

# 2022 Directors' Report - Elecnor Group

for the year ended 31 December 2022

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## 1. Purpose, vision and business model GRI 2-1

The Elecnor Group is a Spanish company operating in more than 50 countries. The company's purpose is to generate change and bring about well-being by deploying infrastructure, energy and services to territories all over the world in order to develop their potential. The Elecnor Group places engineering and technology at the service of people.

It is a global enterprise whose purpose is driven by a people-centric business model and that believes in generating shared value and sustainability.

It is a model implemented by means of two key businesses that are complementary and mutually strengthening:

- **Elecnor** (Essential services and Sustainable projects): execution of engineering, construction and services projects, most notably in the electricity, power generation, gas, telecommunications and systems, railways, maintenance, facilities, construction, water, environment and space sectors.
- **Enerfín and Celeo** (investments in Infrastructure and Renewables)<sup>1</sup>: development, financing, construction, investment and management of energy assets.

Efficiency, diversification and robustness are the Elecnor Group's growth and expansion levers.

## 2. Economic context<sup>2</sup>

The world economy has undergone a generalised slowdown in 2022 to 3.2% growth (6% in the previous year), with inflation at 8.8% (4.7% in the previous year) as reported by the IMF, higher than it has been in several decades. The cost-of-living crisis, hikes in central bank rates to combat inflation, Russia's invasion of Ukraine and the economic slowdown in China have stunted growth.

In **Spain**, GDP growth in 2022 reached 5.5%, a rate comparable to that of the previous year, according to the Spanish National Statistics Institute (INE). Its economic situation, like other European countries, has been influenced by Russia's invasion of Ukraine, which has fuelled inflationary pressures, with historic rises in international gas and electricity prices. According to INE data, inflation reached 5.7% in 2022 (6.5% in the previous year). Oil and raw materials prices have maintained an upward trend. In March, gas and electricity prices reached record highs, causing the year-on-year rate of the Spanish CPI to climb to 9.8%. Energy, electricity and unprocessed food accounted for nearly 70% of this high year-on-year rate. In 2023, both the Organisation for Economic Co-operation and Development (OECD) and the Bank of Spain forecast growth of 1.3%. In 2024, the OECD expects Spain's activity to register a slight boost of 1.7%. Regarding the employment trend, the Bank of Spain forecasts a slight rise in the unemployment rate to 12.9% in 2023, which would then moderate to 12.2% in 2024 and end 2025 at 12%. According to Funcas, the Spanish public deficit will reach 4.4% of GDP in 2023, a value close to its structural level, and public debt will stand at 112%.

<sup>1</sup> Formerly named Concession Business

<sup>2</sup> Sources:

- International Monetary Fund (IMF). World Economic Outlook. World Economic Outlook of January 2023.  
 - INE: Spanish National Statistical Institute. January 2023.  
 - OECD: OECD Economic Outlook (page 28). November 2022.  
 - Funcas, Spanish Economic Forecasts Panel, January 2023

Growth in the **European Union** has slowed abruptly in 2022, to 0.2%. The IMF forecasts growth of 0.7% in the eurozone in 2023 and 1.6% in 2024. In terms of prices, the European Central Bank expects inflation to ease to 6.3% in 2023 and the rate to rise further to 3.4% in 2024, and 2.3% in 2025, still above the European Central Bank's 2% target. With regard to currencies, 2022 has been a year of "unusually high volatility". Experts forecast that the dollar will remain strong in 2023, although it will weaken somewhat in the coming months, while the euro and the pound will continue to be burdened by the challenges posed by geopolitical uncertainty and inflation. In **Italy**, the government anticipates a marked slowdown in its economy in 2023, with gross domestic product growing by 0.6 %, compared with 3.3 % in 2022.

The IMF foresees that growth in the **United States** will fall from 2.0% in 2022 to 1.4% in 2023 and 1.0% in 2024. Meanwhile, the Federal Reserve (Fed) estimates GDP growth for 2023 at 0.5%, which, according to analysts, could mean another technical recession. In terms of interest rates, the Fed expects them to exceed 5% in 2023. This February, the Fed approved its eighth consecutive interest rate hike, the first this year to 4.75%.

The World Bank forecasts that **Mexico's** economy will grow by 0.9 % in 2023, driven by monetary conditions, persistently high inflation and declining exports, all of which will curb activity. Meanwhile, the international organisation sees **Chile's** economy as likely to contract over the course of the year, as falling real incomes erode consumption.

In **Brazil**, the World Bank forecasts that the country will grow by 0.8 % in 2023, given that high interest rates will dampen investment and export growth will decelerate. Growth in the region is forecast to rise to 2.1% in 2024, albeit a downward revision of 0.3 percentage points from the previous estimate due to tighter financial conditions, lower prices for exported raw materials and slower growth in its trading partners. Brazil's government, while more optimistic than the World Bank, has also reduced its projections for growth in 2023 from the 2.5% forecast at the end of 2022 to 2.1% today.

In the case of **Argentina**, GDP is also expected to grow by 2% in 2023, as the country's extremely high inflation will hamper economic activity. Following an increase last year, growth in **Colombia** is also expected to decelerate to 1.3% this year. In **Peru**, strong regulatory uncertainty and lower metal prices will curb its development, which is projected at 2.6% by 2023.

In **Australia**, growth in 2022 was 3.8%, and is projected to reach 1.9% in 2023 (IMF). Australia's top executives are cautiously optimistic when surveyed in the Business Leaders' Outlook 2023. Even so, 46% of them say they expect a recession in 2023. Looking at financial conditions, Australia's inflation soared in the last quarter of 2022 to its highest level in 33 years (6.5% reported by the IMF), driven by rising travel and electricity costs, bolstering the view that the country's central bank could raise interest rates again in the future.

In general, **Africa's** economic outlook is positive but with major challenges, such as political stability and macroeconomic policy management. According to the IMF, growth is expected to reach 4.1% in 2023 compared to 3.4% in 2022. The lack of infrastructure continues to be a major obstacle to economic growth in this region: investment in infrastructure is crucial to improve trade and productivity. Inflation has surged due to the pandemic and the depreciation of local currencies, but is expected to remain at moderate levels in the years ahead. According to the World Bank, growth in the three largest **sub-Saharan African** (SSA) economies — Angola, Nigeria and South Africa— collectively reached 2.6% in 2022. **South Africa** rose by 1.9% as electricity shortages deepened and policy tightening to curb inflation accelerated. In **Angola**, high oil prices and stable production boosted growth by 3.1%. According to the CESCE study, while the current situation is reasonably good, the outlook over a longer time horizon remains uncertain, owing to the country's high exposure to fluctuations in the price of a barrel of oil. Therefore, the current economic scenario should be seen as a temporary window, given that the geopolitical tension in the oil market is unlikely to continue indefinitely.

### 3. Economic and financial performance in the period

#### 3.1. Key figures in consolidated profit/loss for the year

##### KEY FIGURES

(thousands of euros)	2022	2021	Change (%)
Turnover	3,613,672	3,122,421	15.7%
Domestic	1,491,563	1,422,918	4.8%
International	2,122,109	1,699,503	24.9%
EBITDA	302,052	271,769	11.1%
Profit before tax	165,931	142,048	16.8%
Attributable consolidated net profit	102,813	85,883	19.7%

The Elecnor Group's **sales** reached **Euros 3,613.7 million** (Euros 3,122.4 million in the previous financial year), a 15.7% increase with respect to 2021. Both the domestic market (which represents 41% of the total) and the international market (which makes up 59%) experienced significant growth (4.8% and 24.9% respectively). This rise in the Group's figures for the year was made possible thanks to, on the one hand, **Sustainable Projects activity** in Elecnor's business in Australia, Brazil, Chile, the Dominican Republic, Mozambique, Cameroon and Angola in particular and, on the other hand, to the rise in the **Essential Services activity** conducted by the Group in the United States and in European countries, chiefly Spain and Italy. **Enerfín** increased its sales by 32% thanks to higher energy prices in Spain, as well as the revaluation of the Brazilian real and the Canadian dollar, the currencies in which its wind farms operate in Brazil and Canada.

**EBITDA** reached **Euros 302.1 million**, a rise of 11.1% on last year on account of how well all Group businesses performed.

The Elecnor Group attained **net profits** of **Euros 102.8 million** in 2022, which is a 19.7% increase on the profits obtained in the previous financial year (Euros 85.9 million).

The Group continuously evaluates its operating expenses to reduce any discretionary expenses, applying policies of contention and control to the expenses on a recurring basis, in all its companies.

## 3.2. Business performance

As explained in the first section of this report (Purpose, vision and business model), the Group conducts its activity through:

- **Elecnor** (Essential Services and Sustainable Projects)
- **Enerfín and Celeo** (Investments in Infrastructure and Renewables)

Until last year, Enerfín and Celeo were managed with a common strategy, under the name of Concession Business. This year, goals have been established on an individual basis in order to analyse their activity, and their main figures have begun to be reported as separate segments in order to better understand the Group's businesses.



### Elecnor (Essential Services and Sustainable Projects)

(thousands of euros)	2022	2021	Change (%)
Turnover	3,422,866	2,958,160	15.7%
EBITDA	168,928	165,838	1.9%
Profit before tax	105,913	114,957	-7.9%
Attributable net profit	77,459	77,119	0.4%

This business, which the Group develops via its subsidiary *Elecnor Servicios y Proyectos, S.A.U.* and that company's affiliates, has grown sharply in the period.

In the **domestic market**, activity continued to grow on the back of the **essential services** developed for the energy, telecommunications, water, gas and transportation sectors, where it provides an essential service for all utilities. In addition, during this period, the construction work and development of wind and solar PV farms, as well as the restoration and maintenance projects related to self-consumption and energy efficiency, contributed to growth of both the turnover and the profit/loss of the Group.

In the **international market**, the enhanced performance can mainly be put down to the **sustainable projects** that the Group undertakes in Australia, Brazil and Chile (especially renewable energies and the electricity transmission lines), in addition to the performance of the US subsidiaries (Hawkeye and Belco). The construction of wind farms in Colombia, solar PV farms in the Dominican Republic, Colombia and Ghana, hydroelectric plants in Cameroon and Angola and substations in the Democratic Republic of the Congo, among many others, also contributed to the Group's profit/(loss).

The positive business performance in both markets is also seen in the increase in **EBITDA** compared to the same period of the previous year, although not in proportion to sales. This is mainly caused by the fact that some of the aforementioned major projects are at the initial stages, which means that the main risks inherent to these contracts were ongoing at the close of the financial year. In these stages, the Group cautiously estimates margins, thus these projects chiefly contribute to the growth of turnover, but are not yet translated into profit/(loss) growth.

The good performance of **attributable consolidated net profit** was buoyed by improved results achieved in the various vehicles that the Group uses to execute its projects abroad (permanent establishments and subsidiaries), enabling it to achieve a more favourable average consolidated tax rate.

#### Portfolio of production that can be executed in the forthcoming 12 months

(thousands of euros)	31 December 2022	31 December 2021	Change (%)
Domestic	633,939	579,656	9.4%
International	1,774,464	1,711,829	3.7%
<b>TOTAL</b>	<b>2,408,403</b>	<b>2,291,485</b>	<b>5.1%</b>

The **production portfolio**, which can be executed in the next 12 months, **amounts to Euros 2,408 million** (Euros 2,291 million at the close of 2021). Of this portfolio figure, 74% relates to the international market, for an amount of Euros 1,774 million, and 26% to the domestic market, for an amount of Euros 633 million. The domestic portfolio mainly comprises contracts for **essential services**. The international portfolio is increasing in both European countries (Italy and the United Kingdom), where **essential service-related** activities are carried out, and in other countries (Australia, the United States, Brazil, Mexico and Panama, mainly) where major projects for the construction of **sustainable renewable-energy** power generation plants and power transmission projects have been contracted.

#### Enerfín

**Enerfín** participates in 1,552 MW of renewable energy in operation and under construction in Spain, Brazil, Canada and Colombia and it continues with its intense development activity to ensure growth and increase its pipeline, which currently amounts to nearly 9 GW of wind energy and photovoltaic projects. It is likewise continuing with the diversification of its activities through storage, hybridisation and green hydrogen projects.

(thousands of euros)	2022	2021	Change (%)
Turnover	220,412	166,593	32.3%
EBITDA	154,490	116,303	32.8%
Profit before tax	84,934	44,076	92.7%
Attributable net profit	44,124	23,336	89.1%

The positive evolution of Enerfín's profit/(loss) was mainly due to a more favourable price compared to the same period of the previous year for wind farms in Spain. Enerfín energy production for the year amounted to 2,879 GWh. Additionally, it is worth highlighting the positive performance of the Brazilian real and the Canadian dollar against the euro, currencies in which the Group mainly operates abroad.

In October 2022, Enerfín began the construction of a solar PV farm called Portón del Sol in Colombia. The farm stretches over approximately 216 ha and has a generation capacity of 129 MWp. Construction is expected to take about a year and a half. Moreover, the solar PV project in Brazil, Solar Serrita, with an area of approximately 313 ha and a generation power of 68 MWp has also entered the ready-to-build stage. Construction is expected to take about a year.

In the domestic market, the Group maintains a strategy of contracting price hedge derivatives for part of its production. In that regard, according to its forecasts on changes in electricity prices, it uses derivative financial instruments to cover the risks of changes in such electricity prices. Within the framework of these operations, Enerfín enters into swap contracts to ensure a fixed energy price for a specific number of Megawatt-hours (MWh), which are settled on a monthly basis. These financial derivatives meet the requirements to be deemed hedge accounting in the consolidated Group. Similarly, the Cofrentes wind farm has entered into a long-term energy sales contract.

A series of Royal Decrees were published during the year that had an impact on the business:

On 29 March, Royal Decree-Law 6/2022 approves the update of the remuneration for investment in wind farms subject to the remuneration regime for electricity production from renewable energy sources, extends the validity of the reduced remuneration for gas prices and stipulates that the cost of the social bonus and that of supplying consumers at risk of social exclusion will be borne by generators and marketers.

On 14 May, Royal Decree-Law 10/2022 established a mechanism to adjust the costs incurred by marginal fossil fuel technologies in order to reduce the price of electricity.



On 25 June, Royal Decree-Law 11/2022 extends until year-end the validity of the mechanism for reducing high gas prices, the suspension of the 7% tax on production, in addition to the reduction of the IEE (Special Tax on Electricity) to 0.5%. Subsequently, on 18 October, Royal Decree-Law 18/2022 prolonged until 31/12/2023 the mechanism to reduce high gas prices, and on 27 December Royal Decree-Law 20/2022 prolonged until 31/12/2023 the 7% generation tax exemption.

On 6 October, EU Regulation 2022/1854 establishes an emergency intervention to mitigate the effects of high energy prices through exceptional, targeted and time-limited measures (€180/MWh cap on market revenues of infra-marginal technologies: wind, solar, hydro without reservoir, nuclear, etc.)

On 2 December, Order TED/1232/2022 updated for 2022 the investment remuneration for wind farms under the RECORE (renewables, cogeneration and waste) scheme.

As notified in the IP dated 18 February 2022, the Group is immersed in a corporate process regarding this business. At the date of preparation of these Annual Accounts, this process remains ongoing.

## Celeo

**Celeo**, a company owned and managed jointly with APG, one of the world's largest pension funds, already operates 6,891 km of electricity transmission lines in Chile and Brazil, and takes part in 345 MW of renewable energy (photovoltaic and solar thermal) in Spain and Brazil. It is worth highlighting the start of work on the first concession in Peru (Puerto Maldonado). Overall, it manages around Euros 5,924 million assets in operation at the close of the year.

The main figures of Celeo Group (at 100%) are as follows:

### Celeo (100% subgroup)

(thousands of euros)	2022	2021	Change
Turnover	306,575	278,267	10.2%
EBITDA	241,783	191,790	26.1%
Profit before tax	104,070	59,916	73.7%
Attributable consolidated net profit	33,806	29,950	12.9%

It is worth highlighting —in Celeo's Transmission Networks business— the entry into operation at the end of 2021 of the concession in Serra de Ibiapaba in Brazil and the positive performance of the US dollar and the Brazilian real against the euro, currencies in which the Group mainly operates in Chile and Brazil, respectively. Increased interest rates on financing transmission projects in Brazil had a significant impact on the profits of this subgroup this year. This impact was offset in the year by revising the sale prices of these projects in accordance with the corresponding inflation rates, as well as by the effect of applying IFRIC 12 to income from the transmission projects in Brazil.

Furthermore, Celeo was awarded a new line in Coquimbo region in Chile this year, between the Don Goyo and La Ruca substations. This is a 220 kV double-circuit transmission line with an estimated investment of US\$95 million.

The solar thermal plants managed by Celeo in Spain have seen lower production due to restrictions on energy discharged to the grid, which has had a negative impact of approximately 5 million euros on Elecnor Group's income statement. As was the case with Enerfín, Celeo was affected by the regulation published in the reporting year to mitigate the impact of high energy prices mentioned above in the Enerfín section.

Moreover, CELEO reviewed the tax credits it had recognised in the companies that manage the solar thermal projects, proceeding to partially impair these by recognising a loss of Euros 14 million (approximately Euros 7 million of which correspond to the Elecnor Group)

Celeo is consolidated in the accounts of the Group using the **equity method**. For this reason, it does not contribute any turnover to the Group. During this year, it contributed an attributable consolidated net profit of **Euros 17,153 thousand** (Euros 14,998 thousand in the same period last year). As a result of the consolidation method used, this profit coincides with the profit before tax and EBITDA contributed to the Group by this business.

### 3.3. Financial position

In 2022, the Group's operating activity enabled it to generate a cash flow of Euros 226.9 million (Euros 206.2 million the prior year) and its net investment amounted to Euros 128.5 million (Euros 100 million the prior year).

Total net financial debt (Euros 546.9 million) increased by 5.8% with respect to the previous year (Euros 516.8 million).

**Net financial debt with recourse** (Euros 120.8 million) remained in line with last year's the end of the previous fiscal year (Euros 119.4 million). This was mainly due to the positive cash generation performance of the Group's businesses as a result of their operating activities.

Net Financial Debt with recourse includes debt with cost, both with financial institutions and short-term MARF promissory note issues, bond issues and finance lease transactions; it does not include debt of projects with specific financing without recourse to their shareholder for the project in question.

The indebtedness ratio at year end, calculated as Net Financial Debt with recourse divided by EBITDA with recourse, was 0.63 (0.72 at the end of the previous year). This ratio is now solidly below 1x, and is therefore amply compliant with the benchmark ratio established in the syndicated financing agreement.

The improvement trend in the NFD/EBITDA ratios maintained in recent years has been possible as a result of the positive evolution of the businesses in terms of cash generation. The latter has made it possible to finance the growth of consolidated turnover (15.7% and 27.1% in 2022 and 2021 respectively) as well as the payment of the dividend to our shareholders (31 million and 29.1 million in 2022 and 2021 respectively)

Although the Group analyses and monitors the evolution of Total Net Financial Debt, it pays special attention to Net Financial Debt with recourse, given that the remaining Debt is secured by the investment projects to which this financing is dedicated.

### Net Financial Debt

(thousands of Euros, at year-end)	2022	2021
Net Financial Debt with recourse	120,791	119,392
EBITDA	302,052	271,769
<i>With recourse<sup>3</sup></i>	164,391	138,284
<i>Without recourse<sup>4</sup></i>	137,661	133,485
Ratio of Debt/EBITDA with recourse + Projects div.	0.63	0.72
<b>Total Net Financial Debt</b>	<b>546,913</b>	<b>516,815</b>
<i>With recourse</i>	120,791	119,392
<i>Without recourse</i>	426,122	397,423
EBITDA	302,052	271,769
Ratio of Total Net Financial Debt/ EBITDA	1.81	1.90

<sup>3</sup> EBITDA with recourse is Group EBITDA excluding non-recourse EBITDA (EBITDA corresponding to investment projects financed by debt secured by such projects)

<sup>4</sup> EBITDA without recourse is EBITDA corresponding to investment projects financed by debt secured by such projects

The Total Net Financial Debt to EBITDA ratio is a ratio used in the market to compare the level of indebtedness to the cash generation from transactions and, thus, assess companies' level of solvency.

To present a ratio that reflects the Group's solvency, it is appropriate to present Net Financial Debt with recourse in relation to EBITDA with recourse, in which the contributions to the figures of investment projects funded by debt secured by such projects are excluded from both figures. In turn, the dividends distributed by the abovementioned projects are added to the EBITDA with recourse. The purpose of this ratio is to measure the Group's capacity to meet its recourse debt.

For this purpose, the Group eliminates the effect of IFRS 16 Leases from the calculation of EBITDA, thus offsetting the impact of this standard —the impact increases the figures of EBITDA and Debt— and complying with the method of calculating this figure contained in the financing contracts.

With regard to the Group's **financial strategy**, we note:

- The Elecnor Group maintains a **Syndicated Financing Agreement** which was executed in 2014. Since the latest novation in 2021, financing now has a cap of Euros 350 million, distributed between the Loan Tranche of Euros 50 million and a Credit Facility Tranche of Euros 300 million and a maturity of September 2026. This financing complies with the requirements laid down by the Sustainability Linked Loan Principles and, therefore, it **has been classified as sustainable**.

- In June 2022, Elecnor Group has published a new **multi-currency Promissory Note Programme in the Alternative Fixed Income Market (MARF)** with a limit of Euros 400 million –one of the largest in the market–, to fund Working Capital needs and new projects, both in Spain and abroad, in the areas of engineering, infrastructure development and construction, renewable energies and new technologies. This is the Elecnor's first Programme **linked to sustainability**, including targets for reducing greenhouse gas emissions and accidents at work, which, if not met, imply a commitment to contribute to sustainable projects. This transaction is part of the Elecnor Group's strategy to diversify and optimise the cost of its sources of funding. This new Programme gives the Elecnor Group access to funding, both in Euro and US dollars, at terms of up to 24 months. The reputation and strength of Elecnor's business model is renowned on this market, allowing it to issue promissory notes under beneficial terms. Since the launch of its first promissory note programme in MARF in 2014, Elecnor, S.A. has completed 226 issues for a total nominal amount of Euros 7,050 million, making it one of the main issuers of promissory notes in the Spanish market. For this Promissory Note Programme, Elecnor counts on Banca March and Banco de Sabadell as placement entities. Banca March is the Registered Advisor.
- Since 2021, the Elecnor Group has held three long-term private placements totalling Euros 100 million:
  - Euros 50 million at 10 years, in **sustainable loan** format, placed by Banca March.
  - Euros 20 million at 10 years, which additionally fulfils the Green Loan Principles, as the funds are used for projects classified as **green**, placed by Banco Sabadell.
  - Euros 30 million at 14 years, as **sustainable bonds**, also placed by Banco Sabadell, included in the MARF. They have the Elecnor Group's BBB- rating (investment grade) issued by Axesor.
- The Group has had a **Securitisation Fund** called "**ELECNOR EFICIENCIA ENERGÉTICA 2020, Fondo de Titulización**" since December 2020, to which it has assigned the credit claims derived from the contracts for the management of energy services and maintenance of public street lighting installations which Elecnor executes for 43 municipalities and public entities in Spain. By means of this structure, Elecnor obtains financing for investments in contracts assigned in the amount of Euros 50 million. The securitisation fund issued bonds in the aforementioned amount, which are subscribed and fully paid in, and which are trading in Spain's Alternative Fixed Income Market (MARF). These bonds are compliant with the requirements established by the "Green Bond Principles", and therefore qualify as green bonds for G-advisory, the Garrigues Group's consultancy firm. Axesor Rating has assigned the bonds issued by the Securitisation Fund an A+ rating, indicating a high capacity to meet its credit obligations. This is the first securitisation transaction for the sale of future credit claims derived from contracts with Public Entities conducted in Spain.

The Elecnor Group tackles its investment projects by arranging financing secured by such projects, as described in section 6.2 "Interest rate risk" herein, while it contributes its equity with the resources generated by the businesses of which the Group is comprised.

### 3.4. Material changes in accounting policies

The accounting policies and methods used to prepare the consolidated annual accounts in 2022 are the same as those applied to the consolidated annual accounts in 2021. All accounting principles with a significant effect have been applied in the drawing up of these consolidated and separate annual accounts.

### 3.5. Profit/(loss) of the Group's holding company: Elecnor, S.A.

Elecnor, S.A. is the Group's holding company, as detailed in section 3.2 of this report. Its core business is the holding of shares and the rendering of corporate services.

Sales in Elecnor, S.A.'s income statement primarily consist of dividends received from subsidiaries, as well as invoicing for services and financial interest to Group companies. The profit and loss also includes the expenses of the structure of Elecnor, S.A. The increase in profit compared to last year is mainly due to the dividends received from Elecnor Servicios y Proyectos, S.A.U., Euros 55 million, compared to the Euros 32 million received from this company in the previous year.

The main figures of the income statement are as follows:

#### Key figures

(thousands of euros)	2022	2021
Turnover	102,237	67,456
Operating income	40,894	16,109
Profit before tax	31,606	7,361
Profit after tax	36,882	9,196

### 3.6. Average payment period

The average payment period to suppliers of the Group's holding company, Elecnor, S.A., calculated as per Additional Provision Three of Law 15/2010, dated 15 July, is 30 days. The average payment period to suppliers of the Group, calculated in the same way, is 59 days.

### 3.7. Turnover by activity

At 31 December each year and in thousands of Euros

Turnover by activity (thousands of euros)	2022	2021	Change (%)
Electricity	1,352,435	1,260,553	7.2%
Power generation	945,146	685,292	37.9%
Telecommunications and space	242,133	267,522	-9.5%
Facilities	232,520	209,434	11.0%
Construction, environment and water	285,849	298,202	-4.1%
Maintenance	287,998	194,514	48.1%
Oil & Gas	165,724	141,279	17.3%
Railways	101,867	65,625	55.2%
	<b>3,613,672</b>	<b>3,122,421</b>	<b>15.7%</b>

For yet another year, the main activities in terms of turnover were **Electricity**, with Euros 1,352.4 million, 7.2% up on 2021, and **Energy Generation**, with Euros 945.1 million, 37.9% up on 2021. This major increase in core activities is driven by the strength of the essential services market, both domestically and abroad (United States, Italy, United Kingdom, etc.), and by sustainable projects for the construction of renewable energy plants.

