Y/N)**	**Biodiversity and ecosystems (Y/N)**	**Climate change mitigation (Y/N)**	**Adaptation to climate change (Y/N)**	**Adaptation to climate change (%)**	**Circular economy (Y/N)**	**Pollution (Y/N)**	**Biodiversity and ecosystems (Y/N)**	**Minimum safeguards (Y/N)**	**Proportion of CapEx that complies with the Taxonomy, 2022**	**Proportion of CapEx that complies with the Taxonomy, 2021**	**Category (F: facilitating activity)**	**Category (T: transition activity)**
A. Eligible activities according to taxonomy (%)[20]																				
A.1. Environmentally sustainable activities (complying with the taxonomy)																				
CapEx of environmentally sustainable activities (which comply with the Taxonomy) -Total A.1.	-	-	-%	-	-	-	-	-	-	-	-	-	-	-	-	-	-%	NA	-	-
A.2. Eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy)																				
CapEx of eligible activities according to the taxonomy, but not environmentally sustainable (activities that do not comply with the taxonomy). - Total A.2.	-	-	-%																	
Total (A.1+A.2)	-	-	-%														-%	NA	-	-
B. Activities not eligible under the taxonomy																				
CapEx of activities not eligible under the taxonomy (B)	-	17,899	100%																	
TOTAL (A+B)	-	17,899	100%																	

[20] All the investments (CapEx) made by TR are either of a transversal nature (corporate) or specific to a sector not included in the Taxonomy. In view of TR's business model, the CapEx of eligible activities is considered to be insignificant for the Company.

3. OpEx.

This indicator is defined as the ratio of taxonomy-adjusted taxonomic OpEx and the ratio of taxonomy-eligible taxonomic OpEx that does not meet the technical selection criteria (numerators) to total taxonomic OpEx (denominator).

This denominator reduces total operating expenses to non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the day-to-day maintenance of tangible fixed assets by the company or a third party to whom activities are outsourced and that are necessary to ensure the continuous and efficient operation of these assets. The first numerator, on the other hand, includes the operational expenditure included in the denominator that is allocated to eligible activities that meet the technical eligibility criteria set out in the regulations and the minimum safeguards. The second numerator, in turn, includes operational expenditure included in the denominator for eligible activities that do not meet the technical eligibility criteria set out in the regulations.

In the case of TR, the non-capitalised direct costs covered by the EU Taxonomy, i.e. those included in the denominator, represented less than 5% of the firm's total operating expenses in 2022 (see Table 2). In 2021 they represented less than 5%. Therefore, their value is considered non-material and, in accordance with section 1.1.3.2 of Annex I of the Delegated Regulation 2021/2178, the numerator of the OpEx key indicator is reported as zero. Also, in compliance with this Delegated Regulation, the denominator of this indicator is shown in the following table.

Table 2 - Ratio of EU Taxonomy OpEx to total OpEx of the company

	Total (kEUR)	Proportion of total OpEx (%)
Non-capitalised expenses[21]	4,212,741	
Non-capitalised expenses covered under the Taxonomy (indicator denominator)	66,184	**1.97%**

(*) EUR 65,059 thousand and 2.2% in 2021

However, it is worth mentioning that Técnicas Reunidas is committed to corporate initiatives to reduce the Group's GHG emissions, which involve certain expenses not contemplated by the OpEx definition of the EU Taxonomy Regulation, such as the use of carbon footprint management or remote technical attendance tools to reduce the number of trips made by its employees.

Técnicas Reunidas constantly monitors the development of the evolution of Taxonomy regulations and carries out numerous activities that contribute to the development of sustainability policies, the fight against climate change and decarbonisation also in countries outside the European Union, where its main market clients are located, in accordance with the best international practices in this area, improving the requirements of local regulations and being pioneers through our activity in contributing to the energy transition and sustainable development.

15.3.3. Circular economy and waste prevention and management

Técnicas Reunidas showed again this year that it is strongly committed to implementing an environmental strategy base on circular economy principles to minimise the potential impacts of its activities.

Within the framework of the Sustainability Policy, TR is developing a circular economy strategy for both offices and projects through which it intends to materialise the actions already being carried out, as well as establish new objectives in this area.

In offices, it is committed to waste segregation, and to recycling different materials and water:

- Collection of plastic caps for the social cause 'Caps for a new life' managed by the SEUR Foundation. In 2022, 945 kg of plastic caps were collected, which represents 1.42 t of CO_2 equivalent avoided.
- Bottled water is supplied by AUARA, which supplies 100% recycled plastic bottles and in turn

[21] Non-capitalised expenses include procurement and other operating expenses (see note 23 of the consolidated financial statements), employee benefits expenses (note 24) and rent and lease expenses.

provides containers for recycling the packaging of its bottles, with a social purpose related to access to drinking water in the world. In 2022, 11,880 bottles were collected, avoiding 360 kilos of waste.
- Caritas has provided containers to collect clothes and shoes so that they can be given a second chance or recycled.
- Reuse of water not used in meetings, which is poured into bottles and used for watering the plants in the offices. In 2022, 1,235 litres were reused.

The Company is also committed to the circular economy in its projects, as a way of avoiding waste generation and reusing materials, as well as optimising the management of hazardous and non-hazardous waste, through systems implemented by setting objectives and targets on, among other aspects, waste reduction, observance of good practices and the use of recycled materials.

For their management, TR takes actions such as promoting prevention, reusing and recycling rather than generation and dumping, along with waste mitigation and control through the integration of cutting-edge environmental design techniques in the processes at its plants and conducting awareness campaigns at its offices and worksites.

To this end, an internal multidisciplinary group was set up in 2022 to collect, classify and systematise all the activities that are or can be carried out in the implementation of circular economy projects.

The Company is currently committed to three main lines of work in this area: optimisation of consumption, use of recycled materials and correct management of waste to promote its conversion into raw materials. This has resulted in the following initiatives:

Reuse of waste and treated wastewater on site:
- Use of excavated soils and land for backfilling foundations and trenches, levelling of land or similar.
- Use of concrete demolition rubble for the improvement of roads used during the construction of the project.
- Use of waste water after on-site treatment for irrigation required in construction, dust control of roads and paths, and irrigation of landscaped areas.
- Reuse of wood, metal and other waste to make information panels, handrails, pedestals, road barriers and other support elements.

Reuse of off-site waste:

- Sale to material management companies of reusable waste materials, such as cable drums, scrap metal, pallets, cable scrap and barrels that will go back into the supply chain.
- Selection or replacement of waste managers according to the final destination of the waste, promoting the search for managers that ensure the reuse and revaluation of waste.

TR's project-related activities generate a variety of waste types, both hazardous and non-hazardous. The waste generated by the Company in 2022 is shown in the table below. The evolution of total waste generated compared to 2021 decreased by around 14%, mainly due to the degree of progress of many projects compared to the previous year, which has reduced the generation of non-hazardous waste.

Generation of waste*	Amount generated in 2021* (t)	Amount generated in 2022* (t)
Hazardous waste (including oils, filter materials and other categories)	23.95	2,490.98 **
Non-hazardous waste (including wood, household equivalent waste and other categories)	22,263.28	16,645.17
TOTAL	**22,287.23**	**19,136.15**

** An estimate was made of the waste associated with the last quarter of the year. The estimate consisted of projecting the months of October to December based on the average waste from the first three quarters.*
*** The increase in hazardous waste is related to an operation carried out in one of the TR projects for which chemical water was used (2,472.00 t). Given that this data is a one-off consumption, it is added separately to the projected data.*

Finally, in relation to Covid-19, it has been possible to relax the measures adopted in the previous year, the

number of tests and, therefore, the amount of waste generated has been considerably reduced.

15.3.4. Actions to combat food waste

Aside from the waste from its operations, in recent years Técnicas Reunidas has implemented various measures to prevent food waste at subcontracted canteens, actively promoting its environmental commitments with responsible conduct at work sites.

Given that most of the works performed by the Company are located at sites far away from urban centres, the measures are aimed at preventing waste and promoting the responsible use of food, including aspects relating to transportation, storage, handling, processing and consumption. The following preventive measures have been implemented in the management of these services:

- Planning purchases and calculating portions adapted to staff histograms, while also ensuring a balanced diet.
- Managing stock rotation to plan food preparation.
- Preference for quality ingredients from local markets to serve fresh, locally-sourced meals.
- Transportation, management and adequate storage of food, respecting the conditions that each item requires based on its type, in order to take full advantage of its preservation and use.
- Facilities designed and adapted to best provide the service, also using kitchen equipment and utensils that ensure proper storage, handling and preparation processes, to ensure the safety, conservation and consumption of meals in adequate conditions.
- Optimal conditions of hygiene to avoid contamination and the subsequent need to discard deteriorated products.

In the offices, food waste is minimal, but in the event of a failure or rupture of a refrigerator, the Food Bank is contacted to take advantage of its content.

15.3.5. Sustainable use of resources

Energy is one of the main resources needed for all the Company's operations. In 2022, the Group consumed 438,443.30 GJ of energy in its activities (mainly in the form of diesel, petrol, electricity and electricity), 11 % less than the preceding year. This reduction is due to the degree of progress or completion of some projects, where more or less fuel consumption is generated depending on the needs and the reduction of electricity consumption in the offices in Spain (where most of the electricity consumption is concentrated), due to the closure of some offices and the energy efficiency measures adopted.

Energy consumption*	Amount consumed in 2021 (GJ)	Amount consumed in 2022 (GJ)
Diesel	404,228.53	293,088.93
Petrol	57,520.85	119,571.85
Fuel oil	0	0
Total electricity consumption	29,327.49	25,782.51
Total consumption of electricity from renewable sources**	25,697.74	19,856.33
TOTAL	**491,076.88**	**438,443.30**

** An estimation of fuel consumption for the last quarter was carried out. For fuel, the estimate consisted of projecting the months of October to December based on the average fuel consumed in the first three quarters. For electricity, however since its consumption is mainly in offices and depends to a large extent on the time of year, the last quarter was estimated on the basis of the consumption recorded from October to December of the previous year.*

***Renewable energy supply has been implemented in all the Spanish offices: Adequa 3, 5 y 6, Gorbea, Centro Tecnológico and the Cartagena office.*

To ensure the correct management of this consumption, in 2022 TR continued carrying out the various actions initiated in previous years, such as the adoption of energy efficiency plans and the implementation of awareness raising campaigns.

TR has also worked on optimising the use of material resources in all phases of the value chain and the recovery of materials through R&D+i activities. Steel, copper and paper were the main materials consumed by Company as shown in the following table. The variations from one year to the next in these indicators depend on the degree of progress of the projects, so that depending on the phase and the purchases made, they can undergo high variations. This was the case in the evolution of copper and steel consumption between 2021 and 2022. In the case of paper, the increase is mainly due to the recovery of normal activity in offices after the end of the restrictions caused by the pandemic.

Raw materials consumption*	Amount generated in 2021* (t)	Amount generated in 2022* (t)
Steel	27,656.88	42,641.83
Copper	161.11	258.92
Paper	29.43	35.75
TOTAL	**27,847.41**	**42,936.50**

**To calculate the reported data, an estimate was conducted of the materials consumption associated with the last quarter of the year. The estimate consisted of projecting the months of October to December based on the average materials consumed in the first three quarters.*

Furthermore, although water consumption is outside the Company's material scope, TR endeavours to make responsible use of this resource at all times, both at work sites and office buildings.

In relation to its offices, water consumption is outside the scope of TR, given that it is the responsibility of the building owners. Nevertheless, the Company conducts campaigns to reduce water consumption in all its offices based on a commitment to savings and efficient consumption.

In the case of its projects, TR is responsible, within the scope of the contract, for providing potable water for site and office activities, together with the construction works.

15.3.6. Other forms of pollution

Técnicas Reunidas does not just focus its efforts on minimising greenhouse gas emissions, reducing its consumption of materials and generating less waste. The Company uses all resources at its disposal to identify the environmental circumstances existing on each occasion and to establish the most appropriate preventive and, where appropriate, mitigation measures in accordance with the best available techniques. In addition to emissions, spills etc., these limits include other forms of contamination, like noise and lights for example. In relation to light pollution, the office buildings have automatic night shutdown systems between 8:00 pm and 6:00 am. In the case of the works, they are illuminated in accordance with the safety and energy efficiency standards corresponding to each country.

For the proper management of all environmental issues, the Company has a wide range of support documents–including the Environmental Management Plan and Construction Environmental Management Plan–which identify the limits of mandatory compliance, along with the actions to be implemented at all times. It also has specific Environmental Management Manuals for each certified Environmental Management System.

15.3.7. Protection of biodiversity

One of the principles of action of the Environmental Sustainability Policy is to preserve and promote the biodiversity of the ecosystems, landscapes and species in the territories in which the Company operates.

Técnicas Reunidas carries out all its projects on industrial land, which is why biodiversity is not among the Company's material aspects. In this regard, the Técnicas Reunidas' activities during 2022 did not give rise to any impact on biodiversity or protected areas. TR carries out its projects in accordance with the environmental impact studies developed by its clients, which take into account the Equator Principles and take into account aspects such as environmental protection and the diversity of plant and animal species living in the environment.