#### 4. Stock market information

	2022	2021
Closing share price (Euros)	10.6	10.5
Total volume of securities (millions)	6.1	5.6
Total cash traded (millions of Euros)	66.6	57.7
Number of shares (millions)	87	87
Market capitalisation (millions of Euros)	922.2	913.5
PER	9.0	10.6
Dividend yield	3.5%	3.1%

On 1 June 2022, the **supplementary dividend was distributed against profit for 2021**, in a gross amount of Euros 0.29383572 (Euros 0.30188176, including the pro-rata distribution of treasury shares). On 28 December 2022, the **interim dividend against 2022 profit was paid**, in a gross amount of Euros 0.06259868 (Euros 0.06431453, including the pro-rata distribution of treasury shares).

Shares in Elecnor, S.A. closed the year with a price of **Euros 10.6 per share** and market capitalisation stood at Euros 922.2 million. The total cash amount traded was Euros 66.6 million.

#### 5. Capital management policy

Key to the Group's strategy is its policy of financial prudence. The capital structure is defined by the commitment to solvency and the aim of maximising shareholder returns.

## 6. Risk management policy

The Group is exposed to certain financial risks, which it manages by grouping together its systems for identifying, measuring and supervising risks and limiting the concentration thereof. Financial risk management and containment is performed on a coordinated basis by Corporate Management and the various Business Units and Subsidiaries that comprise the Group. Financial risk management activities are approved at the highest executive level, in accordance with the rules, policies and procedures in place.

### 6.1. Foreign currency risks

Market risk due to foreign currency risk arises from transactions that the Group performs on the international markets in the course of its business. Certain income and costs of materials consumed are denominated in currencies other than the functional currency. For this reason, the risk of fluctuating exchange rates of these currencies against the functional currency could have an impact on the Group's profit/(loss).

In order to manage and minimise this risk, the Elecnor Group uses hedging strategies, since its objective is to generate profits only through its ordinary business, and not by speculating in relation to exchange rate fluctuations.

The instruments used to achieve this hedge are essentially borrowings tied to the contract's collection currency, foreign currency hedges and swaps, whereby the Group and the bank exchange the cash flows arising from a loan denominated in Euros for the flows of another loan denominated in the currency in question, as well as the use of "currency baskets" in order to hedge mixed financing tied to various currencies.

### 6.2. Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities that accrue interest at fixed rates and the future cash flows from assets and liabilities indexed to floating interest rates. The Group has arranged external financing to enable it to carry on its operations, mainly in connection with the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The financing is secured by these projects. This kind of arrangement usually requires under contract that interest rate risk be partly covered using hedging instruments.

In the case of both financing secured by the investment projects and corporate financing, borrowings are arranged mainly at floating interest rates and, where appropriate, hedging instruments are used to minimise the related interest rate risk. The hedging instruments, which are specifically assigned to financial debt, are limited to the same nominal value as the latter and the same maturity dates as the hedged items, and are essentially IRSs, the aim of which is to convert loans originally arranged at floating rates to fixed rates. In any case, the interest rate hedges arranged are all effective for accounting purposes.

### 6.3. Liquidity risk

Liquidity risk is mitigated through Elecnor's policy of holding cash and highly liquid non-speculative short-term instruments, such as the acquisition of treasury bills under non-optional repurchase agreements and very short-term US Dollar or Euros deposits, through leading credit institutions in order to be able to meet its future commitments and the arrangement of committed credit facilities of sufficient amount to cover its projected needs.

At 31 December 2022, the Elecnor Group has a solid liquidity position, with sufficient cash and available credit facilities to comfortably meet liquidity requirements even if markets contract.

### 6.4. Credit risk

The main credit risk arises from trade receivables, when the counterparty or customer does not meet their contractual obligations. To mitigate this risk, the Group operates with customers that have adequate credit records. In view of its activities and the sectors in which it operates, the Group has customers with very high credit ratings. However, in the case of non-recurring international sales to customers, mechanisms such as advances, irrevocable letters of credit and insurance policies are used to ensure collection. Furthermore, the financial solvency of customers is analysed and specific terms and conditions are included in contracts, aimed at guaranteeing customer payments of the stipulated price.

In the case of the national wind farms, the power produced - in accordance with the legislative framework in force for the electricity industry - is sold in the Iberian Electricity Market (MIBEL) and income is collected from the operator of the Spanish Electricity Market (OMIE) through a payment-guarantee system and from the Spanish National Commission on Markets and Competition (CNMC), which regulates energy markets in Spain and reports to the Ministry of Industry. P.E. Cofrentes has signed a long-term energy sales contract with CEPSA for fixed annual energy. With regard to facilities located abroad, the wind farms in Brazil have long-term electricity sale-purchase agreements (20 years) with various buyers (Eletrobras, Câmara de Comercialização de Energia Elétrica, Cemig and distributors). Furthermore, the farms in the São Fernando complex in North-East Brazil sell part of the power generated in the Short-Term Market and a volume of short-term bilateral agreements with suppliers until the long-term electricity sales agreements (most exceeding 20 years) enter into force between 2022 and 2024). Furthermore, Éoliennes de L'Érable has signed a 20-year contract to sell the electricity it generates to Canadian electric utility Hydro-Québec.

With regard to transmission lines, specifically those operated as concessions in Brazil, Operador Nacional do Sistema Elétrico (ONS) is responsible for coordinating collections and payments within the country's electricity system and notifies the concession holder of the companies from which collections must be made: generators, major consumers and transmission entities. Prior to connecting to the system these companies deposit a guarantee. In the event of non-payment this guarantee will be executed, they will be immediately disconnected from the system and the payment obligation will be shared among the remaining users of the system. Accordingly, the concessionaire has the guaranteed payment from the national power grid system.



The transmission lines of Chile belong to that country's national grid (previously known as the backbone system), in which Coordinador Eléctrico Nacional (CEN) coordinates the flow of payments to transmission companies. The current system remained until December 2018, whereby those responsible for paying the transmission companies were the generating companies. From 2019 onwards, distributors also are liable for payments, so the portfolio of payers will be more diversified from that date on. The payment guarantee of the national transmission grid is based on a CEN Procedure that establishes that, in the event of non-payments by a coordinated company (company coordinated by CEN), the defaulting party is disconnected from the grid, and the payment obligation is spread among the remaining coordinated companies.

In addition, in Chile we also participate in dedicated transmission lines, committed to counterparties of proven solvency, most of which are rated Investment Grade. In these cases, the remuneration we receive is regulated in each of the long-term contracts that we have signed with these companies that use our infrastructure, either to evacuate the energy generated or to guarantee their electricity supply.

The Group always seeks to implement the strictest measures to mitigate this risk and conducts periodic analyses of its exposure to credit risk, making the relevant impairment adjustments where necessary.

## 6.5. Market risk

The Group is also exposed to the risk that cash flows and profit/loss may be affected by changes in energy prices and by oil prices, among other issues. In order to manage and minimise these risks the Group uses hedging strategies.

In the current context of increased global inflation, the Group analyses risk related to increased prices of materials consumed and labour costs that may affect the projects it carries out, taking the appropriate measures to mitigate them.

The Group upholds a policy of ensuring the price of energy on estimated electricity production, which seeks to minimise the exposure of the result to changes in electricity prices in Spain, by procuring derivatives.

Elecnor Group closely monitors regulatory risk, particularly that affecting renewable energy, to adequately reflect its impact on the consolidated income statement.

## 7. Environmental sustainability

The commitment of the Elecnor Group to environmental sustainability is inherent to the undertaking of its activities and its business strategy. On the one hand, the Elecnor Group contributes to building a sustainable, low-carbon future through its renewable energy generation, energy efficiency, water and environmental activities; and, on the other hand, reducing its carbon footprint and undertaking appropriate environmental management.

In this connection, and with the aim of contributing to UN Global Compact Sustainable Development Goal 13 "Climate Action", Elecnor fosters the development of its activity in a sustainable manner adapted to climate conditions and always with the involvement and commitment of all persons belonging to the Group.

The Elecnor Group's activity is framed by its Environmental Management System and Energy Management, certified in accordance with ISO 14001:2015 and ISO 50001:2018 standards, respectively, as well as its Climate Change Strategy. The Environmental Management System defines a procedure to identify, assess and record the environmental aspects originating in its activities in order to determine which are significant and to be able to take measures on them to minimise possible impacts. Thereby, the most relevant aspects have been identified as waste generation, impact on the natural environment, use of natural and energy resources, and impact on flora and fauna.

The principles of the Environmental Management of the Elecnor Group are set out in the Integrated Management System Policy, the scope of which was updated in 2022. These principles of action are described below:

- To incorporate environmental considerations in the decision-making processes regarding investments and the planning and execution of activities, encouraging their being taken into account in cost-benefit analyses.
- Fostering the protection and conservation of biodiversity and the natural environment, implementing the necessary measures in order to mitigate, offset and even avoid the negative impacts produced by the Group's activities, promoting those that generate positive impacts.
- Making sustainable use of resources, fostering responsible consumption, waste minimisation and the circular economy.
- To responsibly and efficiently manage water resources, based on the fully integrated cycle, nurturing social development and the conservation of ecosystems.
- Involving all stakeholders (employees, shareholders, customers, suppliers and society at large) in the joint quest for useful solutions to the challenges of preserving and developing the environment and using natural resources sustainably.

The Elecnor Group actively and decisively contributes to building a low-carbon society. Climate change is a challenge on which the company has been working for years by undertaking various initiatives that have a positive impact on reducing its environmental footprint:

- Calculating its carbon footprint in accordance with internationally recognised standards and implementing actions to reduce GHG emissions within the scope of its activity.
- Verifying, for the eighth consecutive year, the inventory of greenhouse gas emissions pursuant to the ISO 14064-1:2018 standard.
- Obtaining the "Calculo y Reduzco" seal awarded by the Spanish Office for Climate Change (OECC).
- Taking part for the fifth consecutive year in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change. In 2022, it upheld the score of A- achieved in 2021, a score that positions the Group yet again at the highest level in terms of sustainability, adaptation and mitigation of the impact of climate change.
- After the company joined the Science Based Targets (SBT) initiative to take a further step in its commitment to decarbonisation, it has established corporate emission reduction targets in line with science that have been approved in 2022 by the initiative.

- Updating the 2035 Climate Change Strategy in order to address the abovementioned ambitious targets validated by SBTi, structured into four global areas of action: Governance, Strategy, Risk Management, Metrics and Targets, included in three cross-cutting lines: People, Assets and Knowledge, seeking to align with best disclosure practices in line with the recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD).

The Committed to the environment chapter of the Non-Financial Information section of this Report outlines the goals, strategies and all the initiatives implemented in 2022 in relation to the Group's Climate Action and Environmental Performance.

## 8. Human Resources

### Elecnor's workforce (\*)

At 31 December each year	2022	2021	Change (%)
Domestic	11,210	11,103	0.96%
International	11,138	10,328	7.84%
	22,348	21,431	4.28%

\*This calculation does not include directors who are not on the Group's workforce.

People are Elecnor's main asset, and its overall strategy is underpinned by values such as talent, transparency and team work in conditions of the utmost safety. In this connection, occupational risk prevention is a common denominator throughout all the Group's activities. The commitment to prevention is part of its culture. And it is a commitment that goes beyond legal regulations and customers' requirements, with exacting and very clear goals: zero accidents and zero tolerance to non-compliances with the preventive measures established by the company.

At 2022 year-end, the Group's workforce had increased by 917 (4.28%) to 22,348 employees. In the domestic market, there was an increase of 0.96%. Abroad, there was a general increase of 7.84%. The increases in workforce in Australia, Mozambique, Peru and Cameroon were particularly noteworthy.

The section *Our people, our best asset* in the Non-Financial Information section of this Directors' report outlines all the information relating to the Group's workforce.

## 9. RDI

Innovation in the Elecnor Group contributes greater added value to the services it provides to its customers with the guarantee of sustainability, competitiveness and differentiation of the company. In 2022, the total figure of expenditure on all the Group's R&D&I projects amounted to Euros 12.5 million.

The Group's main strategic lines of RDI target the following areas of activity. Elecnor, S.A. and its subsidiary Audeca are currently certified in accordance with UNE 166002 standard.

In 2022, the main initiatives undertaken were as follows:

- Launch of INNOVA 2022 call for proposals for R&D&I project funding.
- Standardisation of KPIs for the Group and its organisations.
- Implementation of the first proofs of concept of the SMS+ project to develop an emergency and first aid communications network.
- Preparation of the EPC bid to build a hydrogen production plant in Alcázar de San Juan.
- Signing with the Government of Rio Grande do Sul in Brazil for collaboration in the development of a renewable hydrogen plant in the region.
- Creation of a Business Group promoted by Enerfín together with the Port Authority of A Coruña, the A Coruña Tramway Company and AVIA Engineering for the presentation of the "A Coruña Green Port H2 Mobility" initiative to the IDAE (Institute for Energy Diversification and Saving Energy).
- Involvement of Elecnor Deimos in space transport projects within the framework of the EU's Horizon Europe research and development programme.
- Implementation of a Freecooling system in FTTH rooms at 150 sites in the northern half of Spain, using network analysers to measure energy savings, with remote connection to control and visualise the rooms.
- Approval by the Provincial Council of Bizkaia of two innovative projects in the HAZITEK call for proposals: Genio Project in the Railway Department and QR Project for the activity of industrial plants.
- Conducting four workshops on collaborative/open innovation with start-ups in conjunction with Tecnalía, Spain's largest centre for applied research and technological development.

Further information is available referring to R&D&I in the Elecnor Group in the Non-Financial Information section of this Directors' Report, specifically in the Technology and Innovation chapter.

## 10. Significant events subsequent to year-end

Between 31 December 2022 and the preparation of the Consolidated Annual Accounts there were no significant events that might materially alter the true and fair view of those financial statements.

## 11. Outlook for 2023

### 11.1. Economic context

In 2023, the global economy will continue to confront severe challenges, marked by the lingering effects of Russia's invasion of Ukraine and the cost-of-living crisis caused by inflationary pressures. According to the International Monetary Fund (IMF), global growth, which was at 3.2% in 2022, will slow to 2.7% in 2023. The global inflation forecast (same source) shows a drop from 8.8% in 2022, to 6.6% in 2023 and 4.3% in 2024, which is still higher than pre-pandemic levels of around 3.5%.

### 11.2. Elecnor Group

The Elecnor Group holds a leading position in the main activities that will be the driver of growth and will concentrate most of the stimulus measures promoted, in particular by the European Union and the United States. In that regard, the global trends that will drive the Group's businesses are:

- Electrification and energy efficiency
- Renewable energies
- Digitisation and connectivity
- Comprehensive rendering of urban services

Bearing in mind the above and the solid portfolio of contracts coupled with geographical diversification, the Elecnor Group expects to exceed the previous year's sales figures and profit, as it has continuously done over the last decade.

## 12. Share capital and acquisition of own shares

At 31 December 2022, the share capital of Elecnor, S.A. was represented by 87,000,000 shares, each with a par value of Euros 0.10 Euro, fully subscribed and paid in, implying a share capital of Euros 8,700,000.

Elecnor, S.A.'s shares are traded in Spain's SIBE electronic trading system, where shares in the leading Spanish companies are traded, and the market with the largest trading volume in Spain.

At 31 December 2021, Elecnor, S.A. had a portfolio of 2,320,749 shares. In 2022 it acquired 227,935 securities, and sold 226,300. Accordingly, at 31 December 2022 it had a total of 2,322,384 own shares, 2.7% of all shares in the company, unchanged on the previous year.

## 13. Related party transactions

With regard to the disclosures on related party transactions, see the details in the notes to the individual and consolidated financial statements at 31 December 2022, as provided in article 15 of Royal Decree 1362/2007.

## 14. Annual Corporate Governance Report and Annual Report on Directors' Remuneration

In compliance with the legal stipulations and in accordance with the model circulated by the Spanish National Securities Market Commission (CNMV), the Board of Directors of Elecnor, S.A. has drawn up the Annual Corporate Governance Report, as well as the Annual Report on Directors' Remuneration for the year ended 31 December 2022, which accompany this report. Said documents are available on the CNMV website and on the Group's corporate website.

## 15. Non-Financial Information Statement

## 15.1 About this Report [GRI 2-1](#), [GRI 2-2](#)

This section of the Directors' Report is produced in compliance with the provisions of Law 11/2018, of 28 December, concerning non-financial information and diversity (preceded by Royal Decree-Law 18/2017, of 24 November).

Within this framework, information is included on the activities and the main economic, social, environmental and governance impacts of the Elecnor Group, and any aspects considered relevant for the company's main stakeholders in 2022. As shown in Appendix II, "Contents index of Law 11/2018 of 28 December, on non-financial information and diversity", the compliance options of the international standards of the Global Reporting Initiative (GRI) have been followed in the drafting process and the requirements identified as material for the business have been taken into consideration.

The scope of the information reported in this report is the entire Elecnor Group (Elecnor, S.A. and subsidiaries), and also includes, where applicable, information on the joint venture Celeo Concesiones e Inversiones, S.L. With regard to environmental data, the scope is limited to those countries where the organisation has a permanent presence. And in relation to corporate information, it includes information on the Elecnor Group, the Elecnor Foundation and the joint venture Celeo Concesiones e Inversiones, S.L.

## 15.2 Progressing in our commitment to sustainability [GRI 2-23](#), [GRI 2-24](#)

The Elecnor Group considers it has an inherent sustainability in every aspect of the implementation of its activities and its business strategy, as well as its relations with stakeholders.

The Elecnor Group has various policies that set out and clarify its principles and values and its commitments, both to its employees and to the business environment and society in general. These policies include, besides the Code of Ethics and Conduct and the Compliance Policy, the Sustainability Policy, the Anti-Corruption Policy, the Anti-Trust Policy, the Human Rights Policy, the Local Community Relations Policy, the Equality Plan and the Tax Policy, among others. All these policies are published on the Elecnor Group's websites and on its corporate intranet "Buenos Días".

In turn, the Group passes these commitments on to its operational management both through its Strategic Sustainability Plan and the various management systems it has in place, including the Corporate Social Responsibility Management System, the Compliance System and the Integrated Management System, which integrates the quality, environment, health and safety, energy management, R&D&I management and information security systems.

## Sustainability governance [GRI 2-14](#), [GRI 2-16](#)

### Board of Directors

The Board of Directors of Elecnor Holding is the body with the most wide-ranging powers and faculties to manage and represent the company, and it carries out its functions with unity of purpose and independence of criteria, guided by the corporate interest, which it understands as the achievement of a profitable and sustainable business in the long term, in order to foster its continuity and the maximisation of its economic value.

Pursuant to Article 14 of the Bylaws and Article 5 of the Board of Directors' Regulations, the Board of Directors' policy is to focus its activity on the general function of laying down the strategic and management guidelines of the company and its Group, as well as on supervising their implementation, deciding on matters that are strategically relevant at Group level, entrusting the ordinary direction and management functions of the companies that go to make up the Group to their management and governing bodies, while also overseeing the reconciliation of Elecnor corporate interest with the said entities.

In particular, in the field of sustainability, the Board of Directors is responsible, among other functions and responsibilities, for determining and approving the corporate social responsibility and sustainability policy in environmental and social matters; supervising the process of drawing up and presenting the financial information and the Directors' Report, which includes the mandatory non-financial information; and drawing up the Non-Financial Information Statement for presentation to the General Shareholders' Meeting. It also approves the initiatives of the Elecnor Group's Sustainability Strategy that contribute to its business strategy and long-term interests and sustainability.

Similarly, the Board supervises the effective functioning and performance of the Appointments, Remuneration and Sustainability Committee, which has taken on the duties of promoting, monitoring and assessing all actions and policies on ESG issues undertaken in the company.

### Appointments, Remuneration and Sustainability Committee

The Appointments, Remuneration and Sustainability Committee, in connection with the review of corporate governance and sustainability, is responsible for:

- Assessing and periodically reviewing the corporate governance system and the company's corporate social responsibility and sustainability policy in environmental and social matters, with a view to ensuring that they fulfil their mission of furthering the social interest and take into account the legitimate interests of stakeholders.
- Overseeing that environmental and social practices are in line with the strategy and policy set.
- Overseeing and assessing the processes of relations with the different stakeholders.

The members of the Appointments, Remuneration and Sustainability Committee are appointed with the knowledge, skills and experience required for the duties they are called upon to perform. The dynamics and practices set up to strengthen the Directors' knowledge of ESG matters notably include the incorporation of a specific agenda item on sustainability issues at meetings of the Board of Directors, the Executive Committee and other major committees.

The Appointments, Remuneration and Sustainability Committee has designated the Sustainability Committee as the Group's key operational body on sustainability issues.

The Appointments, Remuneration and Sustainability Committee has held quarterly meetings to track and evaluate the actions of the Sustainability Committee.

### Sustainability Committee

The Sustainability Committee of Elecnor Group, set up in 2020, is a cross-cutting body with representation from the company's various corporate and business areas. Its goal is to design the tools needed to manage sustainability throughout the Group, foster a coordinated strategy, ensure that it is properly adopted and followed, and monitor progress achieved with a view to nurturing best practices.

This year, the Sustainability Committee met on 5 occasions.

The Sustainability Committee's actions are supervised by Management and referred to the Appointments, Remuneration and Sustainability Committee of the Board of Directors.

## Elecnor Group Sustainability Strategy

At the Elecnor Group, sustainability is regarded as essential both in the implementation of its activities and its business strategy, as well as in its relations with its stakeholders. A commitment that is embodied in its Strategic Sustainability Plan, which lays down the core areas of its social responsibility and the basis for ongoing improvement in sustainability management.

The Elecnor Group's 2021-2022 Strategic Sustainability Plan is based on five pillars that reflect the company's philosophy and culture, as well as its purpose of generating change and well-being in the territories in which it operates. This strategy conveys to the Group's stakeholders its commitment to people, society and the environment, always based on ethical and responsible management.

### 2021-2022 Strategic Sustainability Plan

6 strategic axes

15 Lines of action

36 initiatives

55 monitoring indicators

The Strategic Sustainability Plan was drafted by the Sustainability Committee, supervised by Management, submitted to the Appointments, Remuneration and Sustainability Committee, and ultimately approved by the Board of Directors.

Work is currently being carried out on the new 2023-2025 Strategic Sustainability Plan, which will be approved in the first quarter of 2023.





### Main strategic lines

#### Profitable and forward-looking company

It comprises one of the core building blocks of sustainability seeking the long-term projection of the company in terms of financial solvency, efficiency and competitiveness. These are its lines of action:

- > Sustainable financing linked to the performance of ESG goals and indicators
- > Consolidating quality and strengthening customer satisfaction
- > Driving digital transformation and innovation

#### Solid governance structure

Geared towards making further progress in the Good Governance principles and continuing to strengthen the structure of good governance. These are its lines of action:

- > Progressing in Corporate Governance
- > Strengthening *compliance*
- > Ongoing and preventive risk management and supervision

#### Develop sustainable infrastructures

Being one of the key agents in the development and progress of society through infrastructure, renewable energy, energy efficiency, water and environmental projects. These are its lines of action:

- > Guaranteeing quality and sustainable infrastructures with future projection
- > Undertaking projects and services that contribute to cutting greenhouse gases and facilitating access to renewable energy
- > Progressing towards becoming a carbon neutral company

#### Improve the quality of life of people

Fostering the development and progress of society. These are its lines of action:

- > In constant dialogue with stakeholders
- > Supporting the communities where the Group operates

#### Promoting a culture of belonging and respect

The importance of people's health and safety, as well as aspects fostering in the motivation and personal and professional enrichment of the teams is particularly linked to the company's DNA. These are its lines of action:

- > Strengthening the commitment to health and safety
- > Attracting and retaining talent
- > Strengthening equality and diversity
- > Promoting work-life balance

Similarly, in the area of ongoing improvement, the company has outlined actions geared towards the more efficient management of sustainability that strengthens the Group's commitment in this area and achieves its full integration into the business.

#### 2021-2022 Strategic Plan Milestones

Some achievements of the 2021-2022 Strategic Plan are set out below:

- The Elecnor Group has been certified under the IQNet SR10 standard for Social Responsibility Management Systems. This certification guarantees that the Elecnor Group has an effective Social Responsibility Management System in place with the necessary elements to correctly manage sustainability, thus endorsing its level of commitment in this area.
- In 2022, 73% of corporate financing was deemed to be sustainable financing, i.e. linked to the performance of ESG objectives and indicators.
- Major progress in the renewable energy projects of wind farm repowering and hybridisation.
- Approval of emission reduction targets under the Science Based Targets (SBT) initiative.
- Progress in the implementation of the "Safety Excellence" Project (PES) internationally.
- Digitalisation of the sustainability report to improve monitoring of non-financial information and to support the Group's sustainability management system.

## Elecnor Group material matters [GRI 2-29](#), [GRI 3-1](#), [GRI 3-2](#)

The Elecnor Group identifies material aspects by preparing its own materiality study, conducted jointly with an external advisor. At the close of 2022, this study was undertaken in order to define the Group's relevant sustainability issues that will form the basis of the new 2023-2025 Sustainability Strategy and to prioritise the contents included in this section of the Directors' Report.

For the first time, this exercise was conducted according to the concept of dual materiality, which involves assessing both the risks and opportunities related to ESG issues that may influence the Group's value (financial materiality), and the impacts of ESG issues on people and the planet (impact materiality).