In biodiversity matters, Técnicas Reunidas implements the measures required by the client's contractual scope, offering, when necessary, specific consulting services for client advice and support. When protection of biodiversity is assumed by Técnicas Reunidas in the contractual scope, the Company develops several initiatives, such as planting trees, aimed at offsetting the CO_2 emissions from these projects, hence reducing its carbon footprint and generating great benefits for the environment.

15.3.8. Provisions and guarantees for environmental risks

The environmental expenses, assets, provisions and contingencies of the Group companies are considered immaterial in relation to their equity, financial position and results. However, the Company identifies these items for each office/subsidiary, as well as for each project through the various applicable accounting items; this facilitates the monitoring of environmental indicators since, based on a sustainable management concept, the verification documents are the invoices that support them.

TR also has a risk management system that includes an analysis of both offices and projects (from the bidding phase to completion) for potential environmental impacts. This analysis includes the identification of measures addressing the precautionary principle and reduction of undesirable effects.

In addition to environmental expenditures and provisions, all projects include a contingency account to cover possible unforeseen events that may arise in the project on situations where environmental issues may be included and which are activated if necessary.

The Company is also insured under an environmental third-party liability policy that guarantees coverage of potential environmental damage arising from Técnicas Reunidas' activities, including environmental liability at its own facilities and offsite, liability for pollution or liability during transport to and from third-party facilities.

15.3.9. Resources assigned to prevention of environmental risks

The HSE department is responsible for prevention and management of environmental risks in projects. The HSE team has interdisciplinary professionals who work in a cross-cutting manner throughout the group's companies/divisions, implementing a common methodology in all projects.

15.4. Information on social and personnel issues

15.4.1. Employment

Técnicas Reunidas' professionals are the Company's main asset. This workforce has increased in 2022 to 7,053 employees (an increase of 8.24% compared to 2021), which represents a major management challenge, to which must also be added the need to adapt to the complex scenario arising from the various challenges present on an international level.

Thanks to various tools and strategies, TR efficiently manages the relationship with its professionals and promotes their professional development. The tools available to the Company include policies, procedures and bodies that stipulate the principles, guidelines and decisions related to human resources. This framework enables the appropriate management of human resources, offering a safe and dependable environment that reinforces their commitment to the Company.

Técnicas Reunidas is aware of the main HR risks to which it is exposed. In 2022, these were mainly the following: subcontracting of external personnel (with the risk of transferring workers, as well as the subsidiary liability for TR derived from possible breaches by these employees' main employer), management of expatriate personnel contracts (due to the fact of having employees regulated under two contracts subject to different legislations), hiring of local personnel (risks regarding compliance with local legislation and requirements), international labour taxation (difficulty in applying tax benefits or exemptions in Spain on many occasions, as well as difficulties in obtaining certain documents in the destination country that allow benefiting from these deductions), talent drain (associated with the difficulties that the sector is currently experiencing) and possible risks to the safety of workers due to its proximity to the Russia-Ukraine conflict zone.

However, TR is prepared to face all these possible contingencies through a flexible and globalised HR structure, which facilitates the adoption of solutions to prevent and mitigate the risks associated with its activity. Specifically, some of the most noteworthy measures to address the main risks have been: the

creation of a specific team in the HR Department to manage the hiring and departure of external personnel, introducing new flexibility measures for the staff, the drafting of specific contractual clauses in the contracts of expatriate personnel, analysis of the legal requirements for hiring local personnel and the implementation of policies that help keep on essential employees.

In line with the above, throughout 2022, the Company continued to monitor the evolution of new pandemic waves that could force it to limit in-person work at its facilities and has adopted specific health measures in the different projects/countries, protecting the most vulnerable groups and guaranteeing the continuity of operations, which has prevented significant impacts from materialising in this regard. Likewise, as a result of the Russia-Ukraine conflict, the personnel in Russia have been repatriated. Also, for security reasons and to minimise the risks of a possible conflict with Poland, an Evacuation Plan has been designed for all our personnel in the Orlen project in Poland. The appropriate procedure has been implemented and the necessary resources have been organised to have an immediate response from all the teams involved and external agents if necessary.

This global management of human resources is in accordance with its strategy to promote diversification in both services and geographical regions. This approach enables the Group to implement more comprehensive control of all sections related to human resources, increasing the reliability of information, offering a series of basic conditions to all employees, and optimising time and cost in their management.

In this area, TR has implemented a software tool (SAP Success Factors), which enables better management of aspects such as administration, remuneration plans, evaluations of employee performance and absenteeism, and training schemes. In relation to this last point, Técnicas Reunidas has an access control system based on the Company's clocking-in regulations, which reflect the work schedules and the different reasons for clocking in. Through this system, the Personnel Administration team can monitor any irregularities that may occur with time sheets. In addition, each employee uploads weekly work reports that must be approved by the heads of each department. In the event of any absenteeism, the person must justify it to the HR department. Depending on the irregularity, the company may issue a verbal or written warning or impose a penalty that could lead to dismissal.

The Group's workforce at 31 December 2022 had 7,053 internal employees and 795 subcontracted workers and freelancers, who have a contract with the Company. In addition, Técnicas Reunidas has an average of more than 33,830 subcontracted workers on its projects in construction (see section 15.7.3). However, the Company does not have a direct relationship with these professionals as they are not direct employees of TR. For this reason, as opposed to the financial statements, the reporting scope of this report only covers Técnicas Reunidas' own employees. In 2022, there was an increase of around 8.24% in the workforce, due to the fulfilment of the strategic objectives of growth in the number of employees, in line with the needs of the business in the technology centres in Spain (Madrid and Cartagena), India, Turkey, Abu Dhabi and Chile. In addition, in coordination with Operations, organisational support is being provided to respond to the staffing needs of the various subsidiaries.

In relation to the review and implementation of the integrated organisational structure, it should be noted that in 2022 the integration of the different companies and divisions into a transversal unification of internal categories was continued and closed, allowing the business to easily identify profiles, detect needs and offer proposals to homogeneous groups.

In addition, in 2022 the Company implemented its internal mobility programme 'MuéveTRe', which allows employees to find out 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 internal experience.

Furthermore, it should be noted that the workforce growth strategy, designed and implemented in 2022 in line with business needs, will continue in 2023.

The following tables show the breakdown of the indicators on TR's workforce. It should be noted that the applicable perimeter is 100% of the internal workforce in Spain and subsidiaries.

- **Distribution of staff by gender, age, country and professional category:**

In 2022, the workforce increased by around 8.24% compared to 2022 as a result of the implementation of the growth strategy. The gender distribution shows that 74% of the employees are men and 26% are women. By professional category, the majority of TR employees, 90%, are graduates, technicians and administrative staff. In turn, by age, the bulk of the workforce, more specifically 70%, is concentrated between 30 and 49 years of age; although in 2022 there was also a slight increase in the number of employees under 30 and

over 50 years of age. In terms of geographical distribution, Spain, Saudi Arabia, India and the UAE account for 81% of its employees.

	2021		2022	
Distribution of staff by gender	**No.**	**%**	**No.**	**%**
Men	4,798	**73.63%**	5,254	**74.49%**
Women	1,718	**26.37%**	1,799	**25.51%**
TOTAL	**6,516**	**100%**	**7,053**	**100%**

	2021		2022	
Distribution of staff by professional category	**No.**	**%**	**No.**	**%**
Executive Directors	1	0.02%	1	0.01%
Senior executives	10	0.15%	9	0.13%
1st Management Level	81	1.24%	87	1.23%
2nd Management Level - Middle Managers	435	6.68%	399	5.66%
Graduates, other line personnel and clerical staff	5,813	89.21%	6,372	90.34%
Supervisors	142	2.18%	162	2.30%
Sales staff*	34	0.52%	23	0.33%
TOTAL	**6,516**	**100%**	**7,053**	100.00%

**The decrease in the number of sales staff is due to the diversification and integration of the Sales strategy in different key areas of the Company*

	2021		2022	
Distribution of staff by age	**No.**	**%**	**No.**	**%**
<30 years old*	312	4.79%	442	6.27%
30-50 years old	4,761	73.07%	4,954	70.24%
50 years old and over	1,443	22.15%	1,657	23.49%
TOTAL	**6,516**	**100%**	**7,053**	**100%**

**The increase observed between periods for this figure is explained by the reactivation of the Young Professionals Plan (PJP)*

	2021		2022	
Distribution of TR staff by country*	**No.**	**%**	**No.**	**%**
TR SPAIN	4,218	64.73%	4,108	58.24%
TR OMAN	197	3.02%	173	2.45%
TR CHILE	108	1.66%	103	1.46%
TR INDIA	132	2.03%	528	7.49%
TR SAUDI ARABIA	610	9.36%	647	9.17%
TR KUWAIT	106	1.63%	52	0.74%
TR PERU	182	2.79%	153	2.17%

TR MALAYSIA	98	1.50%	9	0.13%
TR UAE	486	7.46%	462	6.55%
TR TURKEY	34	0.52%	70	0.99%
TR ALGERIA	11	0.17%	9	0.13%
TR AZERBAIJAN	179	2.75%	85	1.21%
TR MEXICO	9	0.14%	10	0.14%
TR CANADA	19	0.29%	25	0.35%
TR SINGAPORE	14	0.21%	111	1.57%
TR POLAND	23	0.35%	53	0.75%
TR ITALY	9	0.14%	9	0.13%
TR BAHRAIN	6	0.09%	4	0.06%
TR RUSSIA	12	0.18%	9	0.13%
TR USA	2	0.03%	2	0.03%
TR COLOMBIA	56	0.86%	77	1.09%
TR THAILAND	5	0.08%	230	3.26%
TR ARGENTINA	-	-	12	0.17%
TR QATAR	-	-	112	1.59%
TOTAL	**6,516**	**100%**	**7,053**	**100%**

**The significant changes in some of the subsidiaries are due to fluctuations in the needs of the Company's various projects in the regions in which it operates projects.*

- **Total number and distribution of employment contract types:**

With regard to the composition of the workforce by hiring model, in 2022 there was an increase in permanent contracts to 81% of employees (an increase of 7% with respect to the total, compared to 2021), which has led to a decrease in temporary contracts, representing 19% of the workforce. On the other hand, 100% of the workforce is employed on a full-time basis, although 9% of the workforce has reduced working hours.

	2021		2022	
Distribution of employment contract types	**No.**	**%**	**No.**	**%**
Permanent*	4,850	74.43%	5,747	81.48%
Temporary	1,666	25.57%	1,306	18.52%
TOTAL	**6,516**	**100%**	**7,053**	**100%**

** The increase in the number of fixed employees in the year is due to the key employee retention policy.*

	2021		2022	
Distribution of employment contract types	**No.**	**%**	**No.**	**%**
Total employees	6,516	100%	7,053	100%
Full time*	6,020	91.76%	6,426	91.11%
Reduced workday	496	8.24%	627	8.89%

**100 % of TR's contracts are 'full time'; the Company does not have part time contracts. This table includes those employees who have full-time contracts and those that also have a reduction in working hours.*

- **Annual average of contracts by contract type, gender, age and professional category:**

Average contracts by gender*	2021			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Permanent	3,477	1,552	5,029	3,884	1,601	5,485
Temporary	1,546	191	1,738	1,067	153	1,220
TOTAL	**5,023**	**1,744**	**6,767**	**4,951**	**1,754**	**6,705**
	6,767			**6,705**		

Average contracts by age*	2021			2022		
	<30	>=30, <50	>=50	<30	>=30, <50	>=50*
Permanent	160	3,749	1,121	175	3,964	1,346
Temporary	237	1,210	290	168	831	221
TOTAL	**397**	**4,959**	**1,411**	**343**	**4,795**	**1,567**
	6,767			**6,705**		

Average contracts by professional category*		Executive Directors	Senior executives	1st Management Level***	2nd Level Management-Middle Management	Graduates, other line personnel and clerical staff	Supervisors	Sales staff
2021	Permanent	1	11**	74	353	4,442	115	33
	Temporary	0	0	2	90	1,607	37	1
	TOTAL	**1**	**11**	**77**	**444**	**6,049**	**151**	**34**
2022	Permanent	1	9	88	358	4,889	118	23
	Temporary			3	47	1,132	36	1
	TOTAL	**1**	**9**	**91**	**405**	**6,021**	**154**	**24**

**The average was calculated from the average of the employees at the end of the four quarters of 2021 (March, June, September and December).*

***The average number of Senior Executives for 2021 reflects differences from the year-end employee distribution data due to the inclusion of a Senior Executive who left the Company in August for a large part of the year.*

**** The increase between periods is due to organisational changes to adapt the organisational structure to the growth of the Company.*

- **Number of dismissals by gender, age and professional category:**

In 2022 there was a 29% decrease in dismissals. The reason for the reduction in this rate is the completion of the workforce restructuring that took place in 2021 and the reactivation of projects that had been delayed or postponed due to the impact of Covid-19. By gender, there was a decrease in the number of dismissals among women to the detriment of men. By age, the bulk of the dismissals (around 45%) were concentrated among employees between 30 and 49 years of age, who make up the majority of the workforce. However, there was also an increase in the number of dismissals of employees under age 30. In terms of professional category, the dismissals were concentrated among graduates, other line personnel and clerical staff, who represent a large part of TR's workforce.