The process used to identify material issues consisted of the following:

1. **Identification of material issues** Sector benchmarking was conducted by analysing publicly available information from companies in the sector, along with regulations and news related to ESG issues. Furthermore, the material issues for the infrastructure and renewable energy sectors were analysed according to SASB, Sustainalytics and S&P Global. As a result of this process, 24 ESG issues were identified.
2. **Consultation with internal and external stakeholders.** A questionnaire was sent to the key stakeholders asking their opinion on the relevance level that each of the 24 ESG issues that were identified should have for the Elecnor Group. Similarly, with a view to approaching the concept of dual materiality with stakeholders, questions were added to identify their views on the positive and negative impacts of the Elecnor Group on people and the planet, as well as on the financial risks and opportunities for the company arising from each of the ESG issues.
3. **Assessment of ESG issues by the Sustainability Committee based on the concept of dual materiality.**
  - > Each of the 24 ESG issues identified in the initial phase were assessed according to the dual approach:
    - Financial materiality. The risks and opportunities that could impact the company's value were analysed.
      - Financial risk, taking into consideration variables such as importance (analysing potential impacts on the income statement, reputation, survival, etc.) and probability.
      - Financial opportunity based on its potential impact on the income statement and reputation.
    - Impact materiality. The real and potential positive and negative impacts of the Elecnor Group on people and the planet were evaluated:
      - Negative impacts based on variables such as severity (analysing the scale, extent and irremediability) and probability.
      - Positive impacts based on their contribution to sustainable development.
  - > Prioritisation of ESG issues. On the basis of the above criteria, following the analysis, ESG issues were classified into high, medium and low impact issues, with those classified as having a high impact being deemed to be material issues.
4. **Preparation of the materiality matrix** on the basis of the results obtained in the assessment exercise conducted by the Sustainability Committee and stakeholder consultation. The results will be submitted to the Appointments, Remuneration and Sustainability Committee for validation.

The Y axis of the matrix shows the results of the financial materiality assessment (risks and opportunities that affect or may affect the Elecnor Group's value creation). The X axis displays the results of the materiality of impact (real and potential impacts of the Elecnor Group on people and the planet).

Furthermore, the stakeholders' perspective is represented by the different size of the bubble that visually represents each ESG issue, depending on the relevance attributed by the respondents.

Lastly, certain issues have been identified that are likely to become more relevant in the medium and long term: human rights, supply chain and biodiversity. The life cycle of buildings and infrastructures is also considered to be an area that will need further attention, given the potential market demand for such projects.

### Elecnor Group's dual materiality matrix



### Results obtained

ESG	Material topics	Financial materiality	Impact materiality
S	Occupational health and safety	X	X
G	Service quality and customer focus	X	X
G	Ethics and Compliance	X	X
A	Climate change	X	X
S	Dialogue with local communities	X	X
G	Digital transformation	X	X
S	Talent management	X	
S	Human rights		X
A	Resource efficiency		X
A	Biodiversity		X
S	Local development		X

















### Comparison between the material issues in 2021 and 2022

As there has been a change in methodology, it is not feasible to make a comparison between the material issues in 2021 and 2022.

However, the key findings are outlined below:

- All issues (except Business Opportunities) that were deemed critical in 2021 are represented in the new matrix as a material issue (Occupational health and safety, Service quality and customer focus, Ethics and compliance, Human rights, Talent management). Business opportunities have been included in 2022 as part of the topics related to innovation and energy transition.
- Furthermore, in 2022 they have been included as material issues: Climate change, Dialogue with local communities, Digital transformation, Resource efficiency, Biodiversity and Local development.
- New issues have arisen compared to the previous year: Local development, Sustainable financing, Life cycle effects of infrastructures and Pollution prevention and control.

### Alignment of material issues, the Sustainable Development Goals and the Sustainability Strategy

Critical material matters	GRI Content	SDGs	Internal impact	External impact	Chapter of this Report where answers are given
<b>Occupational health and safety</b>	403-1	 			Chapter on We look after our people
	403-2				
	403-3				
	403-4				
	403-5				
	403-6				
	403-7				
	403-8				
	403-9				
	403-10				
<b>Service quality and customer focus</b>	Elecnor Group own indicator 416-1	  			Operational excellence chapter
	2-9	 			Chapter on Responsible management
	2-23				
2-27					
201-4					
205-1					
205-2					
205-3					
206-1					
207-1					
207-2					
207-3					
207-4					
415-1					
<b>Climate change</b>	201-2	 			Chapter on Committed to the environment
	305-1				
	305-2				
	305-3				
	305-4				
305-5					

<b>Dialogue with local communities</b>	203-2 413-2			Chapter on Social impact
<b>Digital transformation</b>	Elecnor Group own indicator			Chapter on Technology and innovation
<b>Talent management</b>	401-1 401-3 404-1 404-2	 		Chapter on Our people, our best asset
<b>Human rights</b>	2-23 406-1 407-1 408-1 409-1 411-1	 		Chapter on Responsible management
<b>Resource efficiency</b>	302-1 302-2 302-3 302-4 302-5 303-1 303-5 306-1 306-2 306-3 306-4 306-5			Chapter on Committed to the environment
<b>Biodiversity</b>	304-1 304-2 304-3 304-4			Chapter on Committed to the environment
<b>Local development</b>	201-1 203-1 204-1 413-1	 		Chapter on Social impact

### Social dialogue with stakeholders GRI 2-25, GRI 2-29

The Elecnor Group is in fluent and constant dialogue with its various stakeholder groups through a number of channels, through which it aims to ascertain and respond to their needs and expectations.

The main stakeholders and communication channels with them are outlined below:

Stakeholder group	Communication channel
Shareholders and investors	Shareholders' Meeting Corporate website (Shareholders and Investors) email (Shareholder Services) Social media CNMV website Management Committees, Commissions, Boards of Directors and Shareholders' Meetings Informal channels (in-person dialogue, One-to-One Meetings) Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc. Roadshows and forums Presentations of profit/(loss) Meetings ESG forms
Customer	Meetings and presentations Corporate websites Trade fairs Satisfaction surveys Social media Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc. Code of Ethics channel
Employees	Periodic meetings Work groups Training sessions and courses Corporate websites Social media Buenos Días Elecnor intranet eTalent Signage Awareness-raising and sensitisation campaigns Campaigns for participation in collective initiatives/projects Corporate and financial reporting: Integrated Report, etc. Whistleblower channel Code of Ethics
Public Entities and regulatory bodies	Official filings Meetings Corporate website e-offices Social media Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.

Suppliers	<p>Meetings and work groups</p> <p>Conventions, fairs and congresses</p> <p>Audits</p> <p>Management platforms</p> <p>Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.</p> <p>Corporate websites</p> <p>Social media</p> <p>Ethical Code whistleblower channels</p>
Social environment	<p>Social projects</p> <p>Corporate and financial reporting: Annual Reports, NFIS, Integrated Report, Elecnor Foundation Annual Report</p> <p>Sponsorships and patronage</p> <p>Corporate websites</p> <p>Social media</p> <p>Specific project websites</p> <p>Collaboration agreements</p> <p>Code of Ethics channel</p>
Opinion generation	<p>Press releases</p> <p>Partnership agreements with the media (Observatorio Expansión...)</p> <p>Meetings</p> <p>Corporate website</p> <p>Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.</p> <p>Social media</p> <p>ESG forms</p>
Partners	<p>Collaboration agreements</p> <p>Forums, fairs and congresses</p> <p>Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.</p> <p>Corporate websites</p> <p>Social media</p>
Unions	<p>Meetings</p> <p>Information briefings</p> <p>Whistleblower channel Code of Ethics</p> <p>Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.</p> <p>Corporate websites</p> <p>Social media</p>
Lenders/Insurers	<p>Meetings</p> <p>Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.</p> <p>Corporate websites</p> <p>Social media</p> <p>ESG forms</p>



These are some key figures in the Elecnor Group's communication with the various stakeholders in 2022:



### 15.3 Business model GRI 2-6

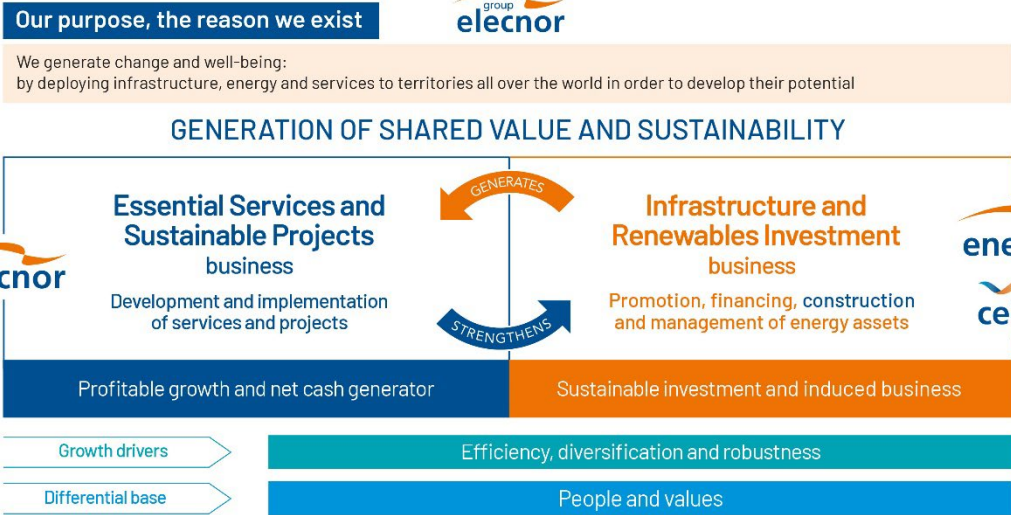
Information on the company's business model is contained in the Purpose, vision and business model section of this Directors' Report. Information concerning the outlook for 2023 can be found in the section with the same name.

#### Strategic goals

The strategy of the Elecnor Group is in line with its purpose and is backed by a multidisciplinary, qualified and diverse team that enables it to take advantage of opportunities and drive growth.

Thanks to a solid, durable business model with strong synergies between its businesses, the Elecnor Group is committed to diversification, internationalisation and technical excellence in order to drive the development of essential services and renewable energies.

In that regard, the Group's strategy is based on the protection and safety of its people and its activity, as well as on technical and financial solvency, efficiency and control. All this with the focus on generating value for all of its stakeholder groups.



## 15.4 Our people, our best asset

People management is a key area for the Elecnor Group. Keeping a committed team, attracting the best talent and supporting their professional development, while fostering good working practices, equal opportunities and a safe and healthy working environment are the keys to the Integrated Human Resources Management System.

At the close of 2022, the Group employed more than 22,000 people of 87 nationalities. They form a committed, professional and diverse team.

### Integrated Human Resources Management System [GRI 3-3](#)

The Group's Integrated Human Resources Management System is geared towards attracting the best talent available, as well as deploying, fostering and developing the existing talent in the organisation.

<p><b>Selection</b></p> <p>Acquiring and attracting the best available talent in the market, prioritising internal talent.</p>	<p>34% Increase in new hires</p>	
<p><b>Performance</b></p> <p>Process of analysis of the actions and results of each person in their post, as well as the identification of improvement areas.</p>		
<p><b>Compensation</b></p> <p>Focused on fair remuneration, that rewards and recognises merits.</p>	<p>Salary surveys Social benefits</p>	<p><b>22,348</b> employees</p>
<p><b>Development</b></p> <p>This means a maximum commitment to existing potential in order to offer employees opportunities for growth and improvement over the course of their career.</p>		
<p><b>Training</b></p> <p>Aimed at developing skills and broadening knowledge to achieve optimal suitability of person to post.</p>	<p>344,005 Training hours</p> <p>15.39 Training hours/employee</p>	

## Selection

The Elecnor Group strives for the utmost fairness in the duties, remuneration and recognition of posts of equal value within the Group, regardless of the characteristics of the person occupying the post. In this connection, it has established selection guidelines to achieve maximum equality in these aspects.

Moreover, the Group has an internal selection and mobility policy aimed at attracting and retaining the best available talent in the market, which has been reviewed in 2022.

This year, the selection of qualified profiles in the various business areas of the Group was strengthened in order to attract talent according to the specific needs of each area. The goal is to build a multidisciplinary team that operates with a global vision of the business.

Aware of the difficulties inherent to international selection processes and the level of competition in some countries due to the scarcity of skilled profiles, work is ongoing to boost the Group brands as a standard-bearing company for professional development. In this regard, a LinkedIn profile Elecnor Talento is mainly used to coordinate job vacancy postings in the international market. In 2022 a boost was given using specific campaigns on LinkedIn and other employment websites in order to identify talent among those who are not actively seeking work. This year's campaigns have been geared towards boosting the brand image and identifying profiles for renewable energy projects.

This year has continued to be marked by the need to recruit a large number of national and international profiles for renewable energy projects, both wind and photovoltaic, in Spain, Brazil, Colombia and Australia.

Similarly, with the aim of attracting students and recent graduates, the Elecnor Group actively collaborates with the university environment and vocational training schools, taking part in different employment forums, both on-site and virtual. [GRI 2-8](#)

**357** Interns  
**268** in Spain  
**89** abroad

Regarding the international scholarship programme, the Group maintains its collaboration with the Basque Government. The ICEX scholarships in various countries are also upheld.

As described in greater detail in the Equality and diversity section of this Report, the Elecnor Group is committed to including people with disabilities in the workplace. This commitment has materialised in the form of support for the Adecco Foundation's #EmpleoParaTodos (JobsForEveryone) programme. This is an organisation that has been working for over 20 years to foster the employability of people at risk of exclusion. Furthermore, we collaborate through the Aflora project, which seeks to normalise disability in the company by informing and orienting people who, due to certain health conditions, are eligible to obtain a disability certificate. The Group has continued this commitment in 2022.

## Performance management

One of the Elecnor Group's main lines of action comprises developing its human capital, working on training, retaining and developing it.

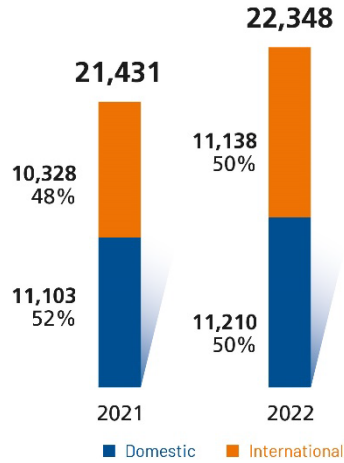
The Group is committed to managing talent by identifying key posts and talent groups (high potential, key people and successors), thereby helping to devise specific development and career plans.

In 2022, the Performance Management process has only been implemented for new university graduates within the framework of the Career Plan, which is currently in place in Madrid and Barcelona.

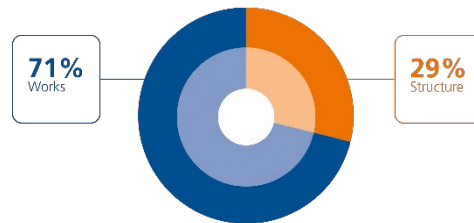
## Workforce profile [GRI 2-7](#)

The Elecnor Group has an international, multicultural and diverse profile with a presence in more than 50 countries across five continents. The workforce is split 50/50 between national and international staff. At the end of 2022, the Elecnor Group employed 22,348 people, a 4.3% increase on the previous year (21,431 employees). This increase chiefly comes from the international market, where the workforce has grown by 7.8% compared to 2021, with a notable rise in Europe and Oceania. In the domestic market, workforce has remained stable.

### Employee developments by market

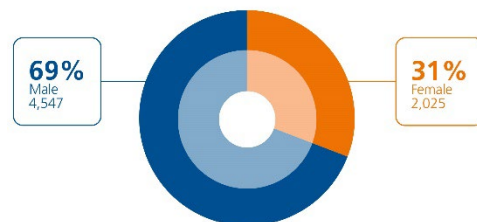


### Workforce breakdown



The Elecnor Group's workforce comprised 29% Structure staff and 71% Works staff.

### Structure workforce by gender



In line with the historical trend in the sector, men have a greater presence in the Group, as they account for more staff in Works, where women only account for 6%. However, in the Structure category, there is a greater balance between men and women (the latter accounting for 31%).

The company's commitment to equality and diversity fosters growth in the number of women at the organisation, and there has been a 12% increase at Group level in the last year. Note also that 43% of women in the workforce hold degree qualifications or above and they increasingly occupy positions of responsibility in the Group.

It is also worth highlighting the effort made by the company to recruit female engineers as the Group's most demanded profile. At present, in Spain, 38% of the Group's graduates are female engineers or architects, a figure that contrasts with 27% of the total number of female graduates from all Spanish universities.

Over the course of this chapter and in Appendix I hereto, the workforce figures by employee type (Structure and Works) are broken down in the gender information so as to adequately represent the profile of the workforce.

#### Staff in Structure

	2021	2022	% Change
	6,110	6,572	8%
Male	4,210	4,547	8%
Female	1,900	2,025	7%

#### Staff in Works

	2021	2022	% Change
	15,321	15,776	3%
Male	14,620	14,900	2%
Female	701	876	25%

Below is a breakdown of the Structure staff by geographical area and gender:

Geographic area	2021		2022	
	Male	Female	Male	Female
Spain	2,559	1,159	2,684	1,225
Europe	246	175	317	155
North America	233	48	229	46
Latin America	794	365	886	432
Africa	226	112	232	113
Asia	80	7	51	8
Oceania	72	34	148	46
<b>Total</b>	<b>4,210</b>	<b>1,900</b>	<b>4,547</b>	<b>2,025</b>

The Elecnor Group is committed to enhancing the quality of employment, which is demonstrated by the 23% increase in the number of permanent contracts compared to the figure for 2021. It is also worth noting the increase in the number of open-ended contracts for construction personnel, which has reached 23%

In 2022, the Elecnor Group worked to adapt to the new requirements of Royal Decree-Law 32/2021, of 28 December, on urgent measures for the labour reform, the guarantee of employment stability and the transformation of the labour market.

Furthermore, 99% of the Group's contracts are full time. All the information broken down by type of contract and type of employment can be found in Appendix I to this report.

In 2022, the number of hours of absenteeism in the Elecnor Group totalled 2,651,853 (2,206,895 hours in 2021), implying an absenteeism<sup>3</sup> ratio of 5.09% (4.9% in 2021).

### Workforce turnover <sup>4</sup> GRI 401-1

Workforce turnover this year reached 50%. The turnover figures in segment are due mainly to contracts ending due to project completions over the course of the year. Appendix I of this Report contains in-depth figures on workforce turnover.

### New hirings GRI 401-1

In order to implement projects, 12,412 new recruitments were made in 2022, which implies a 34% increase compared to 2021 (9,270).

By gender and type of employee

	Structure			Works	
	Male	Female	Total	Male	Female
2021	1,060	513	9,270	7,366	331
2022	1,316	614	12,412	9,865	617

## Training and development GRI 3-3, GRI 404-1, GRI 404-2

A milestone in 2022 in the field of Human Resources was the design of the **Identity Reinforcement Project**. This project outlines several lines of work in various areas of people management geared towards attracting, developing and retaining talent in the Elecnor Group.

The main lines of action of this project are as follows:

- Initial steps geared towards welcoming new recruits, from welcome to monitoring and evaluation after the probationary period.
- Training for new recruits over the first three years.
- Monthly and quarterly project monitoring meetings where we foster communication between those in charge and their teams and monitor the achievement of objectives.
- Holding workshops intended to increase motivation and listen to people's needs:
  - Continuity workshops targeting graduates between 4 and 5 years experience.
  - Teambuilding sessions for key people in the organisations.
- Compensation/Performance evaluation and monitoring plan. In 2022, the new job mapping of the P&L staff up to the head of production control has been outlined.
- Career plans:

<sup>3</sup> The absenteeism ratio is calculated as hours of absenteeism including all absences (unjustified, remunerated and non-remunerated leave, illness, accident, maternity and paternity)/actual hours worked.

<sup>4</sup> Turnover is determined as total departures (sum of voluntary redundancies, leaves of absence, retirements, deaths, dismissals, end-of-contract and other kinds of departure)/average employment \* 100

- A Development/Career Plan has been designed for new university graduates, which outlines the salary aspects for the first three years, which will be associated with their annual performance.
- Internationalisation is fostered by facilitating professional career opportunities in the countries where the Group is present.
- Training. We have established the possibility for professionals to request more personalised training.
- Emotional salary. The Elecnor Group backs the undertaking of sporting activities with communication campaigns.
- Active listening by drawing up an exit questionnaire for the company that collects information in this respect and interviews between managers and their teams to deal with the different needs on an individual basis.

## Training management

The Elecnor Group has a procedure in place for training management which defines the way to pinpoint and meet the training needs of all the workforce. The training needs identified, and the training and awareness actions to be implemented, are outlined in the Training Plan.

The Group pays special attention to training intended to ensure that staff are aware of the suitability and importance of their activities and how they contribute to achieving its growth, competitiveness and profitability goals, as well as aspects of occupational risk prevention, quality, environmental management, energy management, information security, R&D&I and compliance management.

In 2022, the Elecnor Group continued in its commitment to the training and developing its employees as key factors for the organisation's success, expanding on training and professional growth opportunities.

Thus, of note are the following training itineraries, designed according to existing positions and needs.

- Executive itineraries

Regarding the Management Development programme that was launched in 2021 and geared towards those who occupy the position of Delegate, a total of 25 people participated and completed the course in April 2022. The second edition of the programme was attended by 24 people.

In 2022, the Senior Management Programme (SMP) and the Advanced Negotiation programme have been continued.

Furthermore, for Production Centre Managers, the company has developed a new itinerary entitled "Building Stable Relationships with Customers", which was attended by 63 people.

- Itineraries on management skills

They include courses related to leadership, finance, sales, communication, negotiation and professional productivity strategies and techniques. A total of 461 attendees took part.

- Specialised itineraries

They consist of courses related to the most specific aspects of each position, which have been attended by 532 people (276 through the Pharos digital training tool).

- Office automation/technical IT

177 attendees have taken a course to update or learn new office automation tools. Additionally, 7 Office training sessions were held for 245 people and 25 Google Workspace sessions for 1,000 participants.



Besides classroom training, the Elecnor Group offers training courses with the following methodologies:

- Online live: live training where attendees interact with the speaker and participants.
- Online: various training contents are hosted on digital platforms. On the online platform Pharos, 348 participants have completed some of the available courses on technical or specific training.

Furthermore, in 2022, the Manager School initiative was implemented, the objective of which is to provide the necessary knowledge to people who occupy or will occupy the position of manager, to enable them to carry out their duties and achieve the established goals.

For this purpose, this initiative consists of two phases. On the one hand, a performance assessment for current managers or potential candidates for the position of manager; and, on the other, a Training Plan is drawn up to address the following skills: command functions, digital, technical, occupational risk prevention and management systems. In 2022, two training sessions were held with 21 participants.

### Training indicators<sup>5</sup>

Item	2021	2022	Changes
Investment in training (€)	8,445,224	9,839,989	17%
Training hours	352,936	344,005	-3%
No. of attendees*	34,951	35,123	—%
Training hours/employee	16.47	15.39	-7%

\*The number of attendees measures the number of people who have received training, and one person may have completed several courses.

Structure and Works training for personnel tailored to the needs of their job descriptions:

- **Structure.** In 2022, 8,036 people attended training events, such as: management, technology, IT, languages, quality and environment, and occupational risk prevention.
- **Works.** Works personnel receives training in connection with electricity, installations, maintenance, gas, telecommunications, vehicle and machine operation, quality and environment, and occupational risk prevention. This continuous training makes it possible to acquire and maintain the necessary qualifications to perform specialist tasks involving execution risk. In total, 27,087 people have received some of the aforementioned training.

<sup>5</sup> The figures correspond to 90.91% of the Group's workforce

2021

## Staff in Structure

Area	No. of courses	Attendees			Hours		
		Male	Female	Total	Male	Female	Total
Management	136	1,219	507	1,726	7,975	3,264	11,239
Technology	115	537	151	688	6,701	1,479	8,180
IT	58	218	146	364	2,519	2,052	4,571
Languages	282	166	118	284	1,957	1,513	3,470
Quality and Environment	72	292	131	423	1,410	863	2,274
Occupational health and safety	361	2,961	1,156	4,117	25,800	9,902	35,703
<b>Total</b>	<b>1,024</b>	<b>5,393</b>	<b>2,209</b>	<b>7,602</b>	<b>46,363</b>	<b>19,073</b>	<b>65,435</b>

## Staff in Works

Area	No. of course	Attendees			Hours		
		Male	Female	Total	Male	Female	Total
Management	8	279	19	298	232	29	261
Technology	1,418	10,357	30	10,387	124,759	307	125,066
IT	10	53	14	67	739	280	1,019
Languages	2	2	0	2	274	0	274
Quality and Environment	12	448	2	450	602	4	606
Occupational health and safety	1,956	15,838	307	16,145	157,840	2,435	160,275
<b>Total</b>	<b>3,406</b>	<b>26,977</b>	<b>372</b>	<b>27,349</b>	<b>284,446</b>	<b>3,055</b>	<b>287,501</b>

2022

## Staff in Structure

Area	No. of course	Attendees			Hours		
		Male	Female	Total	Male	Female	Total
Management	98	666	226	892	5,846	2,101	7,947
Technology	156	1,133	469	1,602	10,880	2,930	13,810
IT	42	166	119	285	2,112	1,328	3,440
Languages	378	321	185	506	5,420	3,826	9,246
Quality and Environment	129	422	265	687	1,877	1,987	3,864
Occupational health and safety	325	2,954	1,110	4,064	26,363	9,123	35,486
<b>Total</b>	<b>1,128</b>	<b>5,662</b>	<b>2,374</b>	<b>8,036</b>	<b>52,498</b>	<b>21,294</b>	<b>73,791</b>

## Staff in Works

Area	No. of courses	Attendees			Hours		
		Male	Female	Total	Male	Female	Total
Management	18	173	3	176	1,430	23	1,453
Technology	1,222	8,507	28	8,535	117,906	411	118,317
IT	2	24	3	27	268	31	299
Languages	0	4	0	4	3	0	3
Quality and Environment	22	426	31	457	735	53	787
Occupational health and safety	1,951	17,598	290	17,888	147,520	1,836	149,355
<b>Total</b>	<b>3,215</b>	<b>26,732</b>	<b>355</b>	<b>27,087</b>	<b>267,861</b>	<b>2,353</b>	<b>270,214</b>

## Training hours and attendees by professional category and type of employee

Professional category	2021		2022	
	Attendees	Hours	Attendees	Hours
Structure	7,607	65,472	8,036	73,791
Management	150	1,459	133	1,638
Executive	1,466	12,813	1,520	13,056
Technician	5,991	51,201	6,383	59,098
Works	27,344	287,464	27,087	270,214
Basic	27,344	287,464	27,087	270,214
<b>Total</b>	<b>34,951</b>	<b>352,936</b>	<b>35,123</b>	<b>344,005</b>

## Training hours by gender and type of employee

	Structure			Works	
	Male	Female	Total	Male	Female
2021	46,363	19,073	352,936	284,446	3,055
2022	52,498	21,294	344,005	267,861	2,353

## Average hours of training by category and gender

## 2021

Category	Male		Female		Total	
	Number	Average	Number	Average	Workforce	Average
Structure	4,210	11.01	1,900	10.03	6,110	15.55
Management	141	8.26	20	14.73	161	9.06
Executive	1,110	9.26	233	10.87	1,343	9.54
Technician	2,959	11.81	1,647	9.86	4,606	11.12
Works	14,620	19.45	701	4.36	15,321	18.76
Basic	14,620	19.45	701	4.36	15,321	18.76
<b>Total</b>	<b>18,830</b>	<b>17.57</b>	<b>2,601</b>	<b>8.51</b>	<b>21,431</b>	<b>16.47</b>

GRI 404-1  
 2022

Category	Male		Female		Total	
	Number	Average	Number	Average	Workforce	Average
Structure	4,547	31.01	2,025	36.62	6,572	31.25
Management	143	10.02	18	11.39	161	10.17
Executive	1,184	8.11	225	15.33	1,409	9.27
Technician	3,220	12.88	1,782	9.90	5,002	11.81
Works	14,900	17.98	876	2.69	15,776	17.13
Basic	14,900	17.98	876	2.69	15,776	17.13
<b>Total</b>	<b>19,447</b>	<b>16.47</b>	<b>2,901</b>	<b>8.15</b>	<b>22,348</b>	<b>15.39</b>

With a view to continuous improvement, the Group assesses each training itinerary considering the opinion of trainees by means of an anonymous questionnaire.

Note also in this connection the personalised training and updating programme in specific skills for the members of the Group's Board of Directors.

## Remuneration and benefits

Elecnor's job chart clarifies and simplifies its organisational structure, the responsibilities of each post and the profiles required. This definition of jobs and responsibilities makes it easier to adapt remuneration in a more objective and fair way, rewarding and recognising merit where due. In 2022, a new job map was outlined for staff with an impact on the income statement up to the head of production control, as well as for four-year graduates and business support staff.

The target bonus was also defined during the year up to the level of delegates.

The Elecnor Group offers its employees social benefits that are described in more detail in the Work-Life Balance section of this chapter.

## Remunerations Policy

In the framework of the Integrated Human Resources Management System, the Elecnor Group seeks to ensure that its remuneration policy respects the criteria of objectivity, fairness and non-discrimination, recognising and rewarding merits.

The Group uses salary surveys as a benchmark to obtain information relating to the salaries and social benefits in the sector or at similar companies. These surveys are a tool to gauge how competitive positions are as compared to the same positions in the market. Furthermore, the Group also accesses other market research to achieve this purpose.

In order to gathering all the necessary information on employee payrolls in a uniform, agile and effective manner, in 2021, the SAP Success Factors tool was implemented. This tool enables the information from the payroll systems of subsidiaries and branches in the foreign market to be obtained by automation.

The Elecnor Group has a remuneration register adapted to the requirements of Royal Decree 902/2020 of 13 October on equal pay for men and women.

The Elecnor Group's wage policy is for men and women performing jobs with equal responsibility to receive equal pay. As outlined in its Equality Plan, The Group implements a remuneration system that guarantees neutrality at all times with no conditioning factors whatsoever on the basis of gender, a circumstance that will continue over time.

The table below details the wage gap ratio which represents the salary difference between men and women by professional category and employee type in the Elecnor Group. The wage gap has been calculated as the difference between the average wage of men and of women, over the average wage of men.\*

Category	2021	2022
Management	15%	13 %
Executive	18%	17 %
Technician	16%	21 %
Basic	33%	47 %
Employee type	2021	2022
Structure	31%	33 %
Works	33%	47 %

\*Data for 2021 have been recalculated on the basis of the average rather than the median.

Moreover, it is worth representing the wage gap in Spain, where 50% of the workforce is located.

### Spain

Employee type	2021	2022
Structure	21%	21 %
Works	0.18%	0.30%
Category	2021	2022
Management	12 %	8 %
Executive	3 %	2 %
Technician	10 %	10 %
Basic	0.18 %	0.30 %

## Work-life balance

The Elecnor Group organises working hours in accordance with sector-specific and conventional standards applicable to the company and by means of negotiations with the employee representatives at each work centre, and this is materialised in various work schedules.

The company considers that the concept of work-life balance encompasses measures to improve quality of employment, support for families, professional development, equality of opportunities and flexibility in accordance with framework agreements such as family-friendly company. Similarly, this concept is included in the Group's Code of Ethics and Conduct, in which it undertakes to implement steps to facilitate the reconciliation of professional obligations and personal and family life. In this connection, the Group is working to improve each aspect based on the circumstances of the company, country and individual worker.

Although there is currently no formal policy to facilitate disconnection from work, the company encourages the implementation of policies, wherever possible, that facilitate a work-life balance, such as avoiding late meetings, scheduling training during work hours, having flexible working hours, compressed work schedules every Friday and in summer or, where applicable, shorter working days, with all measures provided in the various applicable regulations being implemented.

With respect to digital disconnection, the Elecnor Group has an agenda system marking the workforce's rest and availability periods to prevent any meetings or actions of any kind being scheduled during this period. Furthermore, "scheduled sending" has been enabled in the email system to ensure that, if an email is sent, the recipient receives it during their working hours. The whistleblowing channel and the post office box that the company makes available to employees accepts complaints, reports or observations on this matter.

The Elecnor Group has a Flexible Compensation Plan to which Structure personnel in the domestic market with open-ended contracts have access. This plan includes health insurance (employees may include their spouse and children), meal vouchers and cards, retirement insurance, and kindergarten. 1,149 people joined in 2022.

Moreover, there is a study support programme available to all Group staff in Spain who have children aged 4 to 16. The only requirement is to have been at the company for at least one year. In 2022, 3,519 employees have benefited from this assistance for a total cost of Euros 631,966. Study support is also available for disabled children of employees, which varies depending on the school year.

Other social benefits granted by the company are life insurance and accident insurance, travel insurance for employees who travel, medical insurance for employees in positions of responsibility, medical check-up for all employees, company car for those whose work requires them to travel by car and a retirement plan for Management. As part of the emotional wage, sports activities such as registration fees for races, sports equipment, etc. are supported. Note also that the Más Elecnor digital platform includes special offers and discounts on products and services for the entire workforce and their direct relatives.

In aspects related to health and well-being, there are several initiatives: agreements with physiotherapy clinics and insurance companies, weekly mailing with health tips and good practices, etc. Furthermore, the company seeks to foster and encourage sport among its employees, and has therefore subsidised their participation in running events.

## Equality and diversity GRI 2-25 GRI 401-3 GRI 406-1

The Group's Gender Equality Plan reflects its commitment to equal opportunities for men and women and non-discrimination in its guiding principles.

Furthermore, Elecnor's commitment to equal opportunities is enshrined in its Code of Ethics and Conduct: "The Elecnor Group applies criteria of non-discrimination and equal opportunities in its selection processes as well as in the development of the professional careers of its employees. Race, colour, nationality, social origin, age, sex, marital status, sexual orientation, ideology, religion and kinship are excluded as factors for professional assessment. The only professional differentiation features used are merit, effort, the results of hard work, training, experience and future potential. Promoting equality entails a special area concerning gender balance, as evidenced in the selection and recruitment practices, professional promotion procedures, training and general work conditions.

The Equality Plan establishes various working areas to boost equality between men and women in the following axes of action: selection and recruitment, professional classification, training, promotion, work conditions, work-life balance, female representation and remuneration.

Moreover, the Group has a Compliance Policy and internal controls to ensure all forms of discrimination are prevented; these controls include workplace harassment, sexual harassment and pregnancy risk protocols, among others.

Furthermore, the Group's Recruitment Policy stipulates that all candidates are given equal consideration, that equal opportunities are respected, that the process is treated with the utmost confidentiality and that the positions in the various fields of activity are filled by the most suitable people, within a framework of equal treatment and without discrimination of any kind.

The e-mail in-box [codigoetico@elecnor.com](mailto:codigoetico@elecnor.com) is a communications channel for employees to submit suggestions of any kind or to resolve conflicts. In 2022, no complaints have been received in terms of equality or discrimination of treatment on the grounds of sex or similar matters. GRI406-1

In line with historical trends regarding gender in the sector, men are more widely represented in the Group, especially among Works personnel. Staff in Structure, however, are more balanced: at 31 December 2022, 31% were women and 69% men; while in Works, 6% were women and 94% men.

In the year, 524 male employees were entitled to paternity leave and 95% took said leave; 110 female employees were entitled to maternity leave and 98% of them took said leave.

In Spain, out of the 321 people who took leave (262 men and 59 women), 305 returned at the end of their leave (252 men and 53 women), which corresponds to a return rate of 95% (96% men and 90% women). On the other hand, out of the 305 employees who returned (252 men and 53 women), 287 were in active employment at the end of the year (236 men and 51 women), corresponding to a retention rate of 94% (94% men and 96% women).

Entidad adherida a la alianza



Lastly, it is worth noting that the Elecnor Group has maintained the "Company adhered to the #CEOPorLaDiversidad Alliance" seal. This accreditation acknowledges the Elecnor Group as a company committed to researching, sharing, developing and fostering strategies and good business practices for diversity, equity and inclusion in order to turn Spain, its companies and its leaders into drivers of an innovative model centred on the dignity of all people, on fundamental rights and on the advantages and opportunities that diversity management can offer to companies and their different stakeholders.

## Diversity in Governing Bodies

The Elecnor Group's Policy for the Selection of Directors and for Board Diversity accessible on the Group's website, outlining all the measures adopted in relation to the selection of Directors, diversity policy in relation to gender, age, experience, etc., as well as the procedures for said selection so as to foster a diversity of experience, knowledge, competencies and gender and so as to ensure that, in general, they do not entail implicit biases that might imply any kind of discrimination.

This Policy was amended in December 2020 in order to adapt it to the reform of the Code of Good Governance approved in June 2020 by the CNMV, and is regularly reviewed by the Appointments, Remuneration and Sustainability Committee in order to make progress in improving this aspect.

The Policy is governed by the following guiding principles:

- Adequate composition of the Board of Directors, for which purpose the Director selection processes must be grounded on a prior analysis of the competencies required by the Board.

- Fostering diversity in the Board and its Committees, among other aspects, in relation to know-how, experience, age and gender.
- Non-discrimination and equal treatment, whether on the grounds of race, gender, age, disability or any other reason.
- Transparency in selecting candidates for Directors, with the Board of Directors being obliged to provide all significant information in this regard, duly documenting the selection processes and including the main conclusions in the reports and proposals by competent bodies that must be made available to shareholders at their General Meeting.
- Compliance with applicable regulations and the principles of good corporate governance.

The bodies in charge of ensuring the diversity of the Board of Directors and its Committees as well as of the processes of selection of members of the Board will be the Board of Directors and the Appointments, Remuneration and Sustainability Committee, without prejudice to the appointment powers of the General Meeting of Shareholders.

Similarly, the company has an Equality Plan, applicable not only to the Board of Directors but also to the Management Team and all Group personnel, which lays down specific actions to be conducted for persons holding positions of responsibility in each of the aforementioned fields of work.

This Equality Plan is one of the main tools used by the Appointments, Remuneration and Sustainability Committee to foster inclusion and diversity among the Group's employees, including its executives.

With regard to the recommendation of the Code of Good Governance of ensuring that the number of female directors represents at least 40% of members of the Board of Directors, the company intends to continue fostering an increased presence of female directors on the Board so as to fulfil the recommendation without affecting the normal functioning of the Board and the suitability of its members as a whole to discharge their duties.

Accordingly, on 18 May 2022, the General Shareholders' Meeting, at the proposal of the Board of Directors and the Appointments, Remuneration and Sustainability Committee, approved the appointment of Francisca Ortega Hernández-Agero as a new Independent Director of the company, thus making progress towards the Board's diversity goal, having increased the percentage of female directors by 8.1% with respect to the previous year. Also on the same date, Irene Hernández Álvarez was re-elected as Independent Director and as Chairperson of the Audit Committee for a further four years.

Representation of women in executive positions	2021	2022
Women in executive positions *	12.4 %	11.8%
Women in the Board of Directors **	13.3 %	21.4%

\* Considering Management category of Elecnor Group

\*\*The Board in December of the reporting year

The Policy for the Selection of Directors and for Board Diversity and the Equality Plan are available on the Group's corporate website.

## Disability

The Elecnor Group is committed to having diverse and inclusive teams comprising people with different competencies, skills, perspectives and experiences.



In Spain it employs a total of 90 people with various disabilities, accounting for 0.8% of the national workforce and for 0.4% of the total workforce. The Group combines the hiring of personnel with disabilities with the adoption of alternative measures pursuant to Spain's Disabled Persons and Social Inclusion Act (LGD).

In particular, in Spain, the company resorted to alternative measures by acquiring raw materials, tools, PPE and procuring various services from special employment centres for a value of more than Euros 4 million.

#### Suppliers

P&M SL	€2,618,537
Comercial Mathius	€203,621
Integra PMC	€40,365
Gelim	€101,435
I.L. Sijalon	€353,350
Cemi Norte	€106,842
S. Arza	€716,131
<b>Total</b>	<b>€4,099,916</b>

In the interests of data confidentiality, no information is reported regarding differently-abled persons in the rest of countries in which the Group is present.

In 2021, the Elecnor Group signed a collaboration agreement with the Adecco Foundation to foster the company's commitment to the labour inclusion of people at risk of exclusion, through the #EmpleoParaTodos (JobsForEveryone) programme. In that context, the Aflora Plan was launched with the goal of normalising disability in the Group, seeking to identify employees who are eligible to obtain a disability certificate. This commitment continues in 2022, reinforced by an employee communication plan.

The Group does not currently have a formal policy on universal accessibility.

## About our people

Internal communication is essential in the Elecnor Group. Its core goal is to maintain a constant connection between the company and the team comprising it. The ongoing dissemination of corporate information and aspects related to the company's social responsibility were the main axes on which internal communication was based in 2022.

The Group's more than 22,000 people are interconnected through the communication channels set up, the main one being the corporate intranet: "Buenos Días Elecnor".

### Noteworthy initiatives

As is customary in the Group's culture of ongoing improvement, this year new initiatives were launched and those started in the previous year were advanced.

#### Aflora Plan, #EmpleoParaTodos (JobsForEveryone)

The Elecnor Group supported the Adecco Foundation's #EmpleoParaTodos (JobsForEveryone) project geared towards helping the most vulnerable people find work and avoid social exclusion.

The Aflora Plan is a corporate strategy comprising actions based on commitment, awareness, information and advice, the goal of which is to normalise disability in the company. Through this strategy, fears, mistrust, mental barriers and lack of knowledge around disabilities are reduced, fostering normalisation and corporate dialogue.

## Helping to Help

This year, World Environment Day 2022 with the slogan "Una sola tierra" (Only One Earth) highlighted the need to live sustainably, in harmony with nature, through substantial changes driven by policies and daily choices that will guide us towards cleaner and greener lifestyles.

The Elecnor Group took this opportunity to foster a sustainable way of working with the "Ayudando a Ayudar" (Helping to Help) campaign, which, in this new edition, invited all Elecnor employees to participate in the 2<sup>nd</sup> Call for Ideas de Carácter Medioambiental (Environmental Ideas).

An award was given to the employee or employees who, representing their organisation within the Elecnor Group, presented innovative ideas in projects or in offices and warehouses. To support the "Una sola tierra" (Only One Earth) motto, the participants' ideas had to be initiatives that would help to combat one of the three planetary crises: climate change, loss of biodiversity and waste generation.

## Digital transformation: DIGFLIX

Digital transformation, one of the Elecnor Group's strategic projects, was created to effect cultural change, enhance processes, and boost operating efficiency and competitiveness. This year, DIGFLIX, a new serial digital skills platform was developed and implemented by the Elecnor Group, as described in the Digital Transformation section of this report.

## Tú haces Elecnor

With a view to recognising the commitment of the people who have been with the Elecnor Group for the longest time, a meeting called *Tú haces Elecnor* (You make Elecnor) was organised, attended by people who joined the company 25 years ago. This year, the event was attended by more than 200 people from both domestic and international workforce.

## The Quality League

Following the success of the first two editions of this initiative, the third edition was launched this year in order to raise awareness around the importance of quality and its processes. This time around, 2,570 people from 31 countries of the Group took part.

## Being healthy

This Human Resources initiative seeks to improve the physical and emotional well-being of the people comprising the Elecnor Group. A healthy well-being plan that consists of disseminating content in various formats (audiovisual, infographics, reports, etc.) that combine three areas of knowledge: nutrition, emotional well-being and physical activity.

## Parar para poder seguir

As part of World Day for Safety and Health at Work, the Elecnor Group held an annual event on occupational risk prevention that sought to raise awareness, foster and reward occupational prevention actions in all fields and spheres. The event was broadcast throughout the Group's countries of operation. This year's campaign launched a reflection: "Parar para poder seguir" (Stop in order to keep going) in the face of health and safety breaches, concluding with the guidance of the defence of prevention in all circumstances.

## Seguridad al día

Within the Elecnor Group's commitment to health and safety, an internal communication is released every week with real images of Elecnor employees who have suffered an accident. The aim is to raise awareness of the lessons learned after the incident and to prevent it from being repeated.

Furthermore, throughout 2022, various awareness-raising campaigns remained ongoing, such as the campaigns designed for International Women's Day, International Workers' Day and World Breast Cancer Day.

## Carrera de las Empresas

The Elecnor Group encourages the adoption of healthy habits inside and outside the workplace, achieving a safe and healthy workplace filled with energy. The Carrera de las Empresas (Company Race) is an initiative that also encourages teamwork, a good atmosphere and camaraderie.

## Social dialogue GRI 2-30, GRI 403-1

In Spain, 100% of the workforce is covered by collective bargaining agreements. In the other countries where the Group is present, employees are supported by the labour relations framework established in the relevant local labour legislation.

The Elecnor Group also has Human Resources Departments to ensure compliance with and application of the current legislation throughout all the countries where it operates.

The work centres in Spain with between 10 and 49 employees have staff delegates, with Workers' Committees representing employees at centres with 50 workers or more.

Both the staff delegates and the Committees members are chosen in trade union elections, in which both unions and independent groups may field candidates. At present, the majority union is Comisiones Obreras (CCOO), but others are also represented: UGT, ELA, LAB, USO, ESK, CSIF and independent groups. In the rest of countries the Group is compliant with legislation in force.

Labour relations at the Group are managed on the basis of provincial collective bargaining agreements within the sector. In certain cases, specific agreements are signed with particular groups. The company holds quarterly meetings with each and every one of the Workers' Legal Representations (RLT), in which it provides the information required by both the Workers' Statute and the Organic Law on Trade Union Freedom. Nonetheless, extraordinary meetings may be held at the request of both the Group and the RLTs themselves.

In 2022, the Málaga Iron and Steel Agreement was revised.

The Group has various channels for employee dialogue and participation, such as meetings with workers' representatives, Equality Plan Monitoring Committee, the Buenos Días Elecnor intranet, the platform eTalent and the email address [codigoetico@elecnor.com](mailto:codigoetico@elecnor.com), among others.

## 15.5 We look after our people

GRI 403-1

Our commitment to employee health and safety has been a priority for the Elecnor Group since the outset. Along these lines, the Group conducts work to achieve the goal of zero accidents, zero tolerance to any breaches of preventive measures and the continuous fostering of safe conduct among employees.

This commitment is formalised in the Group's Integrated Management System, which comprises the aspects of environment, quality, health and safety, energy management, R&D&I management and information security. These six vectors comprise the Elecnor Group's Integrated Management System Policy, each with its specific objectives and strategies, but all with a common mission: the ongoing improvement of the organisation.

As regards health and safety, the principles of action reflected in the Integrated Management System Policy are as follows:

- Provision of the necessary material resources.
- Focus on training in prevention techniques.

- Development of awareness campaigns for the entire Group.
- Continuous performance of inspections and audits on site and adoption of the appropriate remedial actions to rectify the origin of the deficiencies.

Furthermore, in the Integrated Management System Policy, employees are encouraged to perform their work according to the established instructions and procedures, to use the individual or collective protection equipment provided, not to perform work in which there is an imminent serious risk to workers and to inform their superior, and to collaborate with the company in ongoing improvement.

In the Elecnor Group, the Health and Safety Area is structured based on the Joint Prevention Service (JPS), which is broken down into Central and Health and Safety Technicians. The latter have a presence in the various countries where the Group operates.

The Central JPS comprised 13 people at the end of the year, structured as follows:

- Technical Office Department. Prepares and maintains the Group's occupational risk prevention (OPR) documentation, campaigns, etc., as well as ensuring that internal audits are conducted in Spain and some countries in the international market.
- Internal Work Audit Department. Which conducts this kind of control in Spain as well as certain other countries.
- International OPR Coordinator Coordinating with all the Group's international organisations by means of reviewing reports, conducting meetings, monitoring implementation of the Safety Excellence Plan and software rollout, among other things.
- Activity, telecommunications and utilities (electricity and gas) coordinators. They undertake coordination tasks with customers and with the Group's organisations in the domestic market, preparing reports, monitoring, etc.

Health and Safety Technicians provide services to the various units on a day-to-day basis. Their duties include, inter alia, technical support to customers, inspections and training, and coordinating the application of the Management System in their business unit.

In the national market, there are 124 technicians<sup>6</sup>, with different levels (chiefly senior level) and specialities (most of them have the three specialities required by Spanish legislation), mainly dedicated to health and safety tasks. Abroad, there are 312 technicians in various categories in accordance with the legislation of each country.

A total budget of Euros 23.5 million (Euros 13.5 million in Spain and Euros 10 million for the international market) was allocated for the development of health and safety activities during 2022.

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<sup>6</sup> They do not include health technicians hired specifically for large projects.

## Health and safety management GRI 3-3, GRI 403-2, GRI 403-3, GRI 403-7, GRI 403-8

Health and safety management in the Elecnor Group is conducted with the conviction of minimising or eliminating the main risk that may occur as a result of undertaking a project: a major or fatal accident. This risk is mainly related to working at heights, electrical risk, handling large loads, confined spaces, etc. Furthermore, the risk of traffic accidents is representative due to the high number of vehicles constantly on the move.

The Elecnor Group has implemented a Health and Safety Management System encompassed within the Integrated Management System, which applies to all workers, activities and places of work. Its goal is to remove or minimise the risk situations that people might face when executing their activity. To this end, the following actions are conducted:

- Safety inspections and internal work audits to monitor the conditions in which work is executed.
- Information and training on health and safety for all workers.
- Monitoring and awareness meetings.
- Campaigns to increase awareness and change behaviours.

All Management System activities have been strengthened during the year with the implementation of the Digital Transformation and Safety Excellence projects, which continue to make positive progress.

The Management System includes the initial risk assessment procedures (adapted to the legal requirements of each country) identifying the risks associated with activities, the probability of those risks emerging and the severity of the consequences of their materialising. Below are the corrective/preventive measures to eliminate or reduce risk.

By means of controlling work conditions (safety inspections, internal work audits, system audits, principal risk permits or spontaneous observations), the environment in which activities are conducted is monitored and remedial measures are implemented, which may include the re-assessment of the work to be executed. If there has not been a re-assessment the risk assessment is reviewed and, where applicable, it is modified every 3-5 years.

The risk assessments are performed by health and safety technicians. The safety inspections involve the entire hierarchical structure to foster integration of health and safety in people's everyday routines. Those directly responsible for projects are in charge of the principal risk permits, observations and other activities. In addition, all these aspects are monitored in conjunction with the Group's Management.

The Elecnor Group's Health and Safety Policy, formalised in the Integrated Management System, includes the right of workers to refrain from performing work where there is grave or imminent risk, requesting that execution of the work should halt and consulting their managers or the Safety Technician to perform the work in a safe way, without being subject to any type of penalty. Employees can report such situations through various mechanisms such as spontaneous risk observations, PRP, safety inspections, etc.

The Management System contains a procedure to investigate workplace accidents and incidents that define the responsibilities and actions, including the application of the remedial measures to avoid the repetition of the event or minimise its consequences. The findings of accident and incident investigations are analysed on a monthly basis, and the advisability of reviewing the System is assessed.

In 2022, Spain, Argentina, Brazil, Chile, Italy, Mexico, Canada, United Kingdom and Uruguay have been certified in accordance with the requirements of ISO 45001:2018. 65% of turnover is certified in accordance with international ISO 45001 standard.