	2021		2022	
No. of dismissals	**No.**	**%**	**No.**	**%**
Distribution by gender				
Men	92	73.6%	73	82.95%
Women	33	26.40%	15	17.05%
TOTAL	**125**	**100%**	**88**	**100%**

	2021		2022	
Distribution by age	**No.**	**%**	**No.**	**%**
<30 years old	8	6.40%	23	26.14%
30-50 years old	73	58.40%	39	44.32%
50 years old and over	44	35.20%	26	29.55%
TOTAL	**125**	**100%**	**88**	**100%**
Distribution by professional category	**No.**	**%**	**No.**	**%**
Executive Directors	0	0.00%	0	0.00%
Senior executives	0	0.00%	0	0.00%
1st Management Level	0	0.00%	4	4.55%
2nd Management Level - Middle Managers	9	7.20%	1	1.14%
Graduates, other line personnel and clerical staff	107	85.60%	82	93.18%
Supervisors	9	7.20%	1	1.14%
Sales staff	0	0.00%	0	0.00%
TOTAL	**125**	**100%**	**88**	**100%**

- **Total average compensation (fixed and variable wages) of the workforce at year's end, broken down by gender, age and professional category or equivalent value:**

Average remuneration by gender (EUR)	**2021**	**2022**
Men	51,141.48	52,594.60
Women	42,440.44	42,321.88
TOTAL	**46,790.96**	**49,978.02**

	2021		2022	
Average compensation by professional category* (€)	**Men**	**Women**	**Men**	**Women**
Senior executives	456,264.56	441,377.10	511,005.04	415,071.82
1st Management Level	180,159.65	175,330.11	173,594.96	172,259.02
2nd Management Level - Middle Managers	91,336.41	70,530.27	95,761.96	71,801.91
Graduates, other line personnel and clerical staff	45,361.89	39,776.26	46,850.38	39,298.58
Supervisors	19,470.23	17,199.27	20,191.92	16,430.42
Sales staff	100,026.47	70,957.34	93,756.15	69,943.03

Average remuneration by age (€)*	**2021**	**2022**
<30 years old	26,711.80	20,202.61
30-50 years of age	45,295.17	46,390.42
50 years old and over	67,005.91	67,168.91

**Remuneration calculated on a cash basis.*

- **Wage gap:**

In 2022, the average gender pay gap was 20%, although there are differences by professional category, and it is higher in Middle Management and Sales (25%) and below or equal to the average in the other professional categories. The differences in the salary gap with respect to the previous year are mainly due to the increase in the number of employees in subsidiaries, where men have a greater presence in the markets in which the company operates.

Wage gap by professional category*	2021	2022
Senior executives	3.37%	18.77%
1st Management Level	2.68%	0.77%
2nd Management Level - Middle Managers	22.78%	25.02%
Graduates, other line personnel and clerical staff	12.31%	16.12%
Supervisors	11.66%	18.63%
Sales staff	29.06%	25.40%

** The gap was calculated as follows: 1- (average remuneration of women by professional category/average remuneration of men by professional category)*

- **Directors' remuneration:**

Total average directors' remuneration by gender (€) - executive directors*	2021	2022
Men	**894,132.00**	**897,928.04**
Women	**N/A**	**N/A**
Total average directors' remuneration by gender (€) - non-executive directors*	**2021**	**2022**
Men	**174,477.37**	**176,657.00**
Women	**147,670.00**	**130,214.66**

** Directors' remuneration is broken down in detail in the Company's Annual Director's Remuneration Report. In this report, it was calculated on an accrual basis and the fixed and variable salary was considered.*

With regard to the remuneration of the Company's directors, in 2022 Técnicas Reunidas submitted the 2023-2025 Directors' Remuneration Policy for to its shareholders for their consideration, with the aim of obtaining their approval before the end of the previous policy's validity. The Policy, approved by 89.25% of the shareholders present and represented at the Ordinary General Meeting held on 28 June 2022, aims to ensure that the remuneration of all the directors is aligned with Técnicas Reunidas' strategies and with the interests of the Company and its shareholders, having taken into consideration the market standards of comparable companies, the remuneration and employment terms of the Company's employees and sustainability aspects. In particular, in the case of the executive director, his annual variable considers sustainability criteria, given that 20% of it is linked to safety (10%) and environmental (10%) objectives.

15.4.2. Work organisation, measures to encourage work-life balance and implementation of disconnection from work policies

The disconnection policies reflect the new needs of a society that is more aware of the need to reconcile work and personal life. Although the Company has not formally addressed its commitment in this area, work-life balance is one of its priorities in human resources management. For many years, the Company has been committed to establishing a flexible working hours model in its offices in Spain, based on trust and commitment to its employees. This model allows workers to manage their time and perform their professional activities while enjoying a better quality of life.

On the other hand, since the beginning of the pandemic, the Company has implemented a series of measures in relation to the organisation of work.

Since then, this option has opened up a way to facilitate the reconciliation of work with family responsibilities, resulting in the extension of the Group's work-life balance policies, allowing employees greater flexibility in their working hours (the possibility of starting the working day between 7:00 and 10:00 am, lunch time of between half an hour and two hours, and departure from 4:45 pm from Monday to Thursday and from 1:30 pm on Fridays).

Gradually, from November 2020, TR began to increase the number of personnel incorporated in person at the offices, ensuring a maximum of 50% until October 2021, establishing on 4 October the return of 100% of the workers to the Company's central offices. However, on 21 December 2021, with the arrival of the Omicron strain, and the consequent increase in cases, a maximum of 50% of staff working in person at the offices was reintroduced, and the 6 + 2 working system was introduced, allowing 6 hours in person and 2 hours of remote work for all employees. In 2022, the reduction of the impact of Covid, as well as the maintenance of extraordinary hygiene measures to prevent the staff from contagion in the facilities, as well

as reminders of measures to be adopted in the personal environment, finally allowed the return of 100% of the workers to the central offices.

On the other hand, the following measures were adopted in 2022 to favour the reconciliation of employees' personal and working lives:

- Teleworking agreement with the Workers' Representatives at global level under which staff at the Madrid and Cartagena offices are allowed to voluntarily take up two days of teleworking per week. This measure improves the work-life balance, as well as protecting the environment by reducing the emissions associated with travelling to the offices.
- Greater time flexibility by extending, in the Madrid and Cartagena offices, the possibility of leaving 15 minutes earlier from Monday to Friday while maintaining the working day and, therefore, productivity.
- Possibility of a continuous working day from 15 June to 15 September. A target has been set for 2023 to be able to have an intensive 7-hour working day during this period.

Another milestone in 2022 in this area is the implementation of a Compensatory Rest Break Policy for Recurrent Travellers that includes compensation for days spent travelling at weekends.

In the new context after the pandemic, in which telecommuting has become essential for the development of the activity, cybersecurity has become a critical priority for TR. For this reason, in addition to all the existing measures, new ones have been approved since the start of the pandemic to reinforce its IT systems and prevent any type of breach in this regard. These include the following: browsing protection, anti-information leak protection for non-corporate services and equipment, implementation of two-factor authentication, user awareness and training, segmentation of IT assets into layers, improved monitoring of equipment, establishment of on-site IT teams throughout the pandemic, etc.

15.4.3. Disabled employees

As part of its commitment to employment insertion, development and effective integration, during 2022 Técnicas Reunidas had 25 employees with disabilities among its staff, compared to the 27 recorded in 2021, offering them quality and stable employment. TR's commitment to people with disabilities was reinforced in 2022 by including a clause in the renovation of the catering service for its Adequa headquarters, under which a high percentage of the service provider's staff has disabilities.

With regard to accessibility to its buildings, TR complies with the regulations in force in each country where it operates. In addition, with regard to the Company's corporate website, one of the main objectives is accessibility without difficulty, regardless of any physical or technical disability. To this end, TR adheres to the Web Accessibility Initiative (WAI) of the World Wide Web Consortium (W3C). This organisation developed the Web Content Accessibility Guidelines (WCAG) 1.0 aimed at making web content accessible to people with disabilities.

15.4.4. Training

Developing talent and appropriate skills are key aspects that have a direct impact on the Company's competitiveness. Técnicas Reunidas actively manages knowledge, mainly through training resources and the identification of skills necessary for employees to develop professionally and improve their performance.

To carry out its training management tasks, TR has three main policies, each with different objectives:

a. ‘Evaluation process and information records of employees’ procedure: assures the quality of talent management processes.
b. ‘Skills, training and awareness procedure’: ensures and provides employees the skills they need to perform the tasks assigned to them
c. ‘Annual training plan and course management’ procedure: describes the Company’s training plan preparation process, along with how the specific training actions are requested under the plan.

TR is aware of the importance of attracting talent through disseminating knowledge. Accordingly, the Company offers its employees a complete range of courses and adjusted training plans to help them maximise their skills and growth potential throughout their professional careers. Thanks to this commitment, TR supports its professionals and facilitates the achievement of new goals that contribute to fulfilling the Company’s objectives.

To this end, TR analyses the trends in the assessment of skills and knowledge in each area. This procedure was updated in 2022 to identify the specific deficiencies and develop specific training programmes, establishing training itineraries for each job. In addition, after each training session or programme, the participants' supervisors receive a questionnaire to assess the effectiveness of the training and identify potential improvements and adjustments to the training for the future.

As a result of the situation arising from the pandemic, TR identified the need to restructure its training plan, establishing digital solutions as a key aspect. Since then, the company has been working on three main lines of action:

- **Virtual Classroom Project**: through a corporate tool and the instruction of internal trainers, numerous training actions planned within the Training Plan have been channelled, both of a technical and skills nature.
- **PHAROS Project**: e-learning platform with more than 350 courses, mainly of a technical nature in the construction, engineering and new technologies sector, which is open 365 days a year to all TR Group employees.
- **Homemade content factory**: production of homemade multimedia material to provide training through the corporate tool TR Aula, including collaborations with specific areas, as well as all kinds of small training pills and workshops.

In 2022, after several atypical years (due to the pandemic), the Company worked on an employee training portal with a wide range of training organised in thematic blocks. In this regard, the training offer has been adapted to the new needs of the business: energy transition, regulatory compliance, social awareness and international sustainability awareness, etc., and the Annual Training Plan has been implemented with various themes (Technical-professional, Skills, Digitalisation, Languages and Corporate), modalities (classroom, online, blended), etc. The employee training portal is complemented with training itineraries adjusted to the employee's professional category, including basic, convenient and desirable training in skills to reach positions of greater responsibility and management positions. This new approach allows employees to manage their training and enhances their sense of belonging to the Company.

Training by category (h)*	**2021**	**2022**
Senior executives	14	16
1st Management Level	408	575
2nd Management Level - Middle Managers	2,798	3,400
Graduates, other line personnel and clerical staff	148,817	190,929
Supervisors	238	200
Sales staff	128	139
TOTAL	**152,402**	**195,259**
Training by topic (h)*	**2021**	**2022**
Skills	6,389	11,264
Languages	2,944	7,349
Technical	143,069	176,646
TOTAL	**152,402**	**195,259**

**In 2022, the methodologies for calculating the hours of training given to Técnicas Reunidas employees at worksites (including the categories of Graduates, other line personnel and clerical staff and Technical training) was revised. To ensure the comparability of the 2022 data with that of 2021, the training data for the previous year has been recalculated using the new estimation methodologies.*

The training hours delivered in 2022 increased significantly over 2021 (28 % more). This increase is due to the increase in training hours at construction sites (which account for the majority of the data) due to the start of new projects and the growth of training hours in offices (where training plans that were put on hold during the pandemic have been implemented).

15.4.5. Equality

Técnicas Reunidas encourages a climate of respect for diversity and guaranteed equal opportunities, where people are judged and valued for their worth and professionalism.

TR's main policies on equality are based on the principles expressly set out in TR's Code of Conduct (available on the website), which states that TR 'does not accept any discrimination in the work or professional environment on the grounds of age, race, colour, sex, religion, political opinion, nationality, social origin, disability, sexual orientation or any other circumstance that could lead to discrimination'.

As reflected in the Code of Conduct, 'The TR Group is committed to promoting the moral and physical integrity of its professionals, guaranteeing conditions of respect and dignity in the workplace. In particular, the Group will take appropriate measures to prevent and, if necessary, correct the following: any manifestation of violence; physical, sexual, psychological, moral or other type of harassment; abuse of authority at work; or any other conduct that intimidates or infringes on the rights of TR Group associated people. Also, in view of the importance of balancing work and personal life, any reconciliation measures and actions in this area will be encouraged'.