In 2022, 28 internal audits were performed in Spain in accordance with ISO 45001 standards. With respect to external audits, these were conducted for Elecnor and the subsidiaries included in the Multi-site Certificate: Elecnor Servicios y Proyectos, Adhorna, Atersa, Deimos Space, Deimos Engineering, Ehis, Elecnor Infraestructure, Elecnor Seguridad and Jomar Seguridad, and they all ended with satisfactory results. Similarly, Audeca and Enerfín, which have independent certification, obtained satisfactory results in their audits.

In the international market, again pursuant to the requirements of ISO 45001, 20 internal audits and 13 external audits were conducted in various countries, also with satisfactory results.

Among other actions, 95,116 safety inspections were conducted throughout the Group, as a result of which 75,413 remedial measures were implemented, and 1,057 internal works audits were implemented as a means of control and in-depth analysis of the safety environment at projects.

### Health and safety committees [GRI 403-4](#), [GRI 403-8](#)

93% of the Group's employees are represented in formal health and safety committees, in which aspects such as work procedures, protection equipment, etc. are discussed. In Spain the committees are specific to work centres and in other countries they may be specific to work centres or project sites.

Generally speaking, in almost all the countries where the Elecnor Group operates, there are worker participation committees, in which the workers' chosen representatives and representatives of the company intervene. They are equal consultative and participatory bodies. The frequency of the meetings is that established in applicable legislation, but they normally meet monthly or quarterly.

In work places or countries where there is no worker representation, consultation and participation is by means of other mechanisms (awareness meetings, notice boards, circulars, e-mails, etc.).

### Training in workplace occupational health and safety [GRI 403-5](#)

In 2022, the Elecnor Group continued with health and safety training activities to further foster a culture of prevention in the workplace. Depending on the activity, training is given on the following aspects:

- Management systems.
- Ab initio or induction when joining the company or project.
- Significant specific risks: height, electrical hazards, machinery, confined spaces, etc.

- Action in case of emergency: first aid, evacuation, fire prevention, etc.

The attendees who have received health and safety training, as well as the hours dedicated by type of market, are set out below:

	Attendees			Hours		
	2021	2022	Changes	2021	2022	Changes
Spain	28,280	16,390	-42%	159,338	163,644	3%
International	226,625	66,967	-70%	452,344	377,613	-17%
<b>Total</b>	<b>254,905</b>	<b>83,357</b>	<b>-67%</b>	<b>611,682</b>	<b>541,257</b>	<b>-12%</b>

Training actions were undertaken in Spain for a collective of 16,390 attendees (15,429 men and 961 women), most of whom attended more than one training action. A total of 163,644 training hours were provided (154,175 hours by men and 9,469 hours by women), 3% up on last year. There are also other technological and management training, which also have a clear impact on prevention, and which are not included in this total (qualifications/electrical permits, machinery operators, etc.).

The most notable training actions in Spain are:

Courses	Participants	Hours
Basic course	918	55,080
First cycle of the TPC	1,579	12,632
Second cycle of the TPC	3,809	23,894
Working at heights	3,512	29,164
Confined spaces	1,772	14,870
First aid	1,181	5,541
The Risk Factor course	811	4,145
<b>Total</b>	<b>13,582</b>	<b>145,326</b>

Training actions were held internationally for a collective of 66,967 attendees (61,154 men and 5,813 women), most of whom attended more than one training action. In terms of total training hours, the figure stood at 377,614 hours (333,164 hours by men and 44,449 hours by women). These figures include the induction actions given for entry to the major projects.

One of the most significant initiatives in 2022 was the World Day for Safety and Health at Work campaign, titled "Parar para poder seguir" (Stop in order to keep going), which was held on 28 April to commemorate the event. This year, the campaign's presentation event was organised globally over streaming from Italy for all the countries in which the Group operates, which featured the participation of Management and which more than 4,900 people from all profiles of the organisation, including Management and other stakeholders. Furthermore, during the months following the initiative, the video obtained more than 30,000 views on LinkedIn, Instagram and Twitter.

It is also worth highlighting the Elecnor Group's 2<sup>nd</sup> International Health and Safety Meeting, which was attended by the Health and Safety managers of the countries where the Group has operations, as well as technicians from Spain who coordinate its activities, with the goal of improving their training and doing *team-building* work to help improve their day-to-day work and sense of belonging.



In line with the health and safety awareness-raising of all employees, it is worth highlighting the implementation of the named Safety Contacts. This entails —at all meetings, training sessions, etc.— the person in charge of the meeting beginning by talking about health and safety. The topics addressed can be related to both occupational safety and the non-occupational sphere, since the goal is to raise the level of risk perception in general and to generate a behavioural change towards an interdependent safety culture.

**Occupational health services** GRI 403-3, GRI 403-6

The Elecnor Group is committed to the health of its workers, providing them access to health services at work so as to identify and eliminate hazards and minimise risks. As a result of the monitoring of these services, actions considered necessary are taken and, in extreme cases, may lead to a change of service.

Depending on where the activity is conducted, a different type of service is offered:

- Presence of an adequate medical service on site (doctor, nurse, paramedic or trained personnel).
- If necessary, workers may be transported in their own vehicles if their injuries permit or via ambulance to the nearest hospital.
- If workers use their own transport, the resulting expenses will be reimbursed.

In any event, workers are given the necessary information for their use in the local language or, where applicable, in the language in which said indications are understandable to them.

For workers who are in another country (expatriates/travelling), an emergency notification service has been contracted that channels the action to enable the worker to receive information on where to go wherever they are. Furthermore, the care service for other non-medical emergencies is also included: security events, natural catastrophes, etc. In extreme cases, this service includes the necessary actions for individual or collective repatriation.

**Accident rates** GRI 403-9, GRI 403-10

In 2022, the Group achieved its best accident rates since they were first compiled in 1967. In particular, its frequency rate was 1.7 and its severity rate was 0.08.

Accident rate	2021	2022
Frequency rate	2.7	1.7
Severity rate	0.11	0.08
Incident rate	5.76	3.91

Frequency rate = (number of accidents involving more than one day's leave, not counting those on way to or from work/hours worked) x 10<sup>6</sup>  
 Severity rate = (number of days lost/hours worked) x 10<sup>3</sup>  
 Incident rate = (number of accidents involving more than one day's leave/Average number of employees) x 10<sup>3</sup>



In Spain, the frequency rate stands at 2.6, which is the best figure in the historical series, compared to 3.4 in 2021, and the severity score was 0.14 compared to 0.16 in 2021. There were no fatal work-related accidents in 2022 and there were fewer accidents in the year (58 accidents, compared with 79 in 2021).

In the international market, the final frequency rate was 1.1, the second lowest since the series commenced, compared with 1.9 in 2021. The severity rate was 0.03, down from 0.07 in 2021. This year there has been a reduction in accidents (32, from 40 in 2021). Elecnor deeply regrets to have to report that there was a fatal accident involving its own employees in Latin America. This tragedy has served to spur the Group on in its firm commitment to working to reach its target of zero accidents.

## Figures broken down by gender

	2021		2022	
	Male	Female	Male	Female
Frequency rate	3.00	0.0	1.95	0.00
Severity rate	0.12	0.0	0.09	0.00
Occupational illness rate*	0.10	0.0	0.04	0.00

\* Occupational illness rate = (number of occupational illnesses/hours worked) x 10<sup>6</sup>

In general, figures are compiled using IT tools, varying from payroll software, intranet, health and safety management tools (Notific@, SegurT, PRPs, e-coordina, etc.), spreadsheets, monthly reports, follow-up meetings, etc.

## Employee accident rate

Geographic area	No. of work-related injuries			No. of workplace accidents with serious consequences <sup>(1)</sup>			Hours worked		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
	Spain	58	0	58	1	0	1	19,200,469	2,894,432
Europe	8	0	8	0	0	0	2,335,312	472,874	2,808,186
North America	2	0	2	0	0	0	1,520,278	136,515	1,656,793
Latin America	14	0	14	2	0	2	16,988,232	1,697,463	18,685,695
Africa	8	0	8	0	0	0	4,940,318	730,714	5,671,032
Asia	0	0	0	0	0	0	682,933	19,390	702,323
Oceania	0	0	0	0	0	0	453,644	69,580	523,224
Total international	32	0	32	2	0	2	26,920,717	3,126,536	30,047,253
Total	90	0	90	3	0	3	46,121,186	6,020,968	52,142,154

(1) Injury due to workplace accident leading to death or so severe that the employee cannot recover or fully recover their state of health as it was prior to the accident, or is not expected to fully recover their state of health as it was prior to the accident within a period of 6 months.

The most significant workplace hazards with serious consequences are determined based on the record of accidents at the company:

- Working at heights: risk of falling to another level from, in many cases, considerable height.
- Work involving electrical hazard: risk of electrical contact, arc flash, fire or spatter from incandescent material.

- Handling large loads: risk of objects falling or of becoming trapped by objects.
- Work in confined spaces: risk of suffocation or explosion.
- Traffic accidents: risk of crashes, being run over, fire.

### Accident rate at subcontractors

Geographic area	No. of injuries due to workplace accidents			Hours worked		
	Male	Female	Total	Male	Female	Total
Spain	50	0	50	12,223,641	0	12,223,641
Europe	1	0	1	125,385	0	125,385
North America	0	0	0	4,205	0	4,205
Latin America	2	0	2	5,327,394	0	5,327,394
Africa	7	0	7	3,587,178	0	3,587,178
Asia	0	0	0	1,435,823	0	1,435,823
Oceania	0	0	0	1,012,755	0	1,012,755
Total international	10	0	10	11,492,740	0	11,492,740
Total	60	0	60	23,716,381	0	23,716,381

In 2022, there have been no fatalities due to work-related accidents or occupational diseases or illnesses of subcontracted personnel.

### Occupational Health and Safety in the workplace with customers and subcontractors GRI 403-7

The Elecnor Group applies to subcontracted staff the same health and safety controls and measures as it applies to its own workers, conducting inspections, training, meetings, etc.

As part of the Safety Excellence Project, there is a specific line of action for subcontractors.

In Spain, there is a procedure for subcontractor assessment and a model for tracking their health and safety performance using the computer software Evalu@.

This procedure enables the actions of subcontractors to be analysed and the action plans to be established in the event that they fail to meet the health and safety standards established by the Elecnor Group.

With regard to customers and other stakeholders (for example, third parties present at the workplace, with or without a contractual relationship with the customer), business health and safety coordination initiatives are implemented to eliminate or reduce to a minimum the potential hazards due to interference.

For the public in general, demarcation, signalling and surveillance helps avoid injury to third parties.

## Health surveillance GRI 403-10

In general terms, the Elecnor Group employees do not perform activities with a high rate or risk of occupational illnesses. In those activities in which there might be a risk of developing an occupational illness (work at nuclear plants, involving asbestos, phytosanitary products, etc.) the necessary preventive measures are implemented and health monitoring performed, including checking physiological parameters that may help detect any problems in those tasks that may harm employees' health and safety. There were no significant cases in 2022.

When Elecnor employees are working in areas where there are endemic diseases (malaria, dengue, yellow fever, typhoid, AIDS, etc.), these are tackled through vaccines or preventive/prophylactic measures, backed by the relevant information campaigns. Accordingly, all expatriate/deployed workers are required to take a health course using the SOS International e-learning platform.

In 2022, awareness initiatives have focused on conducting campaigns to combat AIDS and sexually transmitted diseases in various countries, with actions and campaigns to foster healthy habits (avoiding cardio-respiratory disease and musculoskeletal disorders, nurturing a healthy and balanced diet, etc.), back training, and prevention of endemic diseases in the international market, etc.

Furthermore, campaigns were conducted to coincide with World Breast Cancer Day and World Prostate Cancer Day, and the physiotherapy programme to prevent musculoskeletal injuries has been upheld in various cities in Spain.

### Employee occupational illnesses

Geographic area	No. of occupational medical conditions			Hours worked		
	Men	Women	Total	Men	Women	Total
Spain	2	0	2	19,200,469	2,894,432	22,094,901
Europe	0	0	0	2,335,312	472,874	2,808,186
North America	0	0	0	1,520,278	136,515	1,656,793
Latin America	0	0	0	16,988,232	1,697,463	18,685,695
Asia	0	0	0	682,933	19,390	702,323
Africa	0	0	0	4,940,318	730,714	5,671,032
Oceania	0	0	0	453,644	69,580	523,224
Total international	0	0	0	26,920,717	3,126,536	30,047,253
<b>Total</b>	<b>2</b>	<b>—</b>	<b>2</b>	<b>46,121,186</b>	<b>6,020,968</b>	<b>52,142,154</b>

The most significant workplace hazards that present a risk of medical condition or illness are determined on the basis of their past record at the Group:

- Endemic diseases in certain countries where the company operates: malaria, dengue fever, etc.
- Asbestosis in places where there is asbestos.
- Musculoskeletal diseases at construction sites.

In 2022, there were 2 cases of occupational illnesses in Spain, both in men and of musculoskeletal origin, although these figures are partial as there are countries where they are not registered as such due to their legislation. There were no deaths due to occupational diseases in 2022.

Cases among local staff in countries with endemic diseases are not considered to be occupational illnesses.

### Safety Excellence Project (SEP)

The implementation of the SEP was completed in Angola, Argentina, Chile and Uruguay, and the roll-out continued in Italy, Brazil and Mexico throughout the year. In other countries, progress continues to be made in implementing several lines of action in order to continue unifying the Group's actions.

### The digital transformation of occupational health and safety

The digital transformation in health and safety enables the optimisation of processes, the most appropriate technology to be applied and efficiency to be gained.

In 2022, initiatives were launched and consolidated within the framework of the Group's Digital Transformation project. Some of the most notable of these are:

- The Principal Risk Permit (PRP) tool is fully implemented in Spain. This year, a total of 313,702 PRPs were conducted in this market.
- Development of various modules of the new CORE tool, which groups together the processes of the Integrated Management System: planning, goals, risks and action plans, improvement management, internal audits, monitoring of corrective measures, etc.
- Progress in the process of implementing the various health and safety IT tools (SegurT, Notific@, PRPs, e-coordina) in various countries (Australia, Brazil, Mexico, etc.), adapting them to current legislation and their specific characteristics. This process will be completed in successive years throughout the international market.
- An artificial intelligence and big data application project has been launched that will improve the monitoring and use of several of the applications (SegurT, Notific@ and PRP), harnessing the potential of the huge amount of data they contain and detecting any possible misuse of the tools in order to correct it.
- A virtual reality training project has been started, which will improve the training of our employees in the local operation of medium- and low-voltage networks.

## 15.6 Operational excellence GRI 3-3 GRI 2-23 GRI 2-24, GRI 416-1

As mentioned in previous sections, the Elecnor Group has an Integrated Management System that includes the aspects of environment, quality, health and safety, energy management, R&D&I management and information security. All of them comprise the Group's Integrated Management Policy and encompass the organisation's common goal of ongoing improvement.

In January 2022, the Board of Directors approved the update of the Integrated Management System Policy whereby the Elecnor Group consolidates its commitment to the principles that govern the operation of the entire organisation. In this way, they constitute the basis for defining and reviewing objectives that continuously improve the effectiveness of its management systems.

These principles, based on which specific commitments and lines of action are laid down for each area, are as follows:

- Strict compliance with applicable legislation and any other requirements binding upon Elecnor in all the markets in which it operates.
- Customer satisfaction.
- The prevention of any injuries to and deterioration in the health of the Group's workers, improving work conditions to provide them greater health and safety protection.
- Pollution prevention.
- Efficient energy use and consumption.
- The activities having a favourable impact on the social environment.
- Improvement in competitiveness through R&D&I.
- Effective and efficient protection by way of a preventive, detective, reactive and dynamic approach to the use of information.

In 2022, multisite certification audits were conducted according to ISO standards 9001:2015 and 14001:2015. This is a single certificate for all of the organisations in the Elecnor Group's infrastructures area that contains all of the scopes of the various activities and all of the work centres. This year, the scope of this certification was broadened to cover the operation and maintenance of solar thermal and photovoltaic plants. It has also obtained certification as a Maintenance Entity for the Railways activity.

Internationally, Elecnor Mexico's Quality and Environmental Management System has been brought into line with the Group's Integrated System.

A major milestone in the year was the successful completion of the certification audit of the Corporate Social Responsibility Management System under the IQNet SR10:2015 standard, with the following scope:

- Cross-cutting business support, which chiefly covers the rendering of legal, information systems, administrative, economic-financial, tax and human resources consultancy services.
- Execution of engineering, construction and service projects in the areas of electricity, gas, power generation plants, railways, telecommunications, space, water and environment, construction, installations and maintenance.
- The development, supervision of construction, maintenance and management of the operation of renewable energy and storage projects.

The information regarding the rest of the certifications of the Integrated Management System is explained in each of the corresponding sections of this report (We look after our people, Committed to the environment and Technology and innovation).

## Quality management GRI 416-1

The Elecnor Group's quality strategy consists mainly of strengthening customer satisfaction, consolidating the continuous improvement in the organisation's processes through risk management and opportunities and implementing opportunities for improvement and lessons learned, and involving the workforce in all this process.

In 2022, various activities and initiatives were undertaken to strengthen both customer satisfaction management and the ongoing improvement process. Highlights include:

- Deploying Management Systems:
  - Aligning the Management System at Elecnor Mexico and broadening the scope of the multi-site certificate to include solar thermal and photovoltaic plants.
  - Obtaining new certifications. The certificate of Entity in Charge of Maintenance was obtained at the Railway Delegation of the Energy Unit, the scope of the Information Management System was broadened to Elecnor Security and the Certification of the Corporate Social Responsibility Management System was obtained.
  - Preparing the necessary documentation for the certification of the Risk Management System.
- Optimising processes through the CORE tool, which encompasses the digitalisation of Integrated Management System processes. At present, the modules for audits, improvement management, objectives and targets, risks and action plans, and planner are available.
- Measures to expand the sample of customers in the satisfaction survey and to manage surveys with low ratings.
- Integration of the offer review process in the CRM.
- Boosting the documentation of lessons learned and opportunities for improvement, identifying, documenting and providing 302 opportunities for improvement and 62 lessons learned.
- Launch of the third edition of the Quality League campaign, which aims to raise awareness of the importance of quality and its processes. It was attended by 55 countries, 2,558 Elecnor professionals and 30 winners in Spain, the United States and Brazil.

68% of turnover is certified in accordance with international ISO 9001 standards.

## Customers, at the heart of the business GRI 2-25

Customer satisfaction is a priority goal for the Elecnor Group. For this reason, different activities and initiatives are undertaken to strengthen its management.

The Group measures customer satisfaction through digital surveys, enabling it to gauge the degree of satisfaction with the services offered, as well as to identify strengths and areas for improvement.

This year, 1,952 customer satisfaction surveys were sent, with a response rate of 62% (1,217 responses). The results show that Elecnor's average score among its customers has improved compared to 2021, rising from 8.56 to 8.62.

Satisfaction survey	2021	2022
Number of surveys	1,169	1,217
Average score	8.56	8.62

The most highly rated aspects in both 2021 and 2022 included attention and communication, training and technical capacity, and compliance with safety requirements.

As proof of the Elecnor Group's commitment to customer satisfaction, a methodology has been set up for surveys that obtain a score under 7.5 in order to find out the causes of this score and to analyse how to improve it. This is implemented by means of improvement Director's reports defining the necessary corrective actions to remedy the cause of the score obtained. Following the implementation of these actions, the customer survey is conducted again to assess the customer's compliance with the action plans.

As for customer claims or complaints, they are managed in accordance with the "Internal and External Communication" and "Improvement Management" procedures that outline the system to be applied for their management, analysis of causes and definition of efficient remedial actions.

Furthermore, the Elecnor Group acts with due diligence when addressing complaints through the following actions:

- Designating persons responsible for assessing customer complaints and coordinating their resolution on the basis of improvement management reports.
- Annual recording and monitoring of the number of complaints received.
- Measuring the degree of resolution of closed/pending complaints and the time invested in this.
- Outlining action plans and/or improvement actions when considered necessary.
- Assessing customer satisfaction once the improvement action has been implemented following the complaint.

In 2022, 194 customer complaints were filed, which is 24% down on the previous year, most of which were linked to technical management, materials and equipment, and workforce. All complaints were fielded within a defined period and 66% of them are closed with a satisfactory result.

### Supply chain [GRI 2-6](#), [GRI 407-1](#), [GRI 408-1](#), [GRI 409-1](#)

The Elecnor Group guarantees the most stringent levels of quality to its customers by fostering responsible management of the supply chain. This is the reason why the company affords priority to those suppliers of materials and services that can have a significant impact on the final quality provided by the Group to its customers.

Whenever possible, priority is afforded to contracting local suppliers to boost the area's economy. The "Social Impact" chapter of this Report provides details of the Group's procurements from local suppliers.

The core risks affecting the supply chain are analysed from two distinct angles. On the one hand, they are analysed at a high level by Management and, on the other, the analysis is conducted at an operational level after identifying those responsible for the different processes.

In this field, in 2022, the main risk identified in both high-level and operational risks was the late delivery of supplies, both equipment and materials. In order to curb these risks and have a more resilient network of suppliers and contractors, the Elecnor Group has developed an action plan based on fostering digital transformation in the procurement process.

Therefore, this year saw the culmination of the implementation the *Fullstep* procurement platform nationally. This platform enables all parties involved in the procurement process to view the status of their processes in real time. Some relevant figures are set out below:

- Upwards of 16,200 suppliers have registered with *Fullstep*, accepting both the General Terms and Conditions of Procurement, in which ethical, labour, social and environmental criteria, among others, are established, as well as the Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators, and the Information Security Policy.
- More than 3,100 internal procurement users.
- More than 55 training sessions have been given to more than 400 internal users.
- More than 490,000 procurement orders have been placed for approximately Euros 725 million.

The Materials/Services Supplier Management procedure forms the basis for managing the supply chain.

The Elecnor Group deems major suppliers to be all the materials and services that, as a result of their effect on the safety of the installation and/or continuity of service, seriously affect the final quality of the installations it carried out.

Approval as a major supplier is granted after its documentation is analysed using the criteria of quality, environment, energy management, occupational health and safety, *compliance*, R&D&I, information security and sustainability.

Currently, the Elecnor Group has a total of 7,844 approved suppliers: 6,927 in Spain and 917 internationally across 16 countries. In 2022, 2,287 suppliers have been approved, of which 730 (32%) have been proven to be aligned with environmental requirements and 114 (5%) with the sustainability requirements required by the Group.

It is also worth noting that by including Scope 3 of the carbon footprint in the company, environmental performance data has been requested from certain suppliers and subcontractors, with 207 responses obtained.

The re-assessment of suppliers remains ongoing using 3 tools: surveys to assess procurement, supplier complaints and audits of relevant suppliers.

The Elecnor Group has selected its relevant suppliers, which represent 55% of its procurement volume, and audits them applying quality, environmental, compliance and sustainability criteria. The goal of the audits is not only to pinpoint potential risks, but also to enhance those areas with opportunities for improvement in order to align them with the Group's policies, which is why relevant suppliers are audited every 3 years, keeping the information on their performance up to date.

In 2022, 7 audits were conducted on critical suppliers, the result of which directly affects their approval as a major supplier. This is why the relationship with critical suppliers is ongoing. The Elecnor Group will continue making progress in auditing and assessing suppliers with ESG criteria, by incorporating specific indicators that guarantee compliance with human rights in its supply chain.



Additionally, if deemed necessary, corrective actions are requested from the supplier to resolve non-conformities. These corrective actions contribute to the supplier's internal improvement and reduce risks in the Group's supply chain. Working with suppliers who comply with standards increases performance and generates shared value.

Such is the case that it is worth noting that, in 2022, the Elecnor Group has not suspended its commercial relationship with any of its suppliers due to irregularities detected in both the procurement of materials and the management of services supplied.

Lastly, and resulting from the relationships established, 4 suppliers have taken part in the external audit of the Group's Corporate Social Responsibility System in 2022. The audit interviews enabled the suppliers to express their opinion of the Elecnor Group, highlighting the following:

- The Elecnor Group has high standards in quality, environmental and safety policies.
- They declare that they are familiar with the Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators.
- The suppliers interviewed from Elecnor do Brasil revealed the protection of the communities of the projects implemented and that there is a model of shared trust with the suppliers. They also see Elecnor as a generator of economic activity.

For the purpose of maintaining optimal relations and processes with suppliers, the Group has several communication channels:

- > *Fullstep* (procurement platform)
  - [sopORTEproveedores@elecnor.es](mailto:sopORTEproveedores@elecnor.es)
  - Purchasing Process Manual and Supplier Quality Manual
- > E-coordina (platform for the coordination of business activities)
  - [sopORTE@e-coordina.com](mailto:sopORTE@e-coordina.com)
  - Library for suppliers
- > Whistleblowing channel
  - [codigoetico@elecnor.com](mailto:codigoetico@elecnor.com)
  - Apartado de Correos nº 266-48080

## 15.7 Committed to the environment

### Climate action GRI 3-3

#### Climate change strategy GRI 201-2

The Elecnor Group seeks to actively and decisively contribute to building a sustainable and low-carbon future. Climate change is a strategic priority and challenge that is embodied in both the [2021-2022 Sustainability Strategy](#) and the [2020-2035 Climate Change Strategy](#), which establishes greenhouse gas emission reduction targets in line with the Science Based Targets (SBT) initiative.

The Climate Change Strategy, establishes the framework comprising all the Group's actions to reduce greenhouse gas emissions, adapt to climate change impacts and tap into the associated opportunities.

This Climate Strategy will contribute to providing more effective responses to climate change while at the same time ensuring lower costs. Similarly, it is set to be the basis for a profitable and growing business, making the Elecnor Group a strong, competitive and sustainable company. The Group's resilience to climate change will be defined by its ability to address the risks and take advantage of the opportunities arising from this phenomenon.