In 2020, the Company created a new Equality Committee to analyse the current situation and possible conflicts in these areas and, if necessary, take appropriate measures. In 2021, TR worked on drafting and negotiating a new Equality Plan for all Group companies, and in 2022 it managed to seal agreement with the Workers' Representatives on the Equality Plan in the company Initec Plantas Industriales, extending its more beneficial application to all TR Group employees in Spain. The TRSA Equality Plan is currently being negotiated.

Within the framework of the Company's Workplace and Sexual Harassment Prevention Policy, in 2021 a Protocol of Action against Sexual Harassment was implemented, which was negotiated and agreed with the Trade Union Representatives of the different companies of the TR Group. Since then, the Company has established labour contract clauses in certain countries to prevent this type of situations.

In addition, the Company has various initiatives to prevent racist and discriminatory behaviour, such as the development of training projects aimed at team managers to improve understanding of the local culture and diversity of workers in the locations where the Company operates.

In addition, the Company offers courses in its TR Aula corporate tool on the Sexual and gender-based harassment prevention protocol, Communication and inclusive language and Gender awareness.

Thanks to these procedures, TR carries out the identification, management and mitigation of risks that may arise in this field during the Company's activities. The implementation of all these preventive measures has prevented the appearance of any significant impacts in this regard.

15.4.6. Occupational health and safety

Guaranteeing a safe and healthy working environment for all those involved in Técnicas Reunidas' activities requires a great effort and continuous improvement on the part of its employees and the engagement and leadership of senior management.

To achieve full integration of occupational health and safety throughout the life cycle of Técnicas Reunidas projects, the Company has had an Occupational Health and Safety Management System (SGSST) in place for 15 years. The application of this system is based on the corporate Quality, Health, Safety and Environment Policy (QHSE) and is based on three pillars: accident and incident prevention, integration of health and safety in corporate strategy and continuous improvement of methods and processes.

In 2022, TR's Occupational Health and Safety Management System was successfully certified based on ISO 45001, to which the system was migrated in 2020. In this context, the QHSE Policy was updated in March 2021 to adapt it to the new requirements of the new ISO 45001 and 14001 standards. As a result, Técnicas Reunidas has renewed its ISO 45001 certification for a period of three years.

In 2023, the Management Systems corresponding to the ISO 45001 and ISO 14001 certifications will be integrated in order to optimise processes, reduce time and costs, while ensuring the correct implementation of both Management Systems.

In HSE matters, TR's leadership is increasingly visible among the Company's management as a standard bearer of a company that cares for the well-being and health of its workers, encouraging their consultation and participation.

In 2022, the impact of Covid-19 was been minor and the associated risks decreased considerably. However, the Company has continued to manage the pandemic according to the particular circumstances of each project, adopting the necessary measures depending on the evolution of the cases and the requirements of each country. To this end, the evolution and impact have been monitored and controlled at international, national and local level (offices) to anticipate the response to the impact of Covid-19, both on people and on the Company's operations. These measures enabled the level of incidence of cases among TR employees, both in Spain and internationally, to remain at minimum levels during 2022.

At the beginning of 2022, preventive policies and procedures were maintained in TR's offices, as well as the measures implemented by the health authorities (wearing masks, vaccination, etc.). In the projects under construction, the measures have been similar to those in the offices to prevent outbreaks of the virus among workers. To this end, in the HSE Plans, the annex with specific preventive measures to combat the virus has been maintained, and specific contingency plans against the virus have been issued.

In relation to the Russia-Ukraine conflict, Técnicas Reunidas has plans for evacuation in conflict zones managed by companies specialising in the sector. In fact, the Company has evacuated its personnel in Russia, as the project it had in the region has been halted.

In addition, in 2022, regular medical check-ups and flu vaccination campaigns were carried out among employees. These campaigns were coordinated by TR's Joint Prevention Service and were very successful in terms of participation.

Técnicas Reunidas has HSE diligence procedures that cover all of the Company's activities, based on an exhaustive analysis of risks and opportunities, as well as an analysis of the needs and expectations of its stakeholders. As a result of these assessments, the following risks associated with TR's HSE activity were identified:

- Hiring of personnel with little experience in health and safety derived from the demands in the increased hiring of local labour by clients in a short period of time.
- Increase in high-risk activities due to the increase in the scope of the commissioning and start-up phases of the projects.
- Adaptation to the characteristics and safety requirements of new countries, clients and subcontractors.
- High rate of potentially serious incidents that can lead to serious accidents if immediate action is not taken.
- High volume of labour that is difficult to manage from an HSE point of view.

To mitigate the risks to which the Company is exposed, as well as to guarantee the correct implementation of the management system and its adaptation to the established objectives, HSE assessments are carried out for the pre-qualification of subcontractors, as well as follow-up audits defined in the internal corporate health and safety plans and audits. The results of these audits are discussed with the client or subcontractor at the site, facilitating the effectiveness of actions taken to correct any shortcomings.

External audits are also performed on projects at the construction phase, in order to maintain international Health and Safety management system certifications. In this context, the internal audits of the projects in 2022 were conducted using the methodology implemented in 2021, and as a result, there are no scores but colour codes, maintaining the standard AENOR structure of recommendations and development of corrective actions based on the ‘non-conformities’ detected. During 2022, 23 internal corporate audits were carried out for Técnicas Reunidas (compared to the 9 that could be carried out in 2021 under the restrictions derived from the pandemic) in the construction phase of the projects.

TR ensures that high standards of occupational safety are observed by its entire supply chain, establishing stringent requirements and promoting good practices. Onsite health and safety managers oversee the application of specific health and safety plans by subcontractors, and implementing any preventive actions they consider necessary. To this end, the Company carries out information campaigns, prevention programmes and regular medical check-ups. In this regard, the following milestones should be highlighted in 2022:

- Development of a new platform for recording health and safety observations in projects, improving the accessibility and effectiveness of its use.

- Creation of a Health and Safety Inspection Committee, which is responsible for assessing the health and safety inspections carried out in supplier workshops visited by Company employees belonging to the Procurement area. This Committee is multidisciplinary and is made up of personnel from different disciplines: Procurement, Quality and HSE.
- Implementation of a new KPI, 'Plan the Work/Work the Plan', in all projects in the construction phase to measure the efficiency of the Work Permit system and correct any deficiencies detected.

In addition, since 2020, the Company has had the e-risk tool for the identification and management of risks and opportunities of the Occupational Health and Safety Management System at all levels of the company, in addition to the updating of the occupational risk assessment in 2022 taking into account the Covid-19 context and telecommuting.

The Company also works to ensure the standardisation of health and safety procedures throughout the entire organisation, in order to guarantee maximum efficiency in the dissemination and assimilation of corporate policies. This objective is based on an intensive drive toward training. In 2022, there were 1.37 hours of on-site training provided in this area for every 100 hours worked (19 % more than in 2021[22]), taking into account the personnel of both the Company and its subcontractors. Among the training actions provided in 2022, it is worth highlighting the development of training on legal liabilities associated with health and safety during the construction phase of projects, aimed at project managers.

With regard to the effectiveness of its safety policies, Técnicas Reunidas assesses their performance through a system of indicators. The information reported relates to the projects and offices, although it is in the construction phase that an increased security risk is identified. Given the different degree of risk associated with each type of activity and the different scope of the indicators (the construction site accident rates refer to employees and subcontracted workers, while the office accident rates refer only to employees), the Company reports the construction site and office accident rates separately, which are shown in the tables below:

	On-site accident rates					
	Value of the indicator in 2021			Value of the indicator in 2022		
	Women	Men	Total	Women	Men	Total
Lost time incident rate* (LTIR)	0.000	0.005	**0.005**	0.000	0.018	**0.018**
Total recordable incident rate** (TRIR)	0.000	0.026	**0.026**	0.000	0.046	**0.046**
Severity rate*** (SR)	0.000	0.001	**0.001**	0.000	0.001	**0.001**
Occupational illness rate	0	0	**0**	0	0	**0**
No. of deaths ***	0	0	**0**	0	1	**1**

	Office accident rates					
	Value of the indicator in 2021			Value of the indicator in 2022		
	Women	Men	Total	Women	Men	Total
Lost time incident rate* (LTIR)	0.077	0.130	**0.111**	0.000	0.044	**0.028**
Total recordable incident rate** (TRIR)	0.309	0.391	**0.362**	0.474	0.133	**0.256**
Severity rate*** (SR)	0.003	0.005	**0.004**	0.0012	0.000	**0.0004**

[22] The figure for 2021 was recalculated in line with section 15.4.4 and is equivalent to 1.14 hours of training per 100 hours worked.

No. of occupational illnesses	0	0	**0**	0	0	**0**
No. of deaths*****	0	0	**0**	0	1	**1**

** LTIR (Lost Time Incident Rate): (No. of incidents involving lost time/No. of hours worked) * 200,000. This index refers to the frequency of accidents. Does not include en route accidents and relapses.*

*** TRIR (Total Recordable Incident Rate): (No. of recordable incidents [according to OHSAS] involving lost time/No. of hours worked) * 200,000. This index refers to the frequency of accidents. Does not include en route accidents and relapses.*
**** Severity Rate (SR): (No. of days lost through incidents/Total no. of hours worked) * 1,000. This index refers to the severity of accidents. Does not include en route accidents, but does include days lost due to relapses.*
***** Unfortunately, in 2022 an accident occurred in one of the projects, which resulted in the death of a worker belonging to a subcontractor company during pipe positioning work when he was hit during the manoeuvre due to overloading.*
****** The investigation of the incident established that there is no link between the worker's death and the work. However, it is classified as an accident at work as it occurred during the working day.*

The accident rates on site improved on the targets set for 2022, i.e. 0.05 (LTIR), 0.19 (TRIR) and 0.018 (SR).

The construction work in 2022 involved 112,065,699 working hours (versus 120,993,882 in 2021), including hours worked by subcontractors, meaning that the Company had to manage a volume of more than 41,512 workers at peak time (including Company and subcontractor workers), 2% less than in the previous year.

With regard to the accident rate statistics on construction sites, in 2022, both the number of lost-time accidents (LTIR) and recordable accidents (TRIR) were once again well below the targets set by the Company. The increase in accident rates is related to an increase in recordable accidents and a decrease in hours worked, although there was a decrease in accidents with medical treatment. It should be noted that the accident rates in 2022 remained below the targets set by Técnicas Reunidas. The Company monitors recorded accidents and adopts measures to maximise worker safety in all phases of project development, based on a solid Management System that is extended to suppliers and subcontractors.

With regard to office accident rates, there has been a significant decrease in all indicators, due to the general reduction of incidents and days lost compared to the previous year due to the prevention measures implemented and a lower impact from Covid-19.

In addition to the data mentioned above, the Group monitors absenteeism rates throughout the Company. The absenteeism hours for 2022 are shown below, which show a decrease compared to the previous year attributed to the lower impact of Covid-19 in 2022.

	Value of the indicator in 2021	Value of the indicator in 2022
Total number of absenteeism hours	507,730	478,512

Finally, in the promotion of healthy lifestyle habits among employees, Madrid staff took part in the Companies' Race held in December 2022. This is the resumption of an event held in previous years before the Covid-19 pandemic.

15.4.7. Social relations

In relation to trade union organisations of TR employees, there are currently three committees: the equality committee, training committee and the overseas assignments committee, with which TR meets regularly in order to promote dialogue and consensus with its workers. In this regard, the following progress and agreements have been made with trade union organisations in 2022:

- Framework of seconding policies at TR Group level: A homogeneous framework of rules regulating the seconding terms that will apply to those who move to new projects that will be developed outside Spain in the future has been agreed with the Workers Representatives of the different companies of the TR Group.
- Equality Plans: an agreement has been reached with the Workers' Representatives on the Equality Plan in the company Initec Plantas Industriales, which has been extended in its most beneficial

application to all TR Group employees in Spain. In addition, the TRSA Equality Plan is currently being negotiated.

- Creation of Working Groups and Joint Commissions with the Workers' Representatives as a means of improving working conditions and the well-being of the workforce. In this sense, committees have been set up for teleworking, intensive working hours, professional development, communication, among others, in addition to those of a legal nature.

Técnicas Reunidas is well aware of the role of unions as the legal representatives of workers' interests. Therefore, the Company at all times guarantees equal and non-discriminatory treatment of its workers, respecting their freedom of association in line with the collective bargaining agreements and legislative framework of the country concerned.

With regard to the mechanisms and procedures the company has in place to promote employee involvement in the management of the Company, in terms of information, consultation and participation, the Company carries out work climate surveys every two years to find out how satisfied its employees are with their jobs, their relationship with the company and their superiors, and their workload, through which action plans are developed. Because of the implications caused by the impacts of the pandemic, TR suspended these surveys, focusing these questions largely on the management of Covid-19. However, in 2022 the Company resumed them and in response to the results, the Company has substantially improved working conditions by improving voluntary teleworking options, extending flexible working hours and establishing new channels of communication with the workforce through the social partners, videos from General Management and HR and changes to the intranet.