The Strategy is structured into four overall areas of action: Governance, Strategy, Risk Management, Metrics and Targets, included in three cross-cutting lines: People, Assets and Knowledge, seeking to align with best disclosure practices in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD's goal is to foster the quality of financial reporting on the potential impacts of climate change with a view to improving the ability of investors to assess climate-related risks and opportunities.

In June 2022, the SBT initiative ratified the emission reduction targets presented by the Elecnor Group in 2021, the year in which it joined the initiative. SBT is an initiative led by a partnership between CDP, United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), in order to help companies set ambitious science-based climate targets in order to cut greenhouse gas emissions and limit global warming to below 2°C, taking advantage of opportunities during the transition to a low-carbon economy.

Establishing 2020 as a baseline year, the Elecnor Group's target for 2035 for absolute Scope 1 and 2 emissions is to cut them by 38%. This target is in line with the Paris Agreement to limit the increase in global temperature to below 2°C. With respect to Scope 3, the Group has committed —setting the same base year and time scope— to cut its Scope 3 emissions from the purchase of goods and services and from fuel and energy-related activities by 18%.

This endeavour means we are working along four lines of action:

- Fuels:
  - Renewing the fleet for more efficient and less carbon-intensive vehicles.
  - Developing country projects for the switch to more sustainable fuels.
  
- Renewable energy:
  - Acquiring 100% renewable energy generated power for 2035.
  - Fostering self-consumption in installations.
  
- Value chain:
  - Setting up a collaboration programme with the main suppliers as regards carbon, focusing on obtaining primary information and subsequently accompanying them on their reduction path.
  
- Risk management:
  - Managing the short, medium and long-term risks and opportunities linked to climate change.

**Governance**

The Elecnor Group’s climate governance is a cross-cutting responsibility at all levels of the company.

The Group’s Appointments, Remuneration and Sustainability Committee, to which the Sustainability Committee reports, holds the ultimate responsibility for climate issues.

The Sustainability Committee meets at least once a quarter in order to monitor the Strategic Sustainability Plan, which includes climate change-related issues among its principal lines of action.



The section “Progressing in our commitment to sustainability” of this report provides a more detailed description of how the Elecnor Group’s sustainability governance is organised.

**Management of climate risks and opportunities**

In 2022, the Elecnor Group undertook a study of climate-related risks and opportunities pursuant to the recommendations of the TCFD (*Task Force on Climate-Related Financial Disclosures*), which will be reviewed annually.

This study contemplates, on the one hand, how climate change affects the Group’s physical assets (Enerfin wind farms); and, on the other hand, how it affects the construction of infrastructures in Spain, Australia, the United States, Brazil and Angola, given that these are the countries where most activity is being carried out.

The methodology utilises geographic information systems (GIS) for modelling climate scenarios, which besides considering the various climate trajectories of greenhouse gas emissions concentrations and their physical impacts on the climate, as analysed by the Intergovernmental Panel on Climate Change (IPCC), also takes into consideration trajectories that include socio-economic factors that could vary during the 21st century and affect climate change.

In line with TCFD recommendations, the SSP2-RCP4.5 scenario was selected, which takes into account a temperature increase of 1.7-3.2°C (RCP 4.5), as outlined in the latest IPCC report and includes countries' recent climate actions, policies and commitments (SSP2).

After selecting the climate scenario, the analysis and assessment of the 29 risks and 11 opportunities recommended in the TCFD was conducted in the locations where the most relevant fixed assets for the Group are located.

Each risk and opportunity was assessed based on the following variables based on documentary analysis and the different geographies:

- Time horizon of materialisation. The time horizons linked to climate change are much longer than those used when assessing financial risks and opportunities because the changes caused by climate change occur very gradually, and it can take years before a significant impact is generated. The study has looked at short (0-5 years), medium (6-15 years) and long-term (16-30 years) time horizons.
- Probability of occurrence. Possibility of a risk or opportunity materialising.
- Potential impact. The set of theoretical consequences that the Elecnor Group could face in the event that a risk or opportunity materialises.

The terminology and scale of values used for probability and impact are the same as those used to assess the Group's risks to facilitate their integration. At present, the Elecnor Group's High-Level Risk Map includes the aspect of climate change insofar as the Group's activity may be exposed to both physical and transitional climate events.

The analysis resulted in probability and impact matrices which were used to extract the most severe risks for the Group.

With regard to the Elecnor Group's physical assets, based on the results obtained in the matrices, the most severe risks and the most significant opportunities were analysed, assessing their financial impact and the existing measures for mitigating and responding to them. The following tables show the most relevant risks and opportunities of the study:

### High-severity risks

Type	Climate hazard	Time horizon	Risk management and mitigation
Transition	New legal requirements for management of waste from wind farms – Wind farms	Medium term (6-15 years)	Elecnor fosters working groups to detect opportunities for recovering waste. For example, together with other companies in the sector, it actively takes part in a task force focused on identifying opportunities for recovering wind turbine blades.
Transition	New legal requirements for environmental protection – Wind farms	Medium term (6-15 years)	Elecnor conducts ongoing monitoring of new legal requirements related to the conservation and protection of birds to ensure that, should new legal requirements be detected, the necessary actions can be identified and implemented immediately
Physical	Increase in ambient temperature of wind farms Brazil and Spain	Long term (16-30 years)	Elecnor works jointly with suppliers and manufacturers in the search for technological solutions to tackle the risk of increased environmental temperatures in order to incorporate machines that prevent overheating and operate in high temperature conditions.
Physical	Extreme weather events: cyclones, hurricanes, typhoons and tornadoes in Brazilian and Canadian wind farms	Long term (16-30 years)	<p>Elecnor applies risk mitigation measures associated with the increase in wind speed at its wind farms, notably the following:</p> <ul style="list-style-type: none"> <li>• Limiting rotor rotation speed.</li> <li>• Changing the angle of rotation of the blades to reduce the speed.</li> </ul> <p>It is also working with suppliers and manufacturers to find technological solutions to address this risk.</p>

### Notable opportunities

Type	Climate opportunity	Time horizon	Opportunity management
Products and services	Development and/or expansion of low-emission goods and services – Increased demand for renewable energies	Short term (0-5 years)	The rising demand from companies for renewable energy to combat climate change and develop a low-carbon economy (RE100 initiative, for example), means that the company's strategy includes boosting the renewable energy generation business to meet future demand.
Products and services	Increasing wind speed and frequency in certain geographies presents the potential to expand the technical feasibility of wind farm siting	Short term (0-5 years)	New systems and work methods will be introduced to identify the technical feasibility of siting wind farms in geographies where there is an opportunity for wind at optimum speeds.
Markets	Cost savings through legally required emissions neutralisation	Medium term (6-15 years)	Elecnor has a Climate Change Strategy for 2035 that covers all the actions and steps to meet the company's climate neutrality and emissions reduction targets.

Since the Elecnor Group is committed to diversifying and internationalising its businesses, the physical climate risks identified in the TCFD were also analysed in the countries in which the Group has a significant presence: Spain, Australia, the United States, Brazil and Angola; and in wind farm construction, photovoltaic farm construction and infrastructure activities.

Based on this analysis, we have determined that the Elecnor Group's exposure to the main risks associated with climate change is low, although there are major opportunities associated with the ambitious energy transition and decarbonisation plans at a global level.

### **Metrics and targets**

The Elecnor Group has included in this report key indicators to report on aspects relating to climate and the strategy to combat climate change, which are crucial for the ongoing monitoring of the Group's decarbonisation goals, as well as the resilience of the strategy in the face of the climate events analysed.

The following are the aspects related to calculating the Elecnor Group's carbon footprint, the emissions avoided as a result of the renewable energy generation activity and the results of implementing the Climate Change Strategy for 2021.

These metrics are complemented by other climate-related aspects such as energy and water consumption and waste management. These indicators are described in the "Environmental performance" section.

### **Monitoring, evaluation and review of the climate change strategy for 2021**

GRI 302-4

Below is a description of the main results obtained in 2021 according to the document "Monitoring of the Elecnor Group's Climate Change Strategy", finalised in July 2022.

Strategic line	Investment (€)	Shares	Emissions avoided tCO <sub>2</sub> e
Fuel	4,911,339	<ul style="list-style-type: none"> <li>a. Conference calls encouraged to avoid journeys.</li> <li>b. Acquisition of sustainable and efficient vehicles, machinery and tools.</li> <li>c. Optimising municipal waste collection routes and other services.</li> <li>d. Developing preventive maintenance of vehicles.</li> </ul>	204.28
Energy	333,602	<ul style="list-style-type: none"> <li>a. Acquiring efficient tools (computers, tablets, etc.)</li> <li>b. Installation of timers for electronic devices and automatic off switches. LED lighting to replace existing fixtures.</li> <li>c. Controlling air-conditioning.</li> </ul>	3,997.28
Other actions	59,936	<ul style="list-style-type: none"> <li>a. Developing a plan to cut down on the use of plastics.</li> <li>b. Developing a predictive study of changes in avian routes linked to the company's own</li> </ul>	3,794.01
<b>Total</b>	<b>5,304,877</b>		<b>7,995.57</b>

### Carbon footprint GRI 305-4, GRI 305-5

Each year, the Elecnor Group calculates its carbon footprint pursuant to international standards using a tool that enables each organisation in the Group to report the consumption data associated with Scopes 1, 2 and 3.

Climate change is a challenge in respect of which Elecnor has worked hard since 2013, by calculating its carbon footprint in accordance with internationally accepted standards and by implementing measures to reduce GHG emissions within its scope of action. In March 2022, for the seventh consecutive year Aenor verified greenhouse gas emissions in accordance with the UNE ISO 14064-1:2018 standard, linked to the direct and indirect emissions relating to all its activities. Similarly, Elecnor obtained the "Calculo y Reduzco" seal granted by Spain's Ministry for Ecological Transition's Office for Climate Change (OECC) as part of the National Register for Carbon Footprint, Offsetting and Absorption of CO<sub>2</sub> and Demographic Challenge.

Elecnor Group has taken part for the fourth consecutive year in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change, strengthening its commitment to sustainability. In 2022, it upheld the score of A- achieved in 2021, a score that positions the Group yet again at the highest level in terms of sustainability, adaptation and mitigation of the impact of climate change.

In 2022, the Elecnor Group's carbon footprint was 77,731 tCO<sub>2</sub>e for Scope 1 and Scope 2 (63,959 in 2021). Factoring in Scope 3 emissions (deriving from the value chain), the Group's total emissions amounted to 1,157,445 tCO<sub>2</sub>e (360,416 tCO<sub>2</sub>e in 2021).

#### **Emissions (t CO<sub>2</sub>e)** GRI 305-1, GRI 305-2, GRI 305-3

Scope	2021	2022	Changes (%)
Scope 1			
Stationary and mobile combustion*	61,721	76,084	23 %
Scope 2			
Consumption of electricity	2,238	1,647	-26 %
<b>Scope 1 &amp; 2 totals</b>	<b>63,959</b>	<b>77,731</b>	<b>22 %</b>
Scope 3**	296,457	1,079,714	264 %
<b>Total</b>	<b>360,416</b>	<b>1,157,445</b>	<b>221 %</b>

\*Fugitive emissions were counted, but not reported since they are only reported every three years due to their representing less than 1% of the total carbon footprint.

Scope 3 of the carbon footprint refers to processes associated with the Elecnor Group's value chain, but which take place in sources that do not belong to it and which it does not control. The categories are calculated according to the "GHG Protocol Corporate Value Chain (Scope 3) Standard". This protocol classes Scope 3 emissions into 15 subcategories. Those applicable and relevant to Elecnor are as follows:

- Supply chain (procurement of products and services).
- Capital goods (reported in conjunction with supply chain).
- Life cycle of fuels and energy consumed.
- Transport and distribution of goods.
- Management of waste generated.
- Business travel by air, train and car (private, rental and taxi), in addition to stays at hotels.
- Employee commuting to and from the workplace.
- Leases.
- End of life of products sold.
- Investments.

At 2022 year-end, for Scopes 1 and 2 the ratio of emissions generated per hour worked was 1.67 kgCO<sub>2</sub>e/hour, 5% down on 2021 (1.75 kgCO<sub>2</sub>e/hour). Nevertheless, taking 2014 as the basis for comparison, the ratio has clearly improved, having fallen by 30% (2.4 kgCO<sub>2</sub>e/hour in 2014 vs. 1.67 kgCO<sub>2</sub>e/hour in 2022).

Scope 3 emissions account for 93% of total emissions.



Scope 3* emissions	2021	2022	Changes (%)
Acquisition of goods and services and capital goods	252,090	971,335	285%
Energy-production-related activities (not included in Scope 1 or 2)	11,197	18,976	69%
Upstream transport and distribution	1,552	25,732	1,558%
Waste generated during the operation	3,321	942	-72%
Work trips	7,677	21,318	178%
Home-work-home commuting of employees	13,937	23,243	67%
Assets leased by the organisation	1,502	5,563	270%
Waste deriving from products sold by the organisation	77	104	35%
Investments**	5,104	12,481	145%
<b>Total</b>	<b>296,457</b>	<b>1,079,694</b>	<b>264%</b>

\* Scope 3 emissions come from a detailed study of all relevant categories and are verified.

\*\* The investments correspond to Celeo.

It is worth highlighting Elecnor's partnership with the Spanish Quality Agency (AEC) in the Climate Change task force, exchanging experiences and generating useful documentation for all the AEC's members and partners. The matters addressed relate to actions to combat climate change (carbon footprint, energy efficiency, decarbonisation, etc.) and related legal developments.

In 2022, the Elecnor Group took part in a document compiling case studies from various organisations in the task force, which provides details of measures geared towards the fight against climate change. Elecnor has contributed one of the actions of its 2020-2035 Climate Change Strategy as a success story: reducing fuel consumption by renewing the fleet with more efficient and less carbon-intensive vehicles.

### Mitigation through activities. Avoided emissions GRI 302-5

The Group's power generation activity using renewable sources avoids the emission of greenhouse gases. The company undertakes projects in the areas of wind, solar PV and solar thermal power, hydroelectric and biomass plants.

As part of its commitment to diversification, the Group's renewable subsidiary Enerfin, is implementing innovative projects that include, among others, the hybridisation of wind energy and photovoltaic energy and storage, or generation, storage and supply of green hydrogen. In an initial phase, these projects are centred in Spain in light of the new regulation (Royal Decree Law 23/2020) and the National Recovery and Resilience Plan.

This kind of project responds to the need to decarbonise the economy, enabling, on the one hand, greater penetration of renewables in the electricity system (hybridisation, storage); and, on the other hand, reaching sectors with high emissions such as heavy goods transport or cogeneration. Along these lines, the administrative processing of two hybridisation projects and an innovative green hydrogen production project began. In particular, through its subsidiary Renovables del Cierzo, S.L., it started to process the solar wind hybridisation projects of the Corral del Molino I and El Montecillo wind farms, with an installed solar power of 3.4 and 6.2 MWp respectively.

It is worth noting that Enerfin's renewable energy production amounted to 2,875,260 MWh in 2022, taking into consideration the projects operated in Spain, Brazil and Canada. The table below shows the greenhouse gas emissions that were avoided through renewable energy production.

Countries	Annual production (MWh)	Emissions avoided (tCO <sub>2</sub> e)
Spain	881,570	220,393
Brazil	1,674,150	167,080
Canada	319,540	42,174
<b>Total</b>	<b>2,875,260</b>	<b>429,620</b>

By means of its infrastructure and renewables investment business, the Group has holdings in 1,943 MW of renewable energy facilities in operation and construction in Spain, Brazil, Canada and Colombia (1,700 MW in 2021), broken down as follows:

Renewable energy (MW)	2021	2022
Wind energy	1,355	1,355
Solar thermal energy	150	150
Solar PV energy	195	438
<b>Total</b>	<b>1,700</b>	<b>1,943</b>

Below are some of the most significant renewables projects awarded in 2022:

#### Wind energy

##### Spain

Rivera de Navarra wind farm, 139 MW  
 San Bartolomé wind farm, 9.2 MW  
 Repowering of Arinaga wind farm, 6 MW  
 Botija wind farm, 0.8 MW

##### International

Goyder South I wind farm, 400 MW, Australia  
 Feijao wind farm, 500 MW, Brazil  
 Tranque Novo wind farm, 168 MW, Brazil

#### Solar PV energy

##### Domestic

Cluster Sigma solar PV farm (Arcos I, II, III, IV, V), 204 MW

## International

Casablanca solar PV farm, 239 MWp, Brazil  
 Piauí solar PV farm, 58 MW, Brazil  
 Portón del Sol solar PV farm, 129 MW, Colombia  
 Esperanza solar PV farm, 90 MW, in Dominican Republic  
 Caraculo solar PV farm, 25 MWp, Angola

## Environmental performance GRI 3-3, GRI2-23, GRI 2-24

The Elecnor Group's Corporate Services Area is responsible for managing the Integrated Management System, which encompasses the quality management, environmental management, occupational risk prevention, energy management, R&D&I and information security systems of all the company's organisations.

In order to monitor the areas of Quality and Environmental Management, there is a team of 140 people distributed between the Corporate Services Area and the various organisations of the Group, both in Spain and internationally, in order to ensure compliance with Elecnor's established Management Systems.

The principles of the Environmental Management of the Elecnor Group are set out in the Integrated Management System Policy, the scope of which was updated in 2022.

The Elecnor Group's activity is framed by its Environmental Management System and Energy Management, certified in accordance with ISO 14001:2015 and ISO 50001:2018 standards, respectively, as well as its Climate Change Strategy. The Environmental Management System defines a procedure to identify, assess and record the environmental aspects originating in its activities in order to determine which are significant and to be able to take measures on them to minimise possible impacts. Thereby, the most relevant aspects have been identified as waste generation, impact on the natural environment, use of natural and energy resources, and impact on flora and fauna.

In 2022, multisite certification audits were conducted according to ISO standards 9001:2015 and 14001:2015. This is a single certificate for all of the organisations in the Elecnor Group's infrastructures area that contains all of the scopes of the various activities and all of the work centres. This year, the scope of this certification was broadened to cover the operation and maintenance of solar thermal and photovoltaic plants. It has also obtained certification as a Maintenance Entity for the Railways activity. Internationally, Elecnor Mexico's Quality and Environmental Management System has been brought into line with the Group's Integrated Management System.

68% of turnover is certified in accordance with international ISO 14001 standard.

Elecnor has renewed its AENOR Environment CO<sub>2</sub> Verified Certificate as per the ISO 14064-1:2018 standard, as well as the AENOR Energy Management System certification (GE-2013/0033) as per the UNE-EN ISO 50001:2018 standard, thus consolidating the Group's commitment to sustainability.

In 2022, the Elecnor Group has allocated a total of Euros 11,254,000 million to managing environmental impacts, broken down as follows:

Activity	Investment
Actions to minimise environmental impacts (climate change strategy, waste management, others)	6,916,500
Environmental awareness-raising	12,000
People dedicated to environmental activity	4,200,000
Environmental certifications	20,000
Environmental consultancy and advice	105,500
<b>Total</b>	<b>11,254,000</b>

The Elecnor Group has two environmental liability policies in force, one until 30 September 2022 and the other for the term from 1 October to 31 December 2022. These policies extend to the Elecnor Group's activities in the countries where it conducts its business, with a general limit of Euros 20 million. These policies guarantee compensation required from the policyholder for environmental damage, pursuant to the terms established therein.

## Consumption management

### Energy consumption [GRI 302-1](#), [GRI 302-2](#), [GRI 302-3](#)

In 2022, energy consumption totals 1,145.92 TJ, 77% up on the previous year (647.47 TJ). Furthermore, the ratio of energy consumed per hour worked was 2.5 GJ/hour.

It is worth highlighting that 100% of the electricity consumed by the Elecnor Group's facilities in Spain since 2021 comes from renewable sources.

The various energy consumptions are presented below:

### Energy consumption (TJ)

	2021	2022
Natural gas	0.21	0.21
Diesel	48.41	75.38
Petrol	21.49	89.76
Gas oil	507.01	905.95
Biodiesel	0.13	0.03
Electricity	65	71.22
Non-renewable source	31.87	30.20
100% Renewable source	33.12	41.02
Other fuels	5.22	3.37
<b>Total</b>	<b>647.47</b>	<b>1,145.92</b>

Note. All the electricity consumed by the Elecnor Group's facilities in Spain in 2022 comes from 100% renewable sources.

### Energy efficiency initiatives [GRI 302-5](#)

Energy management is one of the Elecnor Group's areas of activity. It is certified as an Energy Services Company (ESC), empowering it to develop projects to boost energy efficiency in street lighting, buildings and facilities. At present, Elecnor manages 285,381 street lights in 100 Spanish municipalities, up 6.5% on the number of street lights managed compared to the previous year.

Meanwhile, internally, over the course of 2022, a number of energy-saving and energy efficiency actions were implemented, most notably:

- Fleet renewal, including new hybrid vehicles in the organisation.
- Installation for self-consumption of electricity for various road maintenance centres using photovoltaic solar panels.
- One-off modifications to the facilities at water treatment plants to reduce electricity consumption, installing more energy-efficient machines.
- Conference calls encouraged to avoid journeys.
- Courses in efficient driving practices to drivers of vans and heavy vehicles.
- Installation of timers for electronic devices and automatic off switches.
- Replacement of existing lighting with low-consumption LED lighting (offices, wind turbines in some wind farms, etc.).
- Implementation of a "PaperCut" user register for the offices' main printers, in order to keep better control of printing by each user and minimise the number of print-outs.
- Installation of solar panels on buildings (South Directorate).
- Reduction of electricity consumption for water heating (Angola).
- Purchase of green energy (Elecnor Chile).
- Courses on efficient driving (Elecnor Chile).
- The Elecnor Group's new offices have been designed according to sustainable criteria.

### Sustainable financing [GRI 201-2](#)

In 2022, the Elecnor Group has published a new multi-currency Promissory Note Programme in the Alternative Fixed Income Market (MARF) with a limit of Euros 400 million –one of the largest in the market–, to fund working capital needs and new projects, both in Spain and abroad, in the areas of engineering, infrastructure development and construction, renewable energies and new technologies.

This is the Group's first Programme linked to sustainability, including targets for reducing greenhouse gas emissions and accidents at work, which, if not met, imply a commitment to contribute to sustainable projects.

This transaction is part of the Elecnor Group's strategy to diversify and optimise the cost of its sources of funding. This new Programme will give the Group access to funding, both in Euro and US dollars, at terms of up to 24 months.

The reputation and strength of Elecnor Group's business model is renowned on this market, allowing it to issue under beneficial terms. Over the last eight years, Elecnor Group has completed 196 issues for a total of €6.5 billion, making it one of the main issuers of promissory notes in the Spanish market.

For this Promissory Note Programme, Elecnor counts on Banca March and Banco de Sabadell as placement entities. Banca March is the Registered Advisor. Cuatrecasas has taken over the legal advice, and G-Advisory is the consultancy firm that will issue the sustainability reports.

This Promissory Note Programme accompanies other sustainable financing operations signed by the Elecnor Group in 2021:

- Three long-term private placements totalling Euros 100 million:
  - 50 million at 10 years, in sustainable loan format, coordinated by Banca March.
  - 20 million at 10 years, which additionally fulfils the Green Loan Principles, as the funds are used for projects classified as green, executed by ICO and with Banco Sabadell as coordinator.
  - 30 million at 14 years, in the form of a sustainable bond issued in the MARF, with an Elecnor Group rating (investment grade; BBB-, issued by Axesor) and structured and placed by Banco Sabadell.
- The company signed a novation of the Syndicated Financing Agreement which, being in compliance with the requirements of the Sustainability Linked Loan Principles, was rated as sustainable.

### **Consumption of renewable energy**

The electricity consumed by the Elecnor Group's facilities in Spain in 2022 comes from 100% renewable sources.

Furthermore, the subsidiary Audeca has installed two solar energy generation facilities at road maintenance centres of the Ministry of Transport, Mobility and Urban Agenda. These installations located in Murcia and Toledo have an impact on Elecnor's Carbon Footprint.

Celeo in Brazil generates photovoltaic energy for its own consumption at its maintenance base in Uberlândia. Celeo in Chile also has photovoltaic panels at the Atacama maintenance base.

### **Water consumption** [GRI 303-1](#)

The types of Elecnor Group's water consumption as a result of its activities is as follows:

- Own consumption. Water used in the facilities and to conduct the Group's various activities.

- Water treatment for customer. Water captured from waste water treatment facilities or water supply services, or discharged water from treatment plants operated by Elecnor and processed to attain human consumption quality or a degree of treatment as established by law.

Although the activities conducted by Elecnor do not generate a major impact on the water resource and it regards the water footprint as a material issue of low criticality, it is aware of the importance of this limited resource and that some of its activities are conducted in areas with a high risk of water stress, which is why it drives initiatives to reduce and optimise the consumption of this resource. For example, Elecnor Chile decided to use seawater at the Llanos del Viento wind farm, which is located in one of the world's most arid places, due to its proximity and properties, generating a collection point for raw material that is crucial to the production process.

Similarly, the environmental administration establishes preventive measures to curb possible effects on river ecosystem species and other bodies of water, as well as to fulfil the environmental flow regime and the technical requirements laid down by the administration itself. The processes that ensure compliance with water collection and discharge requirements are part of the environmental management systems that the company implements, verifies and certifies pursuant to the international standard ISO 14001.

Through the Environmental Management System, the Group identifies its own water consumption as a non-material environmental aspect. Even so, the possible impacts related to water consumption in the activities conducted are assessed and monitored at the permanent facilities and in the works executed, and good practices are introduced to foster the minimisation of water consumption.

This monitoring is conducted through:

- Monitoring of consumption
- Identification and compliance with legal requirements
- Standard environmental management procedures
- Location of areas at high risk of water stress (WRI)

Elecnor has emergency plans and protocols in place, in addition to duly trained personnel, in order to ensure that in the event of a spill or dumping in a body of water, correct and rapid action is taken, minimising any adverse effect on the environment, indicating how to collaborate and the means of communication to be used with the stakeholders involved. At the same time, the minimum impact on water is guaranteed, ensuring strict compliance with legislation.