15.4.8. Employees covered by a Collective agreement

For all countries where there is a collective bargaining agreement, 100% of the employees are covered by the collective bargaining agreement associated with the activity licence granted to the Company (engineering, construction, etc.), as in 2021. In addition, health and safety clauses are included in all collective agreement, which are adapted to the corresponding local legislation.

15.5. Information on respect for Human Rights

Técnicas Reunidas considers integrity and respect for human rights to be a priority in the performance of its activities, and these principles form part of TR's corporate culture. This commitment is particularly significant in a Group with a large international presence that sometimes carries out its activity in locations with a high risk of Human Rights violations. To this end, the Company has a sustainability management framework based on a specific corporate policy describing the Group's main commitments in corporate, environmental and social governance, including respect for Human Rights among its social commitments.

Accordingly, the Company has developed various internal policies and procedures to ensure its commitment everywhere it conducts business, including the Company's Code of Conduct. In the specific area of Human Rights, the Code of Conduct establishes a commitment to act on all occasions in accordance with the legislation in force, obtaining declarations of compliance with Human Rights with respect to internationally accepted ethical practices. It also includes TR's total rejection of child labour and forced or compulsory labour, as well as the corporate commitment to respect freedom of association and collective bargaining and to recognise the rights of ethnic minorities in the countries where it operates, rejecting any form of discrimination, exploitation and, in particular, child labour, thus ensuring compliance with the conventions of the International Labour Organisation (ILO).

Furthermore, the Company recognises the need for all its activities to be conducted in a manner consistent with the values and principles contained in the United Nations Global Compact, of which TR has been a signatory since 2011. Técnicas Reunidas also belongs to a Group whose activities are bound by the principles of the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises.

In addition to the above, the Company is expected to formally approve and implement a Human Rights Policy in 2023. This Policy will impose additional actions and requirements for the Group and, likewise, for third parties particularly relevant in a company with a large international presence, such as its suppliers and subcontractors.

Both the Code of Conduct and the Sustainability Policy and, when approved, the Human Rights Policy extend to the Company's entire value chain. In particular, the Company has a Supply Chain Code of Ethics, available on the corporate website, which includes specific sustainability, environmental, labour and Human Rights protection requirements for its business partners (e.g. suppliers or subcontractors). To identify and repair possible abuses, the Company carries out Human Rights compliance assessments.

These suppliers and subcontractors, in addition to passing a strict initial approval procedure, must guarantee compliance with minimum standards in the areas indicated to ensure that the Company's supply chain always operates in accordance with the legal frameworks in force and complies with the specific Human Rights requirements in accordance with their activity and level of risk.

Besides this, the Company has incorporated human rights due diligence procedures as part of its global risk management system. Through this system, TR evaluates, prevents and mitigates any significant risks and impacts that could affect the Company globally. The methods applied can be classified into those deployed at the project tender phase and those used during project execution.

The Company also has a Whistleblower Channel. This is a secure and confidential channel for employees, third parties or any other stakeholder to report potential breaches or irregularities committed within the Company or in its sphere of action, or acts that may involve or with respect to which there are reasonable grounds for suspicion of violations of the law and other internal regulations, for example, the Code of Conduct, or applicable external regulations. The reports received, which may be submitted anonymously, are treated under strict standards of confidentiality and in compliance with the European Directive on the protection of whistleblowers. Receiving and managing the reports received through this Whistleblower Channel is the responsibility of the Company's Regulatory Compliance area.

In 2022, a total of 5 reports were received through the Whistleblower Channel, all of which were managed and resolved during the year. The nature of these complaints was generally related to labour relations and rights. Regarding the 2 complaints received in 2021 that were pending resolution at year-end, the Company confirms that they were resolved during the first half of 2022.
None of these reports are related to respect for freedom of association and the right to collective bargaining, discrimination in employment and occupation, forced or compulsory labour or child labour, and in no case have they had any impact on the Company as they have all been duly handled...

However, if despite all the measures implemented by the Company, it detects any Human Rights breaches or other actions with a negative impact on those rights, Técnicas Reunidas will act by immediately and implement the appropriate measures in each case, always adopting a zero-tolerance approach to these actions.

Lastly, it should be mentioned that Covid-19, the Russia-Ukraine conflict and the situation in Algeria had no effect on the management of the Company's human rights, nor was there any impact in this regard.

15.6. Information related to the fight against corruption and bribery

15.6.1. Management approach

The Code of Conduct shows the Company's commitment to the highest standards of ethical conduct, establishing the principles and values that the TR Group and all its professionals must observe at all times, in the performance of their activities, in order to act with integrity, professionalism and respect for the law, Human Rights and internationally accepted practices. The Code of Conduct, together with the Integrity Policies, including the Anti-Corruption Policy, are the fundamental tools used by Técnicas Reunidas to prevent corruption, bribery and money laundering activities.

The Group also has a Regulatory Compliance Area, tasked with the dissemination of the Code of Conduct, the Criminal Commercial Code and their related policies, management of the whistle-blowing channel, and the review and adaptation of prevention and reporting systems, as well as dissemination and training in this area.

Técnicas Reunidas also has a Criminal Compliance Management System (SGCP). This is a set of measures aimed at preventing the commission of irregularities, especially of a criminal nature, that may be committed in the organisation as a result of its daily professional activity. It also includes measures aimed at detecting the possible commission of irregularities and mitigating the consequences that could arise from the materialisation of these irregularities.

To strengthen the Criminal Compliance Management System, TR has various integrity policies including: Criminal Compliance Policy and Catalogue of Criminal Risks and Expected Conduct, Gifts and Entertainment Policy, Policy on Relations with Public Officials, Anti-corruption Policy, Conflicts of Interest Policy and the Antitrust Policy.

Throughout 2022, Técnicas Reunidas continued to implement its Criminal Compliance Management System in new geographical areas, and updated its policies, training and effectiveness to adapt them to international standards and best practices. This system enables the Company to minimise risks and enhance its capacity in the prevention, detection and response to critical issues in regulatory compliance and integrity.

In turn, in 2022, the Company adapted its Criminal Compliance Management System to obtain the UNE19601 certification on Criminal Compliance Management Systems, accredited by AENOR in January 2023. This standard establishes demanding requirements for the criminal compliance management system with the aim of going beyond compliance with legislation, and helping companies and organisations to prevent the commission of crimes, promote a culture of ethics and compliance and reduce criminal risk, providing a greater guarantee of security and confidence to governing bodies and stakeholders. The preparation for this certification has required a gap analysis with respect to the standard and the implementation of the improvements identified, for example, the adaptation of various policies of the Criminal Compliance Management System to the standard, the review of controls and risk matrices, etc. In addition, a risk management tool has been implemented.

It should be noted that TR's risks in relation to corruption and bribery, both active and passive, are located in the establishment of commercial relations with third parties, especially in new markets and during the critical phases of these relations, such as the initial contact phase, the sales phase, the negotiation phase, and the project execution phase, until their completion and delivery to clients.

In this context, to reinforce the integrity of its supply chain, the Company has a Supply Chain Code of Ethics, which was updated in 2021, detailing the minimum requirements in ethical, social and environmental matters, as well as the commitment to the fight against corruption.

Likewise, the Company has included, in the documents establishing commercial relations with third parties, the commitments and obligations regarding the prevention of corruption and bribery and respect for Human Rights, through related clauses, failure to comply with which may result in termination of the commercial relationship.

Throughout 2022, TR reinforced its due diligence procedures in its supply and subcontracting chain with the aim of obtaining a third-party integrity assessment report prior to the establishment of a business relationship, which allows for the prevention and/or early detection of potential integrity risks, as well as their subsequent and continuous monitoring.

In turn, in the last quarter of 2022, a new Internal Due Diligence Procedure was implemented in its personnel selection and hiring processes, especially for those positions and duties that, due to their nature, are considered especially exposed from the point of view of integrity risks.

On a regular basis (normally annually), the Regulatory Compliance Area collects Conflict of Interest Statements, particularly on the group of Especially Exposed Persons, and those who, due to their performance, have contact with third parties during the award processes (i.e. Procurement, Subcontracts and General Services).

The establishment and dissemination of these policies, through face-to-face and online training sessions, and their internal publication on the TR Group's intranet, lead to the conclusion that the objective of these policies has been met, in that the Company and all its members have been made aware of the standards of conduct expected of the organisation with regard to corruption and bribery risks, based on the principle of ‘Zero tolerance for corruption and bribery’.

In this context, the Compliance team continued its anti-corruption and anti-bribery training, mainly aimed at TR's management team and Especially Exposed Persons, given their key role in the Group's decision-making chain.

In terms of claims, no claims of corruption and bribery were reported in 2022.

Finally, it is worth mentioning that Covid-19, the Russia-Ukraine conflict and the situation in Algeria have had no effect on the Company's management of the fight against corruption and bribery, nor have there been any impacts in this area.

15.6.2. Contributions to foundations and non-profit entities

In 2022, Técnicas Reunidas' contribution to foundations and non-profit organisations amounted to EUR 187,380.51 compared to EUR 282,980.51 in 2021, a decrease of 34 %. For more information see section 15.7.2.

In relation to the evolution, TR has adjusted the global amount to adapt it to the circumstances of the year 2022, both of the Company itself and of the third parties to whom these actions are destined. Nevertheless, the Company has made social contributions within the framework of projects amounting to EUR 10,834, as well as a social investment in training of EUR 1.68 million in 2022, as detailed in section 15.7.1 below.

15.7. General information on the company

15.7.1. The Company's commitment to the sustainable development of local communities

Técnicas Reunidas is one of the leading companies in its sector on an international scale, with an international presence in 25 countries and a track record that totals more than 1,000 industrial plants throughout its over 60 years of experience carrying out major projects.

Técnicas Reunidas' activity is focused on the development of engineering projects, design and construction of industrial plants for the production of clean fuels, natural gas and chemical products, and solutions linked to the energy transition, circular economy and decarbonisation (renewable hydrogen, biofuels, waste recovery, CO_2 capture and storage, etc.).

The Company contributes through its activity to the protection of the environment and the fight against climate change by developing technical solutions that enable it to design and build sustainable and efficient plants for its customers, helping them to achieve their sustainability and decarbonisation objectives. In the exercise of responsible business conduct, Técnicas Reunidas offers quality jobs for its professionals, promotes equality, fosters research and innovation, as well as carrying out actions so that its projects contribute significantly to the sustainable development of the local communities in the countries where it operates.

A determining strategic element for the success of Técnicas Reunidas' social action is the integration of the principles of the United Nations Sustainable Development Goals ('SDGs') in its Sustainability Policy in the organisation and its activity. The purpose of this approach is to place the Company at the forefront of best practices in sustainability, to achieve the goals proposed by the United Nations and consolidate it as a benchmark company. Aware of its role in promoting and achieving the 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 sponsorship or other forms of participation in projects that help the development of vulnerable groups or aim to raise awareness on matters that contribute to sustainable development.

Técnicas Reunidas engages all its stakeholders in its sustainability strategy. It is a transversal strategy that covers all its activities, both corporate and operational. It contemplates objectives and lines of action in the environmental, social and corporate governance dimensions, requiring the coordinated action of the organisation's departments. The Company's strategy aims to provide added value, increasing the positive impact and avoiding, mitigating or correcting real or potential negative effects, adapting to each of the projects and locations where Técnicas Reunidas carries them out.

To promote the strategy and in the development of its Sustainability Policy, the Company approved its Sustainability Master Plan in 2021. The purpose of this Plan is to define specific and ambitious actions in material issues for Técnicas Reunidas, establishing specific short-, medium- and long-term objectives and a robust and clear governance model in the organisation. The Company uses key performance indicators to periodically monitor the performance of the initiatives and to continuously monitor the Plan. This aspect is key to understanding the real impact generated by its activity and the effectiveness and results of the actions implemented, thus measuring the Group's social contribution in the communities in which it operates.

The Company publicly discloses the progress of the Plan in its Integrated Report and reports to the Company's Board, which supervises the Group's entire sustainability strategy, with the support of the Audit and Control Committee within the scope of its competencies.

Técnicas Reunidas has identified the SDGs[23] with respect to which its actions are most significant, prioritising initiatives in these goals. The Company's technical and technological capacity affects and contributes to the fulfilment of SDGs 7, 9 and 13: the supply of affordable, safe and non-polluting energy, the construction of resilient infrastructures and the promotion of sustainable industrialisation and innovation and the fight against climate change, respectively.

In particular, the technical solutions developed by the Company and its actions aimed at creating value in the environment and the communities where it operates enable it to:

- Design and build quality, safe and sustainable industrial plants, promoting energy efficiency and universal access to energy services.
- Contribute to the decarbonisation of the economy and preserve the environment through the projects it promotes and in which the Company collaborates.
- Promote the contracting of local suppliers and subcontractors with the aim of generating a positive socioeconomic impact on the environments in which it operates.
- Supporting local talent and investing in their training.
- Preserve cultural and natural heritage, promoting the efficient management of resources and their reuse where possible.
- Collaborate with institutions in the fields of culture, science, research and education.
- Responsibly manage the risks and opportunities derived from the evolution of the environment, avoiding short-term approaches or those that do not adequately consider the interests of all stakeholders.
- Use the most appropriate channels of communication, participation and dialogue with local communities.

To this end, Técnicas Reunidas applies the following principles in relation to the different territories and communities in which it operates:

- Developing strong links with the communities to establish relationships of trust and forge a sense of belonging to a leading company.
- Adapting the Group's activities in the different countries in which it operates, taking into account each of their different social and cultural realities.
- Strengthening relations with the different local communities, by supporting public administrations or social organisations of reference, as well as by meeting the expectations of the stakeholders of these local communities.
- Respecting the human rights of ethnic minorities in all the territories in which the Group operates.
- Conducting campaigns that promote the participation of the Group's professionals in solidarity actions that aim to improve people's quality of life, care for the environment and sustainable development.
- Encouraging the conservation and promotion of the cultural and artistic heritage of the territories in which the Group is present.
- Supporting initiatives that contribute to a more inclusive, more egalitarian and fairer society, such as support for the empowerment of women and promoting a work/life balance.

In all its projects and during the execution phase, Técnicas Reunidas prioritises the identification and management of possible risks associated with local communities, in particular, potential damage to the local environment that may arise from the project. To prevent this or any other risk from materialising, the Company has a Social Management Framework developed in policies and action protocols. The Framework allows us to plan the actions required, in which fluid and constant coordination and collaboration with local communities and other local stakeholders (public administrations, partners, suppliers or subcontractors) is critical.

[23] For more information on the contribution of TR's activity to the sustainability objectives, please refer to the 'Responsible Management' chapter of the TR Integrated Report, published annually on the Company's website.

The material issues for local communities identified by Técnicas Reunidas generally include the recruitment and training of local workers, the development of infrastructure in the local area, potential environmental effects and cultural needs. The Company also applies due diligence procedures to all third parties with which it has dealings and for which it applies its Supply Chain Code of Ethics.

SOCIAL MANAGEMENT FRAMEWORK	
Evaluation and management of social impact	Specific analysis at the bidding phase of the social impact of each project. Obtaining the 'social license' is the client's responsibility.
Projects supporting the local community	Técnicas Reunidas finds out about the needs and expectations of the local community so that it can analyse the ways in which it can support them according to the characteristics of each project.
Continuous monitoring of the local environment	Técnicas Reunidas continuously monitors the local environment, as well as the performance of third parties involved in the implementation of projects, including suppliers and contractors.
Social impact grievance and reparation mechanisms	The Company analyses local regulations to detect possible negative social impacts and make appropriate complaint and restoration mechanisms available to the community.
Dialogue with local communities	The project manager maintains an ongoing dialogue with representatives of the local community throughout the life of the project.

Given the key role played by Técnicas Reunidas personnel in projects, the Company exhaustively analyses the suitability of its professionals. Specifically, the Company pays special attention to this matter from the employee selection phase until they travel to the project execution site. In this regard, the hiring process and the Social Management Framework allow local hiring requirements to be met and balanced with the need for expatriate labour, within the deadlines established for the successful and timely implementation of the Company's projects.

Below are some of the social and environmental actions implemented in the different projects during 2022 that generate various positive impacts:

- Employability of personnel and strengthening of the local business fabric. In 2022, the number of Técnicas Reunidas professionals increased with respect to 2021, reaching 7,053. 42% work outside of Spain.
- Hiring of local suppliers and subcontractors, reinforcing the positive economic contribution that the Company makes to the environment. In 2022, Técnicas Reunidas invested EUR 3,351.7 million in this area, representing 72% of total procurement and subcontracting expenditure (compared to EUR 1,869.58 million in 2021, 88%).
- Technical and STEM training on projects for companies, local staff and subcontractors who request it, provided in courses and workshops organised by the Company. Social investment in training in 2022 amounted to EUR 1.68 million.
- Facilitating access to energy and the creation of new infrastructures in the projects currently being carried out by the Company.
- Development of corporate volunteering initiatives with local communities, with a special focus on vulnerable groups. In 2022, social contributions of EUR 10,834 were made within the framework of its projects. Some of these volunteering programmes and solidarity campaigns were:
    - Handing out food or drinking water in areas where these resources are limited;
    - Renovation work on buildings and surfaces;
    - Delivery of school materials, sports equipment and toys for children; and
    - Cleaning of public spaces.

In turn, in 2022, Reunited Techniques increased social action and staff awareness in aspects of participation, humanitarian aid, human rights, etc. For example, reports were sent on a regular basis supporting social actions such as food and clothing collection, blood donations with the Red Cross, promotion of participation

in recreational or sports activities, awareness of the need to report abusive practices or harassment at work or sexual harassment, etc. In this regard, several initiatives and social contributions that the Company has promoted from its corporate headquarters in Madrid are highlighted below:

- Técnicas Reunidas allocated EUR 187,380.51 to foundations and non-profit organisations in 2022.
- The Company has collaborated in the food collection organised by Cáritas by carrying out an internal dissemination campaign and making the organisation's facilities available so that professionals can participate.
- In 2022 the Company received recognition from Afanias for its commitment to the inclusion of people with intellectual disabilities.
- The Company has carried out a major external communication campaign, participating in numerous employment forums, working on the search for present and future talent, paying special attention to and highlighting the important role played by women in the sector.
- In 2022, within IndesIA, Técnicas Reunidas led the design and development of a Mentoring Programme with the School of Industrial Engineers of the Polytechnic University of Madrid.
- As part of its commitment to innovation and young talent, in 2022 Técnicas Reunidas participated as an Innovation Partner in Hunger4innovation, an innovation competition in which university students in Spain work on a challenge in the company's business to offer disruptive solutions and be agents of change.

Lastly, in terms of impacts, no centres have been identified with significant actual or potential negative impacts, including those derived from the Russia-Ukraine conflict and the situation in Algeria, on local communities due to the development of Técnicas Reunidas projects or operations during 2022.

15.7.2. Partnership or sponsorship actions

Técnicas Reunidas develops its social action through four lines of work: education, social and business initiatives, culture and science and research. The initiatives carried out by the Company in each of these areas are proof of its commitment in this area and are deployed through numerous activities and projects.

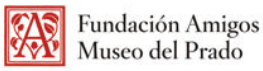
To carry out this social work, the Company locates and evaluates other organisations that share its objectives and with which there is an opportunity to collaborate, both financially and through other instruments, such as participating in working groups or forums, but ruling out any type of associations, partnerships and economic contributions to political parties. Among others, the following actions stand out:

Main organisations Técnicas Reunidas collaborates with

- **Promotion of business and entrepreneurial activity**

- **Commitment to social action by Técnicas Reunidas**

- **Culture**



- **Science and research and education**

TR collaborates with various leading organisations in the field of sustainability, such as the Global Compact, Carbon Disclosure Project, and the Club de Excelencia en Sostenibilidad (Sustainability Excellence Club).

At the sectoral level, TR participates in various associations related to its business activities, collaborating on initiatives including those related to the promotion of business and entrepreneurial activity, and other organisations that promote transparency and CSR.

In the area of association and sponsorship, the main risks are those derived from the possibility that improper actions by a third party could generate reputational problems for the Company. To avoid any type of contingency in this regard, TR carries out due diligence procedures in this type of activities, assessing in each specific case whether the organisations with which TR works could be detrimental to the Company.

15.7.3. Subcontracting and suppliers

The role of subcontractors and suppliers in TR's value chain is their participation mainly in the procurement and construction phases of industrial plants which, due to their large scale, require a large number of workers from suppliers and subcontractors for their implementation. Due to their nature, these procurement and construction activities are necessarily carried out at the project execution site established by the client and take place after the engineering phase, which is the initial phase of any TR project.

Técnicas Reunidas' main aim in managing its supply chain is thus to achieve competitive procurement of materials, equipment and assembly services in line with the standards demanded by the sector. It is also crucial for the Company's supply chain to be aligned with its values and requirements in terms of health and safety, environment, workers' rights, respect for human rights, equality, ethics and integrity.

To reinforce the integrity of its supply chain, the Company has a specific Code of Ethics for suppliers and subcontractors, which was updated over the course of 2021, detailing the minimum ethical, social and environmental requirements, and that the Company requires the companies to adhere to by registering in the e-Supplier portal. Alongside this, TR has a series of specific requirements on environmental and labour matters and the protection of human rights, including specific requirements in line with standard ISO 14001, compliance with environmental legislation and sustainability reporting. On the other hand, the Company has a Business Partner Liaison Policy for, among other aspects, carrying out due diligence procedures on suppliers and subcontractors.

In terms of risks, TR carries out an analysis of those non-financial risks that, due to their characteristics, are of greater relevance to the Group, such as collaboration with suppliers and subcontractors that are not committed to Human Rights (according to the framework of action of the United Nations and the International Labour Organisation), included on international corruption lists, that do not have an anti-money laundering and countering of financing of terrorism policy, or that do not have confidentiality policies.

In this context, throughout 2021, the Compliance Unit reinforced and implemented the Due Diligence Policy on third parties, the content of which was updated in 2020. This involves the development of analyses prior to the establishment of business relations with subcontractors from the point of view of integrity, especially in the protection of human rights and prevention of corruption. Thanks to this policy, preliminary risk levels are established that give rise to integrity analyses (standard, reinforced or very reinforced), through which it is determined whether third parties maintain a similar culture in this area.

In addition, to increase security and reduce risk in the supply chain, Técnicas Reunidas expressly regulates the subcontracting of work and services to critical suppliers and subcontractors through clauses included in the corresponding contracts.

The risks in the supply chain include production risks (which are minimised through exhaustive monitoring of the progress of work), financial risks (managed through an assessment of subcontractors prior to awarding contracts) and those associated with lack of quality (which are controlled by monitoring their performance).

It is also important to mention that in recent years, due to Covid-19, the Company has seen a particular increase in risks related to delays or cancellations of projects and delivery of materials, as well as the impact on execution costs and commercial conditions of construction work. In 2022, although Covid-19 continues to affect the mobility of people globally, especially from South East Asia due to China's zero Covid policy, its impact on most projects has been minor. Nevertheless, the Company's supply chain management has been exposed, especially in terms of inspection activities, workshop visits and logistics. In particular, the main impacts have been an increase in the land price from China to port, mobility restrictions, reduced availability of personnel, quarantines and delays.

On the other hand, among the supply chain risks, the Russia-Ukraine conflict also stands out, which has generated a significant increase in the production costs of industrial materials with the consequent variability of supply and construction costs and, therefore, increased the risks derived from performing turnkey contracts. Along these lines, 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 new investments; for example, it has meant that construction solutions such as heating and hoarding and the like are no longer viable. In addition, it has also had a localised effect on some projects in areas close to the conflict due to labour shortages.

However, this complex situation has highlighted the creativity, responsiveness and commitment of the different teams involved in the management of the Company's purchases and subcontracting, as well as that of clients, subcontractors and suppliers. As a result, TR has been able to strengthen its operations and improve the efficiency of its processes thanks to the way in which the response to this exceptional situation has been handled. The main actions that have been taken to adapt the supply chain and project implementation to the effects of Covid-19 and the management of the impacts from the Russia-Ukraine conflict are detailed below:

- Issuance of work instructions to all project teams to facilitate archiving, transfer of documentation, support and evidence, between the departments that detect the impact and the departments that manage them.
- Improvement of the tool to detect risks and impacts at an early stage.
- Hedging through the purchase of futures and financial entities to insure nickel, copper, silver and palladium.
- Implementation of price review formulas for the purchase of metallic structures.
- Early identification of all costs incurred due to Covid-19.
- Technical/commercial agreements with suppliers
- Formulation of alternative strategies depending on the impact of the Russia-Ukraine conflict, for example, extending the list of suppliers to those not located in the conflict zone or maximising work in prefabrication workshops and then transferring it to the projects due to the lack of labour shortages in areas close to the conflict.
- Reinforcement of internal communication and coordination.
- Continuous communication with subcontractors in order to adapt contractual terms (with the prior authorisation of clients), as well as to quickly and efficiently solve problems caused by the pandemic in all areas of work on site.

- Negotiation of new terms and agreements with subcontractors.
- Acceleration of the Company's digital transformation process (in relation to the supply chain, the continuous improvement and development of advanced digital platforms for project management, the digitisation of processes and the promotion of remote inspections, among others).
- Finding logistics containers within the same country of origin, to ensure supply to the site.
- Slowing down the awarding of logistics services contracts in projects close to the start of the execution phase, to avoid contractual commitments that would force the project to operate with transport costs affected by the volatility of the markets.
- Coordination of the real need for materials on site between procurement and construction to assess potential delays and avoid extra transport costs.

In addition to the tools mentioned above, TR has a worldwide database of 28,145 material suppliers and construction subcontractors (in 2021 it had 27,062 total suppliers), of which 1,983 suppliers and 1,151 subcontractors have already been approved by the Company (compared to the 2,099 suppliers and 1,150 subcontractors approved in 2021). This global supplier market with updated information allows the Company to mitigate the risk in the selection of suppliers and subcontractors from the financial, performance and quality points of view, among other aspects.