One of the strategic lines of the Elecnor Group's Climate Change Strategy is water, which covers measures to cut consumption, contributing to the rational use of resources and sustainable development, in addition to providing an economic benefit. Furthermore, in 2022, the Elecnor Group conducted various awareness-raising campaigns geared towards optimising water use and reducing consumption, such as those carried out by the Energy Unit in connection with World Water Day.

Additionally, as stated above, Elecnor ensures compliance with legislation in all areas where it conducts its business, the aspect of water consumption is integrated into the organisation's management system, and it has the proper means and duly trained personnel in the event of an emergency that could affect a body of water. Elecnor avoids collecting water in areas of high water stress where it operates.

GRI 303-5	2021	2022
Mains water consumption (MI)	102	96
Water consumption in areas of high water stress (MI)	43	68
Water consumption in areas without water stress (MI)	59	28

Note. Water-stress areas have been identified using the "WRI Aqueduct 2019" database, specifically areas of "high" or "extremely high" water stress.

The Elecnor Group ensures compliance with legislation, which guarantees that the discharges conducted are within the limits stated in the corresponding authorisations or permits. Thus, no anomalous circumstances have been detected that could significantly affect water resources and related habitats.

### Other consumption

The Elecnor Group uses the following raw materials: steel, cables, insulators, electrical panels, cells, pumps and pipelines. The company currently implements initiatives to recycle and re-use some of these, such as cables and steel.

### Waste management [GRI 306-1](#), [GRI 306-2](#), [GRI 306-3](#)

The Elecnor Group's Environmental Management System includes the protocol for managing waste generated in order to ensure adequate protection of people's health and the environment, as well as compliance with applicable legislation. The waste generated is treated in accordance with current legislation for authorised management, seeking the best available techniques for recycling, wherever possible. Moreover, in 2022 the company generated a total of 35,904,107 kilograms of waste (32,980,620 kilograms in 2021), 82% of which was recovered (re-use, recycling, soil treatment or other means), 9% more than the previous year.

The Elecnor Group also contributes to waste recovery by managing municipal recycling centres and recovering silt at the water treatment plants (WWTP and WTP) it manages.

Below are details of the amounts of waste generated in its operations:

Waste generation by type	2021	2022
Hazardous waste	397,436	338,667
Non-hazardous waste	37,614,204	35,565,440
<b>Total</b>	<b>38,011,640</b>	<b>35,904,107</b>

For waste generated in the European Union, waste is classified using the EWL Code (European Waste List), which is a system for classifying the different types of waste based on their origin and composition. It is established on the basis of a hierarchy of numerical categories, each of which corresponds to a specific type of waste and is associated with a precise description of its characteristics and composition.



GRI 306-4, GRI 306-5

	2022 (kg)	Hazardous waste	Non-hazardous waste
Waste not destined for disposal		181,369	29,352,884
Reuse / Preparation for reuse		54,006	11,855,993
Recycling		2,316	14,627,130
Other recovery operations		125,047	2,869,760
Waste destined for disposal		157,298	6,212,556
Incineration (with energy recovery)		8,415	11,761
Incineration (no energy recovery)		8,950	19,676
Transfer to landfill		71,188	5,897,587
Other elimination operations		68,745	283,532
% Destined for recovery		82%	
<b>Total</b>		<b>35,904,107</b>	

### Other initiatives

Certain major initiatives implemented to prevent waste generation (recycling, reuse, etc.) are described below.

Enerfín is committed to circular economy initiatives, which can be highlighted with the increasing repowering of old wind farms and the consequent dismantling of existing wind turbines. Along these lines, it is taking part in a business partnership project with AIN Circular Platform, whose aim is to develop a circular economy strategy to integrate it into management, and to provide a collaborative approach between the participating companies.

The goal is to develop and work on these strategies applicable to wind blades, considering aspects such as the composition of the materials, applicable legislation, the principal technologies and applications for the reuse and recycling of these blades in wind farms where Enerfín plans to repower them in the short term. Work has been conducted along the following lines:

- Support and participation in advanced circular economy strategies linked to the destination of deinstalled wind turbines, paying special attention to the blades. In that regard, it is partnering with companies involved in waste management.
- It has taken part in the *AIN Circular Platform* project driven by the Industrial Association of Navarra, the aim of which is to identify opportunities for transformation within the framework of the circular economy, analysing options for new approaches and developments within value chains.
- It has taken part in the launch of the *Renecycle* business project alongside 17 other companies, which will work on three possible lines of business linked to the circular economy in wind farms: dismantling and industrial reconditioning of the primary components of wind turbines, recovery of certain raw materials and recycling of materials composed of glass fibres and non-reusable resins.

The subsidiary Atersa has improved the efficiency of photovoltaic panels marketed. Here, efficiency means the amount of Watts used in a solar panel expressed in W/m<sup>2</sup>. This improvement entails fewer product units needed to achieve the same installation power, resulting in reduced waste generated. It also works with Ecolec, a non-profit organisation that fosters the proper management of electronic and electrical waste and care for the environment, to ensure the removal and recycling of solar panels at the end of their useful life.

Lastly, Audeca has recovered the office furniture after the move to the new building, through the SURUS initiative, by selling all types of materials and equipment. This exercise has been undertaken with elements that are no longer in use on the construction sites, with a view to finding a second life for them through other companies.

## Environmental awareness

The Elecnor Group involves its employees and all other stakeholders in environmental awareness programmes and campaigns. While some actions are undertaken at Group level, others are implemented locally.

Some of the most notable initiatives include:

- II Edition of Ayudando a ayudar (Helping to help). This initiative seeks to continue fostering a sustainable way of working. In this second edition, employees were invited to enter the exhibition of innovative ideas under the slogan: "Una sola tierra" (Only One Earth) and the ideas had to help combat the following environmental challenges: climate change, loss of biodiversity and waste generation.
- At Elecnor Chile, the IT Department, together with the Quality and Environment Department, donated disused electronic equipment to the Chilenter Foundation, which repairs and reconditions the equipment and then donates it to underserved schools.
- At the Chimuara-Nacala project in Mozambique, they are committed to innovation through the production of ecological wood coming from paper and cardboard waste, which is donated to families in local communities. The benefits of this initiative include cutting waste management costs, minimising and recovering waste and incorporating good environmental practices.
- Volunteering to clean beaches with the Fundación Oxígeno, the winning organisation in the 2021 Ayudando a ayudar initiative. Rubbish was collected from beaches along the Spanish coast through the La Mar de Limpio campaign.
- Awareness-raising campaigns, communications and training related to the care of water to reduce consumption on construction sites and the responsible use of this resource. Brazil, Argentina and Angola are among the countries that have participated on this initiative.

## Management of biodiversity and protection of the natural environment GRI 2-25, GRI 3-3, GRI 304-1, GRI 304-2, GRI 304-3

The Elecnor Group's human-induced impact on biodiversity refers to the potential effects on flora and fauna due to disturbances, loss of habitat and even loss of species. The Group identifies and assesses this impact from all its activities, either for legal compliance or at the own initiative of the organisation or its customers. As a result, it undertakes activities and measures that reduce the impact on biodiversity to a minimum or even generate a positive impact on biodiversity.

Some of the mitigation actions conducted in 2022 to minimise and limit the impact on biodiversity are described below:

### Related to fauna conservation

- Calatrava Solar PV Plant, Ibereléctrica Solar PV Plant, Ninobe Solar PV Plant (Spain). Infrastructure for the construction of a primrose grove, formation of piles and installation of owl nest boxes and platforms for owls.
- Portón del Sol solar PV farm (Colombia). Several actions are undertaken, such as:
  - Relocating all the fauna located in the project area through scaring, collection and relocation.
  - Relocating the ichthyofauna present in the project's ponds.
  - Postponing the felling of trees until the birds abandon their nests.
  - Relocating hymenopteran nests present in the trees to be felled in order to contribute to conserving pollinator species and relocating the *Tetragonisca angustula* species of bee.
- Goyder South Wind Farm (Australia). A Wombat Management Plan is under development due to their presence in the area of influence.
- Aerosur wind farm (Spain). Enerfín has set up conservation actions for the Egyptian vulture (*Neophron percnopterus*) and the Montagu's harrier (*Circus pygargus*). Monitoring is conducted for reproduction, marking specimens, supplementary feeding or the maintenance of unharvested cultivated plots to allow the species to nest. We have also carried out reintroduction and reinforcement sessions for endangered birds.
- Valle del Chira substation (Peru). The project is situated in the district of Miguel de Checa-Sullana, in a savannah-type forest where species with conservation status are found. Programmes for the repelling, rescue and relocation of fauna are being implemented.
- SIGMA solar PV plant. Arco 1-5 farms (Spain). Actions were undertaken to identify Montagu's harrier (*Circus pygargus*) nests in the Arco 4 and 5 projects, following the detection of their presence in the vicinity.
- Elecnor Deimos, along with the Tragsa Group, has implemented a new project to monitor the brown teal bird species. This initiative aims to conserve this species of waterfowl, which is endangered as a result of the poor state of the Guadalquivir marshes and wetlands in Alicante.
- The subsidiary Audeca has carried out a project in which it designed, built and validated a system of escape ramps for the fauna that falls into the Villalaco and Arriola irrigation canals. The construction of these ramps helps to prevent the specimens from becoming trapped and dying in the canal.

Lastly, during the pre-operational (construction) phase of its projects, the renewable energy subsidiary Enerfín conducts exhaustive environmental impact studies in agreement with the administration and lasting at least one year, for the purpose of characterising the bird species and populations existing in the area and their behaviour in the different seasons (identifying nesting and roosting areas, determining flight heights, etc.). The findings of these studies are crucial for the projects' viability.

Once the facility enters operation, Enerfín conducts birdlife monitoring plans, in addition to various checks for the conservation of ecosystems existing in the project area, reporting the data from this monitoring to these administrations in due course.

### Related to flora conservation

The Elecnor Group and Enerfín undertake several actions for the protection of flora in the projects they carry out. The most significant ones for 2022 are outlined below:

- Portón del Sol solar PV farm (Colombia). Various measures have been taken, such as drying out the ponds, and rescuing and relocating species of flora in the national closed category (orchids, bromeliads, bryophytes and lichens).

We have also rescued individual saplings, treated them in a nursery until they can be transplanted, and rescued epiphytic plants. Additionally, the trees of the *Pseudomalmea boyacana* species have been spared until they flower so that they can disperse the seeds, as this is a species with a scarce presence in the area.

- Esperanza solar PV plant (Dominican Republic). Some of the measures implemented have included: transplanting protected species of flora such as the cayuco (*Pilosocereus polygunus*), the maguey (*Agave antillarum*), the guayacán (*Guaicun officinale*) and the guatapanal (*Caesalpina coriaria*), planting day with customers, transplanting grass as a measure to control erosion on the slope within the project and production and acclimatisation of plants in a nursery within the project.
- Yaoundé Lake (Cameroon). A plan is being implemented to protect the tree species present on the site of the Yaoundé municipal lake tourism and economic development project. Furthermore, a floristic inventory was drawn up to ascertain the state and evolution of the trees present on the site.

### Connected with restoration projects

The Elecnor Group carries out and implements actions to restore habitats in the areas of influence of the projects. The most important ones are described below:

- La Pólvara substation (Chile). Sea fig (*Carpobrotus chilensis*) has been planted in the slope area of the project. This kind of plantation helps to stabilise the clay and sandy soils while adding organic matter through the dried leaves and branches. Its flowers also provide food and shelter for various insects.
- Calatrava I Solar PV Plant, Ninobe Solar PV Plant, Iberelétrica Solar PV Plant (Spain). Planting and revegetation measures have been carried out:
  - Isolated planting of *teselas*: planting in designated spaces in *teselas* or small land (surfaces) measuring 500-3,500 m<sup>2</sup> of "natural" appearance, with irregular, non-linear contours.
  - Vegetation screen: linear planting in selected sectors. Planting has been staggered with a planting frame of 2.5 m with an approximate density per space of 1,283 ft/ha.
  - Tree plantations: planting has been conducted by preparing the land beforehand by ploughing to a depth of 60 cm or subsoiling; the hollow space for each plant will be 40×40×40 cm, planting will be conducted, tree surrounds will be covered and watering will be carried out.

- The subsidiary Audeca has undertaken the restoration of the river Zapardiel in the province of Ávila up to the mouth of Tordesillas, in Valladolid. The project will enable the management of water resources of the Duero river basin through innovative, sustainable, participatory solutions that can be exported to the rest of the river basins. This project began in 2018 and will run until 2027.

Furthermore, the Elecnor Group includes projects located in or near protected areas of great value, the information on which is set out in Appendix I of this report.

Similarly, the Group and its subsidiaries also monitor species that appear on the International Union for Conservation of Nature (IUCN) Red List and on national conservation lists whose habitats are in areas affected by the organisation's operations, by level of risk of extinction. Appendix I of this report lists the projects that conduct this monitoring.

## European taxonomy of environmentally sustainable economic activities

The European taxonomy forms part of a series of actions that seek to redirect capital flows towards sustainable activities within the European Union's European Green Pact, which in turn identifies a set of policy initiatives geared towards compliance with the commitments made in the Paris Agreement and, more specifically, with the goals set out in the United Nations 2030 Agenda for Sustainable Development adopted in 2015.

Under the European Taxonomy Regulation (EU Regulation 2020/852) (hereafter, TR), the taxonomy is intended as a classification system for environmentally sustainable economic activities to assist in informing investors —under a single, official criterion— about which investments are sustainable, providing transparency and clarity in the market.

Pursuant to these regulations, the Elecnor Group discloses in this Non-Financial Information Statement (NFIS) information on the manner and extent to which the company's activities are associated with economic activities that are considered environmentally sustainable in relation to goals to mitigate and adapt to climate change. In particular, the Group publishes the proportion of its total turnover, CapEx and OpEx that is linked to environmentally sustainable economic activities.

In that regard, there are two levels of classification of economic activities in terms of their contribution to environmental objectives:

- On a first level, an economic activity will be regarded as an **eligible** economic activity pursuant to the taxonomy to the extent that it fits one of the descriptions of activities included in the delegated acts implementing this regulation<sup>1</sup> (1<sup>st</sup> Delegated Act, as extended by the 3<sup>rd</sup> Delegated Act), regardless of whether it fulfils any or all of the technical eligibility criteria laid down for it to be deemed environmentally sustainable. As a consequence, the fact that an economic activity is eligible under the taxonomy does not provide any indication of its actual environmental performance and sustainability.
- On a second level, an eligible economic activity will also be regarded as an **environmentally sustainable** activity when it meets the technical selection criteria identified for each activity in the appendices to the abovementioned delegated acts, i.e. when:

- it contributes substantially to one or more of the environmental objectives laid down in Article 9 of the TR,
- does not cause any material detriment to one or more of the environmental objectives laid down in Article 9 of the TR, and
- it is conducted in conformity with minimum social safeguards that ensure that the activity is performed in compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights laid down in the eight core conventions referred to in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Note 1. Appendix I of this Report identifies in greater detail the main implementing legislation of the European Taxonomy Regulation.

## Methodology for the identification of eligible activities

### Categorisation of activities into eligible and non-eligible activities

The Elecnor Group has found that the activities it conducts may contribute primarily to mitigating the effects of climate change rather than contributing to adapting to it and its consequences (without prejudice to the positive effects that they may also generate in this field). In such circumstances, the analysis of the eligibility of its activities (and, subsequently, of their environmental sustainability) under the taxonomy regulations has focused on the assessment of their contribution to the goal of **mitigating climate change**.

The Elecnor Group classifies its activities and sub-activities using an internal coding system.

These activities and their corresponding sub-activities have been analysed using the classification of economic activities included in the delegated acts of the Regulation corresponding to the goal to mitigate climate change, and which are based on the NACE (Statistical Classification of Economic Activities in the European Community) classification.

Following the exercise conducted, it has been concluded that the following Elecnor Group activities and subactivities are deemed eligible according to the taxonomy:

- Electricity. Subactivities: distribution and transmission networks, substations, transformer stations and live working
- Energy efficiency. Subactivity: street lighting.
- Power generation. Subactivities: wind farms, solar photovoltaic, power generation and self-consumption plants.
- Railways. Subactivities: catenary, traction substations, signalling and interlocking, and communications.
- Maintenance. Sub-activities: urban services.
- Facilities. Subactivities: electricity and instrumentation, air-conditioning, HVAC, PCI and plumbing and comprehensive installations.
- Construction. Subactivities: non-residential buildings.
- Water. Subactivities: water treatment plants.
- Environment. Subactivities: environmental works.

Appendix I of this Report contains an itemised list of the Elecnor Group's eligible and ineligible activities and sub-activities and their correspondence with the abovementioned NACE codes and environmentally sustainable activities according to the Taxonomy Regulation and implementing regulations.

### **Methodology for identifying environmentally sustainable activities: analysing compliance with technical selection criteria**

With the aim of analysing which activities or projects comply with the technical selection criteria laid down in the taxonomy regulation that enable them to be classified as environmentally sustainable, the Elecnor Group first identifies and reviews all the projects under execution registered in its works system and determines the scope of this analysis. The analysis on the fulfilment of the selection criteria is conducted at project level when, given its nature (type of activity and requirements of the taxonomy, geographical location and deployment and execution of the applicable management and control procedures, primarily) and magnitude, it is deemed necessary to accredit this fulfilment on an individualised basis. Conversely, in cases where the nature of the projects included in a given activity is homogeneous, the management procedures set up are applied across the board and the individual volume of each project is not significant; the analysis is performed at the activity level.

The technical selection criteria applicable to each of the eligible activities pursuant to the taxonomy are substantially different and, accordingly, there is a substantial variation in the assessment of compliance with them from one activity to another. As can be seen below, a highly significant part of the Elecnor Group's activity is identified with the construction or rendering of services associated with the operation of electricity transmission or distribution systems and with the construction or operation (in the latter case, through the Enerfin Subgroup's activity) of electricity generation facilities based on wind energy or photovoltaic solar technology. The most notable aspects included in this analysis process in relation to these activities are described below.

#### **Substantial contribution to the goal of mitigating climate change**

Set out below are the main aspects of assessing whether projects for the **construction or rendering of services related to operating electricity transmission or distribution systems** substantially contribute to the goal of mitigating climate change:

- Identifying whether the transmission and distribution infrastructure or equipment subject to the project is located within the interconnected European system;
- Identifying, if not, whether the infrastructure in question is connected or intended to create a connection or extend an existing connection to an energy production facility with a level of greenhouse gas emissions below the thresholds laid down in the taxonomy regulation (low-carbon generation) or whether the primary goal of the infrastructure is to increase the generation or use of renewable electricity generation; and
- As a last resort, where neither of the above two circumstances can be proven, analysing the characteristics of the electricity system in which the infrastructure is located and, specifically, whether the average emissions factor of the system network or whether more than 67% of the newly activated capacity in the system falls below certain emissions thresholds, in both cases considering a successive period of five years.



Generally speaking, the participation of renewable energy in the production and installed capacity of electricity generation in the main countries in which the Elecnor Group is present executing transmission and distribution system construction projects is very high. In all cases, major efforts have been made in recent years to increase the percentage of renewable energy in their installed generation capacity.

With regard to projects related to the **construction or operation of electricity generation facilities using renewable energy sources (wind and solar)**, their very nature proves their substantial contribution to this goal of mitigation.

#### No significant harm to other environmental goals

In line with the nature of the Elecnor Group's principal eligible activities, our analysis of compliance with these selection criteria has been particularly focused on the goals of adaptation to climate change, transition to a circular economy and protection and recovery of biodiversity and ecosystems. Although the requirements laid down in the taxonomy regulations to demonstrate that economic activities do not cause significant harm to any of the identified environmental goals also differ between eligible activities, in general, the activities of electricity transmission and distribution and the construction and operation of renewable generation facilities have important elements in common in terms of demonstrating compliance with these requirements.

The nature of the core activities conducted by the Elecnor Group sometimes limits its ability to significantly influence some of these environmental goals. This is especially true with respect to the goals of adapting to climate change and the transition to a circular economy, given that the Group —with the exception of the energy generation facilities, mainly wind power, which it operates through the Enerfín Subgroup— does not own or operate the infrastructures it builds throughout their entire lifecycle. As a rule, the design and technical specifications of the projects are determined by the customer and the Group has no ability to manage these assets after the completion of their construction and delivery.

In any case, and as regards the goal of **adapting to climate change**, the abovementioned technical specifications generally address the most adverse climatic conditions and set out the appropriate adaptation solutions. These are usually related to implementing the best technology in the installations and using highly durable materials that can withstand the most extreme conditions and, above all, to the location of the various supports of the transmission and distribution lines and of the photovoltaic and wind complexes themselves and of the foundations and towers of the wind turbine generators.

Furthermore, and as explained in the Climate Action section of this Report, the Elecnor Group has a Climate Change Strategy that lays down the goals in this area for the 2020-2035 period. This strategy constitutes the framework within which all of its initiatives to reduce greenhouse gas emissions, adapt to the impacts of climate change and take advantage of the associated opportunities are included. As a core part of the design and implementation of this strategy, the Group has identified the risks and opportunities related to climate change in its operations, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Specifically, the impact of climate change has been assessed both on the Elecnor Group's physical assets and on the infrastructure construction activity in the countries in which it currently has a greater presence or significant medium- and long-term business opportunities.



The Elecnor Group, as also outlined in the Environmental Performance section, conducts its operations pursuant to the procedures established in its Environmental Management System certified under ISO 14001:2015. In particular, as regards the goal of **transitioning towards a circular economy**, and as outlined in the “*Waste management*” section of the abovementioned section on environmental performance, the Elecnor Group fosters the circular economy by reducing and recovering the waste generated whenever possible and optimising the resources used at all worksites and work centres. In that regard, it has specific Waste Management procedures in place to ensure both adequate protection of human health and the environment and fulfilment of the applicable legislation, seeking the best available techniques for recycling. Similarly, the key characteristics of its operations and activities that may have a material impact on the environment are regularly monitored and measured through the Environmental Action Control Plans, and compliance with legal requirements is verified.

Furthermore, and as also outlined in detail in the abovementioned section of this Report on Waste Management, the Group is fully committed to and working intensively on a number of initiatives geared towards preventing the generation of waste and enhancing the circular economy, especially with respect to wind power generation facilities.

Lastly, as regards the goal of **protecting and recovering biodiversity and ecosystems**, and as detailed in the Biodiversity management and protection of the natural environment section of the abovementioned Environmental Performance section, the Elecnor Group identifies and assesses in all its operations the impact they may have on fauna and flora, taking the appropriate measures to reduce this impact or even to generate a positive impact on the environment. Most of the projects implemented by the Group have the mandatory Environmental Impact Assessment reports and the corresponding environmental impact statements, based on which environmental monitoring plans are prepared to ensure the application of the appropriate mitigation and compensation actions.

As a result of the assessment conducted regarding these selection criteria, the Group has concluded that, overall, its eligible activities do not cause material detriment to any of the environmental goals set out in the taxonomy regulations.

#### Minimum social safeguards

To assess whether the operations conducted by the Elecnor Group are performed pursuant to minimum social safeguards, the outcome of the Final Report on Minimum Safeguards issued by the European Sustainable Finance Platform in October 2022 has been considered primarily. Based on this report, the analysis has been conducted with respect to the Group’s management and performance in the following four areas:

- a. Combating bribery and corruption.
- b. Human rights.
- c. Taxation.
- d. Free competition.

To prevent and adequately manage the risks linked to these four areas and to ensure adequate performance in full compliance with the law and its principles and values, the Elecnor Group has a fully operational Compliance System that is structured and operates according to the best national and international practices. The Elecnor Group’s Compliance System is certified according to the UNE-ISO 37001 anti-bribery management system standard and the UNE 19601 criminal compliance management system standard. The Ethical management and regulatory compliance section of this report outlines the key components of this system and the manner in which the Group conducts its operations in these areas of management.

The Human Rights section of the Responsible Management chapter of this report makes explicit in particular the Elecnor Group’s commitment to support, uphold and protect human rights to the fullest extent and the mechanisms it has in place to ensure that all of its operations are conducted pursuant to these principles.

Lastly, the Tax Transparency section included in the abovementioned chapter on responsible management covers the key areas and elements of governance in tax matters that ensure compliance with legislation in this field.

Neither Elecnor, S.A. nor any of its subsidiaries have been convicted in a final judgment in 2022 for any offence relating to tax evasion or human rights. Similarly, neither Elecnor, S.A. nor any of its subsidiaries or its management team have been convicted by a final judgment in matters of corruption, bribery or infringement of laws related to free competition. [GRI 2-27](#)

### **Estimation of the indicators for eligible and environmentally sustainable activities: Turnover, capital expenditure (CapEx) and operating expenses (OpEx)**

Having catalogued the Elecnor Group's activities as eligible and ineligible and assessed compliance with the technical selection criteria for the projects and activities identified as eligible, the indicators (KPIs) required by the abovementioned regulations have been calculated using the following methodology.

In order to calculate them, and pursuant to the applicable regulations, the scope of the Elecnor Group's companies and organisations that comprise its consolidation scope for in order to prepare the consolidated annual accounts was considered. This includes all those consolidated using the full or proportionate consolidation method, and therefore does not include the figures relating to other organisations over which the Elecnor Group exercises joint control or significant influence, which are included in the annual accounts using the equity method. As a consequence, the figures relating to the Celeo subgroup have not been considered when calculating these indicators, even though its activities, which mainly comprise the development, third-party financing, construction and operation and management of electricity transmission lines and photovoltaic and solar thermal farms, have been classified as eligible.