Due to the nature of its business, each year the Company handles high volumes of purchases and subcontracts. In 2022, the total spending on purchases from suppliers of materials and engineering subcontracts stood at EUR 3,351.7 million. In relation to the employees of construction subcontractors, these exceeded 33,830 workers on average assigned to TR projects (with more than 38,199 at peak times).

To manage this complex supply chain, TR has a management framework governing the two main areas responsible for the supply chain: the Procurement Unit (responsible for purchases from suppliers of materials and equipment) and the Construction Area (responsible for construction and assembly subcontracting).

These two areas manage the TR supply chain in accordance with five axes:

- Constant innovation in the management of the supply chain.
- Presence of rules and regulations in all processes (bidding, award and management).
- Development of annual internal strategic plans in line with TR's overall objectives and responding to the business context.
- Existence of an Integrated Management System that enables both individual and global evaluation and monitoring of suppliers' and subcontractors' performance.
- Centralised contract award system that ensures transparency throughout the award procedure for suppliers and subcontractors.

With the aim of seeking a more efficient way of working, Técnicas Reunidas continued to improve the e-Supplier tool in 2022 through the following actions:

- Development of a new version of the e-Supplier portal with more advanced technology in which performance, speed and interface improvements stand out, making it clearer and simpler for use by suppliers. This reinforces and streamlines the interaction with the supply chain.
- Continued progress in the digitisation of the Third Party Integrity Assessment procedure, updating a large part of the subcontractor documentation and creating a single advanced repository that allows centralising and managing Compliance documentation between the various areas of the Company in a single point. These advances optimise the visualisation of the workload assigned to each party, the status of documentation and document searches. The development of a CoM for control, monitoring and reporting has also been initiated.
- Development of a new application integrated in the e-Supplier Portal to carry out Reverse Auctions as a complementary award method for equipment and materials, ensuring integrity, fairness and transparency in the process.

In line with the above, TR also continues with the digitalisation of the area's processes to optimise the work carried out. In addition, under the TR-anforma Plan, the Company has implemented various actions aimed at saving costs in 2022 and improving efficiency, such as the management of logistics insurance and the management of surplus material.

On the other hand, in terms of cybersecurity, in 2022 a training campaign was launched for all personnel in the area on cybersecurity with updated content, thus enabling the reinforcement of security in this area. TR has also carried out a support campaign for training and awareness-raising on cybersecurity in the supply chain. It also plans to initiate the process of assessing third parties on cybersecurity and privacy through the e-Supplier tool by 2023.

As described in at the start of this section, TR considers social and environmental responsibility as part of its relationships with its suppliers and subcontractors. These aspects are not only considered in the approval process, but are kept in mind throughout the relationship with suppliers, monitoring their compliance. After the delivery of the supply or completion of the assembly services, the performance of the supplier and the subcontractor are assessed in accordance with various aspects. The results of evaluations are disclosed and serve as a reference in identifying improvement actions. Safety and environmental performance are two of the aspects included in Técnicas Reunidas' evaluations. Since 2014, the Company has required a specific audit report on these areas based on information gathered during inspection visits to the workshops.

As part of the implementation of the Sustainability Policy, the Procurement Area carried out the following actions in 2022:

- Reinforcement of pre-qualification questionnaires (e-Supplier) on ESG (Environment, Social and Governance).
- Inclusion of ESG scopes in Quality audits.
- Updating of the Requirements to vendors covering ESG scopes and including them in the Terms of Purchase.

The actions described above reinforce the consideration of ESG criteria within the processes related to the supply chain and reaffirm TR's commitment to improve its social and environmental performance.

Similarly, subcontractors undergo monitoring during the execution of the work to ensure compliance with all contractual requirements.

These audits involve the inspection of all work performed by the subcontractor, which is only accepted once Company inspectors have verified that it has been carried out in accordance with the project designs and specifications. The verification of corrective actions is a regular practice during these inspections, which is documented in detail in the quality dossiers submitted to the client.

In the event that TR detects an environmental, social or ethical deviation, this is then studied in detail. Depending on the type of deviation and its severity, the supplier or subcontractors is required to take corrective and preventive action, and if the deviation is serious, blacklisting may be considered for new tenders or contract awards.

In line with the above, it is worth highlighting the progress made in 2022 in relation to the implementation of remote inspections. In this regard, TR carried out pilot tests in 2022 of virtual shop tours for the activation of the workshop.

In 2022, a total of 1,520 HSE audits were carried out (920 were carried out in 2021), of which 1,430 (94%) were completed successfully (compared to 861 in 2021) and 90 (6%) were not completed successfully (73 were not passed in 2021). All audits featuring incidents will be appropriately addressed by TR with the implementation of improvement plans. The increase in HSE audit indicators in 2022, 65% compared to the previous year, is due to the easing of pandemic-related restrictions in previous years, which had a significant impact on the number of audits, mainly of a face-to-face nature, as well as the recovery in activity observed after the pandemic period.

In addition, the Company carried out, as it does every year, an assessment of the supply chain according to social and environmental criteria. In 2022, a total of 1,529 suppliers were assessed based on both social and environmental criteria (427 in 2021). The increase between periods (245%) stems from the implementation of two new subcontractor integrity due diligence processes, which include both social and environmental criteria, prior to the procurement process. The new assessment processes implemented were the Integrity Due Diligence Report (IDDR) and World-Check One. In no case were significant impacts identified in the supply chain in relation to these issues.

15.7.4. Consumers

Técnicas Reunidas does not have consumers, according to the concept that this term is associated with Spanish legislation.

The Company evaluates 100% of its projects from the point of view of health and safety. Up to the time of delivery, TR ensures that its projects meet both its own health and safety standards, as well as those required by the client and applicable law.

To guarantee the health and safety of its clients, TR carries out its projects, where appropriate, at sites owned by the clients, who normally start operating the plant once it has been delivered by the Company, with the client assuming responsibility for the health and safety of its own workers.

With respect to the systems for claims, complaints received and their resolution, clients (who are not consumers) have a permanent dialogue with the manager of each specific project and, additionally, they have the possibility of communicating with members of the Operations management. The manager of each project is responsible for receiving any complaints that clients may wish to report to the Company. TR assesses (in each case with the collaboration of the necessary internal and/or external personnel) the merits of the claim and complaint and approves the measures required for its resolution.

In addition, all contracts signed by the Company with its clients establish mechanisms and procedures for conflict resolution that are fully adapted to the circumstances of each client and project. Likewise, clients have at their disposal, as any other business partner, the Técnicas Reunidas Code of Conduct Whistle-Blower Channel.

TR's risks relating to the management of its clients are integrated into the Company's general risk procedure, and in general consist of the fact that adequate communication with the client is critical for correct execution of the projects. This communication must take place from the bidding phase, clearly defining their needs and the terms of the Company's proposal, through to the full completion of the project. Improper management of a client by the Company can lead to delays in execution, the application of penalties and, ultimately, the rescheduling or cancellation of the project. Similarly, a strong COVID-19 impact on clients, the impact of the Russia-Ukraine conflict and the situation with Algeria in 2022 may hinder the implementation of projects by the Company, leading to delays or even cancellation of the project.

The main policy in this area is the Sustainability Policy. With regard to clients, the Policy establishes that the Group must work to understand the needs and expectations of its clients and thus offer them the best solutions, making a continuous effort to care for and increase their satisfaction, strengthening their link to the Group, and to this end it assumes the following principles of action:

- Providing advanced technical solutions that enable clients to have sustainable and efficient industrial plants in order to develop the best sustainability policies.
- Pursuing continuous improvement of the services it provides to its clients in the different countries in which it operates.
- Monitoring the quality of the service provided to its clients.

The Company applies the same due diligence procedures with its clients as it does with the other third parties with which it operates, which it classifies as high, medium or low risk third parties. The clients, in turn, are classified as high-risk third parties.

15.7.5. Tax information

The body/office responsible for tax strategy is the Audit and Control Committee, which has approved an Internal Group Tax Risk Manual that establishes the Company's tax strategy and internal tax risk management procedures. The Manual also includes training actions and internal research plans in this area. The Manual, and thus the tax strategy, is reviewed annually.[24] In addition, in 2022 the Company adhered to the Code of Good Tax Practices developed and approved by the Large Companies Forum to promote a reciprocally cooperative relationship between the Tax Agency and the companies that subscribe to it.

In addition, the Group prepares tax strategies at the bidding stage of projects to minimise the risks that may arise. These strategies are defined with the help of local advisors in all markets, including those that are customary for the Group. In any case, these tax strategies are prepared in accordance with the applicable legal frameworks and taking into account the Group's business strategy.

The Group operates in countries where it carries out a single project or a set of projects for the same client, and therefore information broken down by country may prejudice the commercial and implementation interests of the projects. The data are presented aggregated by geographical area using the same criteria used for different financial indicators presented in the consolidated financial statements.

[24] For more information on the approach to tax risks, please refer to sections E.1 and E.2 of the Group's Annual Corporate Governance Report, accessible via the following link https://www.tecnicasreunidas.es/es/sostenibilidad/certificados-y-documentos/

On the other hand, as it is aware of its tax liability and the complexity of its operations, the Company has launched a tax model based on BEPS value chain criteria that seeks to correctly allocate taxation in those jurisdictions where value is created.

- **Contribution by geographic area to the consolidated income statement before taxes**

	Profit/(loss) before tax in thousands of euros	
Geographical area	**2021**	**2022**
America	(6,528)	103,054
Asia	18,958	16,166
Spain	(100,598)	(120,832)
Europe	(54,875)	5,049
Mediterranean	20,184	1,034
Middle East	(55,870)	(22,895)
Total	**(178,729)**	**(18,424)**

**The results by region represent their contribution to the consolidated earnings before tax prepared in accordance with EU-IFRS and include, among other consolidation adjustments, the elimination of all intercompany transactions. These results are therefore not representative of the taxable amounts in each region. The grouping of the data for 2021 has been recalculated for it to be consistent with this criterion. The results of the Spanish companies that make up the group but are consolidated by the equity method are not included. The amounts not taken into account amount to EUR 110 thousand (EUR 1,072 thousand in 2021) in losses.*
***The improvement in profit before tax in 2022 compared to the previous year shows the normalisation of the company's activity following the impacts of Covid-19 in previous years.*

Countries with earnings in the year by geographical area:

America: Argentina, Canada, Chile, Colombia, Mexico and Peru.
Asia: Australia, Bangladesh, India, Indonesia, Kazakhstan, Malaysia, Singapore and Thailand.
Europe: Great Britain, Netherlands, Hungary, Italy and Poland.

Spain: Spain.

Mediterranean: Algeria and Turkey.

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

- **Corporate income tax paid**

	Income tax paid in thousands of euros*	
Geographical area	**2021**	**2022**
America	13,187	3,391
Asia	4,726	4,421
Spain	28,047**	-
Europe	22	824
Mediterranean	989	1,671
Middle East	10,631	5,780
Total	**57,604**	**16,088**

** Information calculated on the basis of tax criteria.*
*** The amount of income tax paid in Spain in 2021 includes the payment of the 2013 and 2014 tax assessments equivalent to EUR 28,047 thousand.*

Public subsidies received: EUR 2,811 thousand (compared to EUR 1,779 thousand in 2021).

15.8. About the non-financial information statement

By means of this Non-Financial Information Statement, Técnicas Reunidas responds to the requirements of Spanish Law 11/2018, of 28 December and Delegated Regulation (EU) 2021/2178. This report has been prepared with reference to a selection of indicators of the GRI Standards identified in the table in compliance

with Law 11/2018, of 28 December and taking as a reference the recommendations of the IIRC framework for integrated reporting.

With regard to the scope of this report, it includes all the companies in TR's financial consolidation scope, included in appendices I and II of the annual financial statements. Where there are significant changes in this regard, a clarification note will be included.

To design the contents of this report and select the most relevant aspects, TR has conducted a materiality analysis that has allowed it to identify the most relevant aspects to be reported to its stakeholders (see the stakeholders on pages 145-146 of the 2021 Técnicas Reunidas Integrated Report), and to respond to the requirements for reporting non-financial information based on current regulations.

In addition, in all aspects that are not material for TR, this report addresses the management approach but does not give detailed information on KPIS or other quantitative indicators, given that these are not considered as representative of the Group's activities. The non-material aspects for the Company demanded by law are as follows: light and noise pollution, water consumption, food waste and biodiversity. For further information on the methodology used to conduct the materiality analysis, please see the chapter 'Reporting Practice for the Integrated Report', of TR's Integrated Report, published each year on the corporate website. In relation to this aspect, it should be noted that the Company has not considered it necessary to update its materiality analysis in 2022 as it has not identified any new demands from its stakeholders and its activity has remained stable despite the specific circumstances that occurred this year.

Additionally, TR has prepared a traceability analysis that links aspects of the law with the associated GRI contents, published by the Company. In conclusion, Técnicas Reunidas presents the information cited in the following Table of Compliance Law 11/2018, of 28 December - GRI for the period from 1 January 2022 to 31 December 2022 using a selection of indicators from the GRI Standards as a reference.[25]

See the table of contents in the table attached below:

Table of compliance with Law 11/2018, of 28 December - GRI

Content	Section	GRI	
		GRI standard	Content
Business mode			
- Business environment, organisation and structure, and business model	15.1.1-15.1.4	GRI 2: General content	2-1 Details of the organization 2-6 a., b. i, b ii., c Activities, value chain and other commercial relationships
- Markets in which the Company operates	15.1.4	GRI 2: General content	2-1 Details of the organization 2-6 a., b. i, b ii., c Activities, value chain and other commercial relationships
- Objectives and strategies	15.1.6	GRI 3: Material topics	3-3 Management of material topics
- Factors and trends affecting the evolution	15.1.5	GRI 3: Material topics	3-3 Management of material topics
- Policies	15.2 / Section associated with each aspect of the Law	GRI 3: Material topics	3-3 Management of material topics

[25] Statement of use made in accordance with GRI 1: Basis 2021.

Content	Section	GRI	
		GRI standard	Content
Risks	15.2 / Section associated with each aspect of the Law	GRI 3: Material topics	3-3 Management of material topics
Key performance indicators	Section associated with each aspect of the Law	GRI 3: Material topics	3-3 Management of material topics
I. Environmental issues			
- Effects of the Company's activities on the environment and, if applicable, health and safety	15.3.1	GRI 3: Material topics	3-3 Management of material topics
- Environmental evaluation or certification procedures	15.3.1	GRI 3: Material topics	3-3 Management of material topics
Resources assigned to prevention of environmental risks	15.3.9	GRI 3: Material topics	3-3 Management of material topics
- Application of the Precautionary Principle	15.3.1 15.3.8	GRI 3: Material topics	In view of the business activities of the Group's companies, the Group has no assets or provisions for environmental contingencies that could be material with respect to its equity, financial position and earnings.
- Amount of provisions and guarantees for environmental risks	15.3.8	GRI 3: Material topics	
- Pollution			
• Measures associated with carbon emissions	15.3.1/ 15.3.2	GRI 305: Emissions	305-5 a. Reduction of GHG emissions
• Measurements associated with atmospheric, light, noise and other types of pollution	15.3.2/ 15.3.6		Non-material/Air emissions, light pollution and noise are not considered relevant, and they do not generate significant impacts given TR's activity.
- Circular economy and waste prevention and management			
• Initiatives for promoting the circular economy	15.3.3	GRI 3: Material topics	3-3 Management of material topics
• Measures associated with waste management	15.3.3	GRI 306: Waste	306-3 Waste generated
• Actions to combat food waste	15.3.4		Non-material
-Sustainable use of resources			
• Water: consumption and supply	15.3.5		Non-material

Content	Section	GRI	
		GRI standard	Content
• Raw materials: consumption and measures	15.3.5	GRI 301: Materials	301-1 a. Materials used by weight or volume
• Energy: consumption, measures and use of renewable sources	15.3.5	GRI 302: Power	302-1 a., c.i, e. f. Energy consumption within the organisation
-Climate Change			
• Greenhouse gas emissions	15.3.2	GRI 305: Emissions	305-1 a, e, g. Direct GHG issues (scope 1) 305-2 a, e, g. Indirect GHG emissions associated with energy (scope 2) 305-3 a, d, f, g Other indirect GHG emissions (scope 3)
• Climate change adaptation measures	15.3.2	GRI 3: Material topics	3-3 Management of material topics
• Emissions reduction targets	15.3.2	GRI 3: Material topics	3-3 Management of material topics
• Taxonomy	15.3.2.1		Regulation (EU) 2020/852 and related Delegated Regulations
- Biodiversity			
• Preservation measures	15.3.7		Non-material
• Impacts caused in protected areas	15.3.7		Non-material
II. Social and personnel issues			
-Employment			
• Total number of staff and distribution by gender, age, country and professional classification	15.4.1	GRI 405: Diversity and equal opportunities	405-1 b.i and ii. Diversity in governing bodies and employees
• Total number and distribution of employment contract types	15.4.1	GRI 405: Diversity and equal opportunities	405-1 b. Diversity in governing bodies and employees
• Annual average of permanent, temporary and part-time contracts by gender, age and professional classification	15.4.1	GRI 405: Diversity and equal opportunities	405-1 b. Diversity in governing bodies and employees
• Number of dismissals by sex, age and professional category	15.4.1	GRI 3: Material topics	3-3 Management of material topics
• Average remuneration and its evolution broken down by gender, age and professional category or similar value	15.4.1	GRI 405: Diversity and equal opportunities	405-2 a. Ratio between base salary and the remuneration of women and men
• Wage gap	15.4.1	GRI 405: Diversity and equal opportunities	405-2 a. Ratio between base salary and the remuneration of women and men
• Remuneration for equivalent jobs or on average for the Company	15.4.1	GRI 405: Diversity and equal opportunities	405-2.a Ratio between base salary and the remuneration of women and men

Content	Section	GRI	
		GRI standard	Content
• Average remuneration of directors and executives	15.4.1	GRI 3: Material topics	3-3 Management of material topics
• Disconnection from work policies	15.4.2	GRI 3: Material topics	3-3 Management of material topics
• Disabled employees	15.4.3	GRI 405: Diversity and equal opportunities	405-1 b.iii Diversity in governing bodies and employees
- Organisation of work hours			
• Work organisation	15.4.2	GRI 3: Material topics	3-3 Management of material topics
• Number of hours of absenteeism	15.4.6	GRI 3: Material topics	3-3 Management of material topics
• Work-life balance measures	15.4.2	GRI 3: Material topics	3-3 Management of material topics
-Health and safety			
• Occupational health and safety conditions	15.4.6	GRI 403: Occupational Health and Safety	403-1 a.ii Occupational health and safety management system
• Work-related accidents, in particular their rate and severity, broken down by gender	15.4.6	GRI 403: Occupational Health and Safety	403-9 a.i, a. iii, a. v Occupational accident injuries
• Work-related illness, broken down by gender	15.4.6	GRI 403: Occupational Health and Safety	403-9 a.i, a. iii, a. v Occupational accident injuries
-Social relations			
• Organisation of social dialogue	15.4.7	GRI 2: General content	2-29 Approach to the participation of stakeholders
• Percentage of workers covered by collective agreements by country	15.4.8	GRI 2: General content	2-30 Collective bargaining agreements
• Balance of collective agreements on occupational health and safety	15.4.8	GRI 3: Material topics	3-3 Management of material topics
• Mechanisms and procedures that the Company has in place to promote the involvement of employees in the Company's management, in terms of information, consultation and participation	15.4.7	GRI 3: Material topics	3-3 Management of material topics
-Training			
• Policies implemented in the field of training	15.4.4	GRI 3: Material topics	3-3 Management of material topics
• Total number of training hours by professional category	15.4.4	GRI 404: Training and education	404-1 a.ii Average training hours per year per employee
-Universal accessibility and integration for disabled people	15.4.3	GRI 405: Diversity and equal opportunities	405-1 a.iii Diversity in governing bodies and employees
-Equality			
• Measures taken to promote equality, equality plans, employment promotion, anti-harassment protocols and non-discrimination and diversity management policy	15.4.5	GRI 3: Material topics	3-3 Management of material topics
III. Respect for Human Rights			

Content	Section	GRI	
		GRI standard	Content
- Application of human rights due diligence procedures	15.5	GRI 2: General content GRI 3: Material topics	2-26 Mechanisms for seeking advice and raising concerns 3-3 Management of material topics
- Prevention of risks of human rights violations and, where necessary, measures to mitigate, manage and remedy possible abuses committed	15.5	GRI 3: Material topics	3-3 Management of material topics
- Complaints about cases of human rights violations	15.5	GRI 406: Non-discrimination	406-1 Cases of discrimination and corrective actions taken
- Promotion and enforcement of ILO conventions on freedom of association and collective bargaining	15.5	GRI 407: Freedom of association and collective bargaining	407-1b Transactions and suppliers in which the right to freedom of association and collective bargaining may be at risk
Elimination of discrimination at work, forced or compulsory labour and child labour	15.5	GRI 3: Material topics GRI 409: Forced or compulsory labour GRI 408: Child labour	3-3 Management of material topics 409-1b Transactions and suppliers with significant risk of forced or compulsory labour 408-1c Transactions and suppliers with significant risk of child labour cases
IV. Fight against corruption and bribery			
- Measures taken to prevent corruption and bribery	15.6.1	GRI 3: Material topics	3-3 Management of material topics
- Anti-money laundering measures	15.6.1	GRI 3: Material topics	3-3 Management of material topics
- Contributions to foundations and non-profit entities	15.6.2	GRI 3: Material topics	3-3 Management of material topics
V. Society			
-The Company's commitments to sustainable development			
• Impact of the Company's activity: employment, local development, local populations and in the area	15.7.1	GRI 3: Material topics	3-3 Management of material topics
• Partnership or sponsorship actions	15.7.2	GRI 2: General content	2-28 Membership in associations
• Engagement with local community representatives, and communication channels in place	15.7.1	GRI 2: General content	2-29 Approach to stakeholder participation
-Subcontracting and suppliers			
• Inclusion in the procurement policy of social, gender equality and environmental issues	15.7.3	GRI 3: Material topics	3-3 Management of material topics
• Consideration of social and environmental responsibility in relations with suppliers and subcontractors	15.7.3	GRI 3: Material topics	3-3 Management of material topics
• Supervision systems and audits and their results	15.7.3	GRI 3: Material topics	3-3 Management of material topics
-Consumers			

Content	Section	GRI	
		GRI standard	Content
• Measures for the health and safety of consumers	15.7.4	GRI 3: Material topics	3-3 Management of material topics
• Claims systems, complaints received and complaint resolution	15.7.4	GRI 3: Material topics	3-3 Management of material topics
-Tax information			
• Operating earnings by geographic area	15.7.5	GRI 207: Taxation	207-4 b.vi Country-by-country reporting
• Corporate income tax paid	15.7.5	GRI 207: Taxation	207-4 b.viii Country-by-country reporting
• Public subsidies received	15.7.5	GRI 201: Economic performance	201-4 a.iii Government financial assistance

16. Annual Corporate Governance Report and Directors Remuneration Report

The Annual Corporate Governance Report of Técnicas Reunidas, S.A. and the Directors' Remuneration Report for 2022 form part of the consolidated directos' report and, from the date of publication of the consolidated financial statements, are available on the website of the National Securities Market Commission and on the Técnicas Reunidas, S.A. website.

Técnicas Reunidas, S.A. and subsidiaries

Independent Verification Report of the Consolidated
Statement on Non-Financial Information 31 December 2022

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of Técnicas Reunidas, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the Consolidated Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2022 of Técnicas Reunidas, S.A. (Parent company) and subsidiaries (hereinafter "Técnicas Reunidas" or the Group) which forms part of the accompanying Técnicas Reunidas's consolidated directors' report.

The content of the consolidated directors' report includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in the table "15.8. About the non-financial information statement - Table of compliance with Law 11/2018, of 28 December - GRI" included in the accompanying consolidated directors' report.

Responsibility of the directors of the Parent company

The preparation of the SNFI included in Técnicas Reunidas's consolidated directors' report and the content thereof, are the responsibility of the directors of Técnicas Reunidas, S.A. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and following the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ("GRI Standards") selected as per the details provided for each matter in the table "15.8. About the non-financial information statement - Table of compliance with Law 11/2018, of 28 December - GRI" of the consolidated directors' report.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free of material misstatement due to fraud or error.

The directors of Técnicas Reunidas, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Técnicas Reunidas that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the Técnicas Reunidas, S.A. personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2022, based on the materiality analysis carried out by Técnicas Reunidas, taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2022.
- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2022.
- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2022 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the directors and management of the Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of Técnicas Reunidas, S.A. and its subsidiaries, for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and following the criteria of GRI selected as per the details provided for each matter in the table "15.8. About the non-financial information statement - Table of compliance with Law 11/2018, of 28 December - GRI" of the consolidated directors' report.

Emphasis of matter

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments establishes the obligation to disclose information on the manner and extent to which the company's activities are associated with economic activities aligned in relation to the objectives of climate change mitigation and adaptation to climate change for the first time for the year 2022, in addition to the information referring to eligible activities required in the year 2021. Consequently, comparative alignment information has not been included in the accompanying SNFI. On the other hand, to the extent that the information referring to eligible activities in the year 2021 was not required with the same level of detail as in the year 2022, detailed information regarding eligibility is not strictly comparable either in the accompanying SNFI. Additionally, it should be noted that Técnicas Reunidas's directors have incorporated information on the criteria that, in their opinion, best allow compliance with the aforementioned obligations and that are defined in “15.3.2.1. Information on the EU Taxonomy for climate change mitigation and adaptation targets” of the accompanying SNFI. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

(Originally signed in Spanish)

Pablo Bascones Ilundáin

28 February 2023