#### **Proportion of turnover from products or services related to environmentally sustainable economic activities**

The works systems of the various subsidiaries and organisations comprising the Elecnor Group integrate all the information related to the economic figures of the works in progress (chiefly turnover, expected margin at the end of the works and allocated costs). The sales (production) recorded in these systems (using the percentage of completion or degree of progress method, as stipulated in the applicable accounting regulations) and which are included in the Group's accounting systems represent practically all of the organisation's turnover.

Each of the works registered in the system is associated with an activity code, which helps in the process of identifying and aggregating the production associated with environmentally sustainable activities.

Taking this into account, the Elecnor Group has calculated the turnover indicator for 2022 that derives from eligible and environmentally sustainable activities by dividing the aggregate turnover of the activities and projects deemed to meet the criteria for eligibility and alignment with environmental objectives (technical selection criteria), respectively, by the Elecnor Group's "Net turnover" figure shown in the consolidated annual accounts for 2022 prepared by the Board of Directors on 22 February 2023 – Euros 3,613,672 thousand. From this calculation, the following results have been obtained:

- a. Proportion of turnover corresponding to eligible activities: 69.71%.
- b. Proportion of turnover corresponding to environmentally sustainable activities or projects (based on turnover of eligible activities): 79.38%.
- c. Proportion of turnover corresponding to environmentally sustainable activities or projects (based on total consolidated turnover): 55.34%.

Appendix I of this Report contains in-depth information on the Elecnor Group's turnover related to environmentally sustainable activities.

#### Proportion of capital expenditure (CapEx) related to assets or processes associated with sustainable environmental economic activities

The nature of the Elecnor Group's main capital expenditure, without taking into account investments made through its subgroup Celeo (mainly electricity transmission lines and facilities generating photovoltaic and solar thermal energy) is as follows:

- a. Wind power generation facilities and rights of use over associated assets.
- b. Machinery, hand and machine tools, transport equipment and other assets necessary for the rendering of services and execution of works and projects, in addition to rights of use over assets of this nature (hereinafter, *assets for the execution of projects*).
- c. Other supporting property, plant and equipment not directly related to business activities, such as computer systems or furniture and fixtures.

These assets are not individually assigned to any of the activities established in the internal activity coding system or to the different works in progress, as they, and in particular the assets for the execution of projects, are used in a cross-cutting manner in various works and even in different activities. The cost of the use and utilisation of these assets, materialised through their systematic depreciation and amortisation and other costs directly related to them, is allocated to the various projects through the corresponding *equipment utilisation reports* and *vehicle utilisation reports* (cost allocation rates of equipment per day of use), which are completed monthly by the operators.

In such circumstances, the Elecnor Group deems the best approximation of the extent to which its investments in this type of asset are related to sustainable activities is the abovementioned allocation of the consumption of the assets (depreciation and other costs related to their use and utilisation) to the various projects and works. This means, with the due precautions, that the percentage of these costs associated with eligible activities is represented by the indicator relating to turnover estimated in the above section. Therefore, in order to avoid duplication when calculating the various indicators, as laid down in the regulations in force, investments in assets for the execution of projects have not been included as part of the numerator for the purposes of calculating this indicator, even though, as previously stated, a very significant part of them is consumed in projects related to eligible and environmentally sustainable activities.

Among the strategic objectives of the Elecnor Group in the field of climate change, the renewal of the fleet for more efficient vehicles and the development of projects by country for the switch to more sustainable fuels are prominent.

Furthermore, investments in wind power generating facilities and associated rights of use, which are incurred in their entirety by the Enerfín subgroup, have been categorised as related to sustainable activities.

Taking this into account, the Elecnor Group has calculated the indicator for capital expenditure (CapEx) for 2022 associated with eligible and environmentally sustainable activities. To do so, it takes the amount corresponding to the capital expenditure made in 2022 by the Enerfín Subgroup (investments in wind power generating facilities and associated rights of use) — calculated as the sum of the consolidated "Additions" for the year under "Intangible Assets – Other Intangible Assets", "Right-of-use assets" and "Property, Plant and Equipment" of the Enerfín Subgroup that form part of the consolidated Elecnor Group, which amounted to Euros 85,713 thousand— and divides it by the sum of the "Additions" for the year under "Intangible Assets – Other Intangible Assets", "Right-of-use assets" and "Property, Plant and Equipment" of the Elecnor Group included in the related explanatory notes to the consolidated annual accounts for 2022 prepared by the Board of Directors on 22 February 2023 – Euros 200,415 thousand. From this calculation, the following results have been obtained:

- a. Proportion of capital expenditure (CapEx) corresponding to eligible activities: 42.77%.
- b. Proportion of capital expenditure (CapEx) corresponding to environmentally sustainable activities or projects (based on the amount of eligible CapEx): 100.00%.
- c. Proportion of capital expenditure (CapEx) corresponding to environmentally sustainable activities or projects (based on the amount of total consolidated CapEx): 42.77%.

Appendix I of this Report contains in-depth information on the Elecnor Group's capital expenditure (CapEx) related to assets or processes associated with environmentally sustainable activities.

#### Proportion of operating expenses (OpEx) related to assets or processes associated with sustainable environmental economic activities

The regulations on taxonomy establish that in order to calculate this indicator, only the percentage of certain operating costs that are related to assets or processes associated with eligible activities should be considered as a percentage of the total operating costs. Specifically, and as a basis of calculation of the indicator, only the costs of research and development, building renovation, leases, maintenance and repair and other direct costs related to the day-to-day operation of fixed assets (exclusively property, plant and equipment) necessary for their ongoing and correct functioning must be taken into account. The Elecnor Group recognises these costs under "Research and development expenses", "Leases" and "Repair and maintenance", as identified in the related note to its annual accounts, under "Other operating expenses" in the income statement.

As stated in the above section, the subsidiaries and organisations included in the consolidation scope of the Elecnor Group do not generally own fixed assets other than assets required for the execution of projects, wind power generating facilities and other support assets not directly related to business activities.

As regards the assets necessary for the execution of projects, and as previously stated in relation to the depreciation thereof, the various related operating costs are allocated to the projects through the corresponding *equipment utilisation reports* and *vehicle utilisation reports*. For this reason, and once again, the Elecnor Group deems the best measure to establish how the operating expenses referred to in this section are associated with sustainable activities to be through this allocation, which is already represented by the indicator corresponding to turnover.

Furthermore, all of the operating expenses of this nature incurred by the Enerfín subgroup are directly related to the wind power generation facilities it owns. In that regard, and in relation to 2022, the expenses incurred by the Enerfín subgroup recorded under the headings "R&D&I expenses", "Leases" and "Repair and maintenance" amounted to a total of Euros 7,283 thousand.

The Elecnor Group's total operating expenses included under the headings stated in this section for 2022 amounted to Euros 181,207 thousand. Therefore, the percentage of the abovementioned expenses incurred by the Enerfín subgroup as a percentage of the total amounts to 4.02%.

Appendix I of this Report contains in-depth information on the Elecnor Group's operating expenses (OpEx) related to assets or processes associated with environmentally sustainable activities.

## 15.8 Technology and innovation

### The digital transformation in the Elecnor Group: processes, technology and people GRI 3-3

The strategic project on Digital Transformation addresses the design, digitalisation and deployment of an innovative management model seeking to improve processes, operational efficiency, cultural change and competitiveness.

Along these lines, the Elecnor Group has developed a transversal technological innovation process for management that is now in a mature phase. The main achievement consists of having brought the digital transformation within the company through an application implementation system, which is based on the collection of requirements with task forces (demand management), software development (in-house or with subcontractors or the purchase of licences) and evolutionary maintenance and measurement of application use (change management).



The now-consolidated Digitalisation Office is the driving force behind this innovation and is in charge of providing it with a structure, method and a governance model that is responsible for fulfilling the goals set and measuring progress using two complementary indices: the Digital Development Score and the Implementation Rate.

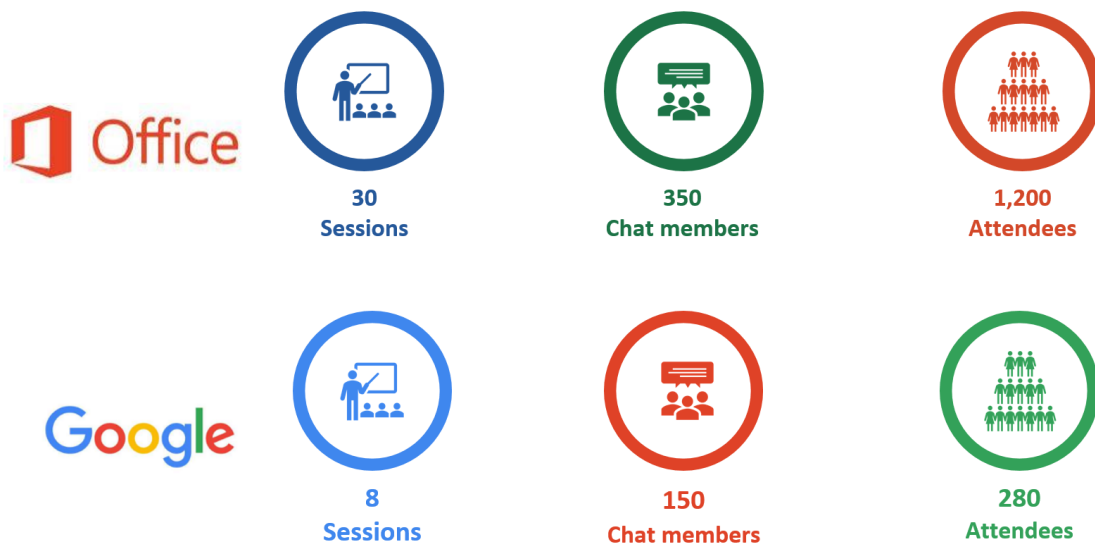
Through various initiatives, the Digitalisation Office coordinates the progress of innovation in processes, technologies and people. Each initiative involves the required number of people within the organisation to reach a decision on which process to implement and the most suitable IT medium.

The decisions adopted are assessed by the Digital Transformation Committee, which includes representation from all areas of the company and contributes a transversal business approach. This Committee met 11 times during the year.

**Achievements 2022**

- The initiatives implemented obtained a Digital Development Score (DDS) of 96.3% and an Implementation Rate (IR) of 96.03%.
- Progress in digitalising 27 cross-cutting and business processes, achieving 100% compliance with the Digital Development and Implementation Indexes.
- Digital Skills. DIGFLIX is the Elecnor Group’s new platform for digital skills in series, which seeks to train employees in the digital sphere through an innovative and dynamic format that imitates the “Netflix” platform. Two series are available on the platform: *Breaking Fears* (mini video shorts with a range of topics related to digital transformation for employees to watch and take part in a quiz at the end of the video) and *The Office* (with chapters with training on the main office tools and Google *WorkSpace*).
- Communication. Another of the Group’s goals is to broadcast news about significant progress through the Buenos Días Digital Transformation channel and the monthly newsletter. Videos of a manager or user who has taken part in a digital transformation initiative are also published, in which they share their experience. It is worth highlighting the dissemination campaign conducted on the DIGFLIX platform.
- Dissemination. Monthly informative sessions or internal case studies have been held on various applications developed in the Group, with the following results of interest:

Office and Google sessions



## Highlights of Digital Transformation training



## Information security

The Elecnor Group includes the information security aspect in its Integrated Management System, as well as in the Integrated Policy. Furthermore, the Information Security Management System is certified pursuant to the ISO 27001 standard. Through this system, security measures are conveyed in order to reduce the possibility of threats materialising and to ensure that the security incidents detected are resolved as soon as possible to prevent them from affecting the information processed or the services provided by the Elecnor Group.

Cybersecurity in the Elecnor Group is based on a *zero trust* policy. Cybersecurity is a relevant area for the company as a result of, on the one hand, the increase in attacks on companies in the most digitalised economies, and on the other, the greater need for connectivity in companies as a result of the pandemic, which has occasionally generated greater risk and vulnerability of systems.

In that regard, the Elecnor Group has undertaken the following projects:

- Awareness and training to the workforce, crucial to maintain a high degree of protection against external threats. Both workforce awareness campaigns and specialised training for specific users requiring more in-depth knowledge are conducted. A cyber awareness campaign was launched for 3,666 employees with a participation rate of 73%.
- Phishing simulation. A phishing campaign was carried out by sending it to 3,663 users. No vulnerability related to the software analysed was detected.
- Internal and external audits conducted.
- Active email protection.
- Safety policies. The following policies were drafted and updated in 2022: Information Security Vendor Policy, Security Event Management, Password Policy and Application Development Policy.
- Business continuity plan. This plan lays down the action guidelines to guarantee the continuity of all Elecnor's systems, processes and services developed at all its sites. To this end, a series of action plans are drawn up to resolve contingencies that may affect the availability of the business.
- Preparation of the Operations Guide. This is a document that describes the steps to be taken when performing a management task on Elecnor's systems that affect the organisation's security. All tasks must be submitted through the CAU (User Service Centre) portal.



## Innovation and new business opportunities

Innovation in the Elecnor Group contributes greater added value to the services it provides to its customers with the guarantee of sustainability, competitiveness and differentiation of the company. In 2022, the total figure of expenditure on all the Group's R&D&I projects amounted to Euros 12.5 million.

The Group's main strategic lines of RDI target the following areas of activity. Elecnor, S.A. and its subsidiary Audeca are currently certified in accordance with UNE 166002 standard.

The Group's main strategic lines of RDI target the following areas of activity:

<p style="text-align: center;"><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Railway</li> <li>• Electricity transmission/distribution</li> <li>• Gas transmission/distribution</li> <li>• Roads</li> <li>• Construction and building solutions</li> </ul>	<p style="text-align: center;"><b>Energy</b></p> <ul style="list-style-type: none"> <li>• Renewable/conventional generation</li> <li>• Substations</li> <li>• Energy storage systems</li> <li>• Hybrid fossil fuel + solar PV systems</li> <li>• Biomass</li> <li>• Construction solutions</li> <li>• Improvements in efficiency, O&amp;M and management of generation plants</li> </ul>	<p style="text-align: center;"><b>Facilities</b></p> <ul style="list-style-type: none"> <li>• Electrical installations</li> <li>• Energy services</li> <li>• Safety</li> <li>• Buildings and large facilities (ports, airports, industry, hospitals, etc.)</li> <li>• Construction solutions</li> <li>• <i>Smart Cities</i></li> </ul>
<p style="text-align: center;"><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Management and treatment of waste and waste-to-energy</li> <li>• Carbon capture systems (CCS)</li> <li>• Soil decontamination</li> <li>• Improvements in efficiency, O&amp;M and management of plants</li> </ul>	<p style="text-align: center;"><b>Water</b></p> <ul style="list-style-type: none"> <li>• Systems for desalinating sea water and brackish water</li> <li>• Waste water treatment systems</li> <li>• Drinking water purification systems</li> <li>• Water transport and distribution networks</li> <li>• Improvements in efficiency, O&amp;M and management of plants and water networks</li> </ul>	<p style="text-align: center;"><b>Singular projects</b></p> <p>Development of projects in which innovation provides a significant qualitative leap.</p>

The Elecnor Group works to encourage the necessary climate in which innovative ideas are generated by creating committees of experts by activity, holding creativity workshops or specific monographs. Some of the year's achievements are set out below:



## Achievements 2022

- Launch of INNOVA 2022 call for proposals for R&D&I project funding.
- Standardisation of KPIs in R&D&I for the Group and its organisations.
- Obtaining tax deductions for R&D&I.
- Implementation of the first proofs of concept of the SMS+ project to develop an emergency and first aid communications network
- Preparation of the EPC bid to build a hydrogen production plant in Alcázar de San Juan.
- Signing with the Government of Rio Grande do Sul in Brazil for collaboration in the development of a renewable hydrogen plant in the region.
- Creation of a Business Group promoted by Enerfín together with the Port Authority of A Coruña, the Coruña Tramway Company and AVIA Engineering for the presentation of the "A Coruña Green Port H2 Mobility" initiative to the IDAE (Institute for Energy Diversification and Saving Energy).
- Involvement of Elecnor Deimos in space transport projects within the framework of the EU's Horizon Europe research and development programme.
- Implementation of a Freecooling system in FTTH rooms at 150 sites in the northern half of Spain, using network analysers to measure energy savings, with remote connection to control and visualise the rooms.
- Approval by the Provincial Council of Bizkaia of two innovative projects in the HAZITEK call for proposals: Genio Project in the Railway Department (completion in 2022 and testing in early 2023) and QR Project for the activity of industrial plants.
- Conducting four workshops on collaborative/open innovation with start-ups in conjunction with Tecnalia, Spain's largest centre for applied research and technological development.

## Innovation projects

In the year, the Elecnor Group was involved in a huge number of innovation projects that, on various occasions, it performs in collaboration with various universities and technological centres and institutes, such as Railway Innovation Hub, University of Valladolid, Madrid's Polytechnic University, Carlos III University, University of León, CENES in France, UKSA in the United Kingdom, POLSA in Poland, CENER (National Renewable Energy Centre); the company Tekniker or aerospace agencies such as Spain's Institute of Aerospace Technology (INTA) and Tecnalia, among others.

## Highlighted projects

### **FREECOOLING. Developing a new energy efficiency system by free-cooling**

The goal of the project is to create a new specific solution adapted to meet the real energy needs of air-conditioning in technical rooms for the telecommunications sector based on free-cooling, which results in lower energy consumption of the air-conditioning system in the technical room. At present, air-conditioning systems in technical rooms consume a high amount of energy, so this is an opportunity to improve the energy efficiency of these systems.

### **QReAum. A New Industrial Plant Monitoring System with Augmented Reality, Geolocation and QR Code**

It consists of developing an evolved application, which is new at an international level and unprecedented, where the implementation of AR in SCADA (Supervisory Control And Data Acquisition) monitoring systems enables the monitoring and remote control of industrial processes. Reading QR codes and geolocation will permit total independence from suppliers and telematic manipulation by operators, avoiding the consequent occupational risks and improving safety.

### **Green Port H2 Mobility project**

Aligned with the goals laid down at national level in the Integrated National Energy and Climate Plan (PNIEC) as well as in the Hydrogen Roadmap, a project has been designed to foster and deploy the use of green hydrogen (H2V) for heavy mobility in Galicia: A Coruña Green Port H2 Mobility.

As the driving force behind the group formed by the Port Authority, Compañía de Tranvías de La Coruña and AVIA Ingeniería, Enerfín seeks to implement an initiative to provide a refuelling service to the port, urban and inter-urban environment for heavy goods vehicles and public and private bus fleets, thus fostering and deploying sustainable mobility in the region.

Furthermore, the project allows for the viability of a model with a high degree of replicability for similar future developments, by implementing a hydrogen plant that offers the supply of renewable hydrogen generated in an adjacent electrolysis plant powered by renewable generation installed on site.

The initiative integrates everything from the renewable generation that feeds the electrolysis plant to the end consumer of the hydrogen (Compañía de Tranvías de La Coruña), which in this case is used for mobility. Enerfín will invest in and build the electrolysis plant for hydrogen production, as well as the hydrogen plant to refuel the vehicles. Compañía de Tranvías is also involved in this project through the acquisition of a fuel cell bus from Caetano. Thus, the goal is to acquire sufficient experience to gain a detailed understanding of the technology, how it is adapted to the operation and the skills necessary to maintain the vehicle.

### **Acadiems Project**

This project, comprising a consortium of six companies led by Enerfín, seeks to develop an expert system based on artificial intelligence for intelligent energy management, which coordinates renewable generation resources, storage systems and demand flexibility in order to offer services in the daily and intraday electricity markets, as well as balancing services.

This all results in benefits for all the agents in the electricity system value chain, and enables consumers-prosumers to obtain economic returns from the rendering of flexibility services. Enerfín is working alongside CENER on developing the optimal strategy for commercialisation in the daily and intra-daily market for hybrid wind-photovoltaic plants featuring accumulation.

### **Environment Management**

This includes the development of a people counting system to detect and analyse the number of individuals inside the designated area or building in real time. This enables us to keep track of the number of people who are obstructing an aisle, causing queues and delays, and to make decisions to minimise them. Similarly, the counting system is intended to be extended to detect and analyse the number of vehicles in a similar situation.

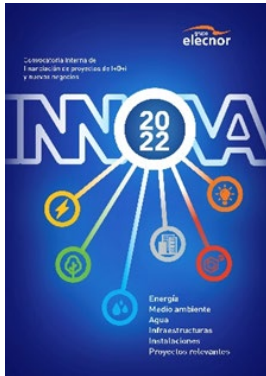
### **Analysis and Navigation Technology for Space Missions**

Design and development of a technology that captures terrestrial and space samples and information, enabling us to expand our knowledge of this unknown territory, the behaviour of asteroids, minor bodies, space debris, etc.

### **Air and maritime navigation**

Design and development of an innovative technology for real-time tracking and monitoring of air, sea and cargo vehicles using UAVs (unmanned aerial vehicles).

## Innova 2022 calls for proposals



The Elecnor Group, through its Innova programme for funding RDI projects proposed, aims to align RDI with the development of new business for the Group, to boost competitiveness, achieve early identification of RDI projects and enhance internal collaboration.

All Elecnor Group organisations based in Spain and foreign subsidiaries can apply for funding for RDI projects.

## Innova 2022 featured projects

### Sigidel 4.0

Under this project, Elecnor's Systems Department intends to develop a new version of Sigidel (a proprietary control system used by the Group's major customers since the 1990s) that more closely matches Industry 4.0 technologies and complies with cybersecurity standards.

The project proposes the following goals:

- Product continuity by means of a completely new proposal.
- Improving competitiveness compared to current products.
- Control system within the technological context of Industry 4.0.

A modular, scalable and global product will be generated based on this need, which will serve not only as an electrical control system, but also as a specialised control system for photovoltaics, green hydrogen, industry and electrical substations.

## Innovating through *startups*

Collaboration with *startups* enables the Elecnor Group to access greater knowledge, develop innovative solutions and create new business opportunities that may contribute added value to customers.

In that regard, the Group conducts initiatives with disruptive or exponential technology in partnership with innovative start-ups. Noteworthy is the **Bind 4.0 programme**, a public-private acceleration programme seeking to encourage the development of the best start-ups in the field of Industry 4.0 by fostering projects with leading industrial companies and a comprehensive support programme. In this context, the following projects are being carried out:

- Asimob. It comprises a proof of concept in the monitoring of traffic signs and road surface irregularities at a road maintenance centre on the Iberian Peninsula using artificial vision. In 2022, the project has made progress towards the goal of achieving a tool for the comprehensive monitoring of all road elements. Work is also being carried out on developing the lane line and safety barrier control module.
- Codecontract. Two proofs of concept on the traceability of IT developments and the traceability of the company's insurance applications using blockchain technology.
- Grabit. Proof of concept of PPE inventory control through artificial vision.
- Presentys. Using VR (virtual reality) technology for the acquisition of a standard transformer station simulator.
- Datatons. The goal is to apply an advanced data analytics and artificial intelligence tool for graphic evidence to the Elecnor Group's three occupational risk prevention tools: PRP, SegurT and Notific@.

Furthermore, Elecnor has joined the **B Accelerator Tower (BAT)** initiative, an entrepreneurship and innovation centre driven by the Provincial Council of Bizkaia and the Bilbao City Council and operated by the international alliance led by PwC with the backing of Talent Garden and Impact Hub, leading players in the field of business and innovation.

BAT is located in Torre Bizkaia (Bilbao), hosting an ecosystem of more than 220 entities including start-ups, corporations, venture capital firms, technology centres and universities. Around thirty companies, including the Elecnor Group, will be placed alongside the entrepreneurs.

In this context, the Group will provide knowledge, market access, access to relevant resources and assets, sector experience, advice, etc. as one of the benchmarks for the BAT start-ups. They will bring to the Elecnor Group access to new technologies, disruptive solutions, agility, access to talent, risk management through risk sharing, passion and the pursuit of breaking down barriers.

## Membership of RDI associations and platforms GRI 2-28

- Associate member of the Asturias Innovation Club (Innovasturias).
- Platinum member of the Efficient Energy Cluster of Catalonia.
- Member of the Interior Air Quality Cluster (IAQ), an association of businesses that cooperate and share synergies with the main goal of leading future decisions on how to improve interior air quality in buildings and infrastructure.
- Members of the R&D committees of Spain's Association of Technological Aeronautics, Space and Defence Companies (TEDAE), the European Association of Remote Sensing Companies, the European Association of Space Companies Eurospace and the Open Geospatial Consortium. Elecnor Deimos chairs the R&D committee of the space sector.
- Elecnor Deimos is a member of the Spanish Aerospace Platform, which comprises all the players in this sector, including companies, public and private research centres and universities, and submits the proposed strategic RDI agenda to administrations.
- Enerfín is a member and actively participates in various working groups in AEPIBAL, Batteries, Cells and Energy Storage Business Association; AeH2, Spanish Hydrogen Association; AIN, Navarre Industry Association; AEE, Spanish Wind Energy Association and REOLTEC, Innovation Platform within the Spanish Wind Energy Association.
- Galician Wind Energy Association (EGA).
- Association of Wind Energy Developers of Castilla y León (APECYL).

- Enercluster (Cluster Eólico de Navarra)
- Galician Hydrogen Association (AgH2), established this year for the development and promotion of hydrogen projects. Enerfín is one of the original members of the association and is involved in the Technology and Market task forces and in the preparation of the draft of the Action Measures of the Hydrogen Industry Sectorial Agenda.
- Enertic platform.

## Participation in forums, congresses and awards

### Forums and conferences

- IAQ Cluster-Technical Conference "Maintenance and quality of indoor air, an investment for the future: health, efficiency and safety". Elecnor shared its experience in building maintenance.
- Participation in Global Innovation Day, the Basque Country's biggest forum dedicated to innovation, where the major scientific, technological, social and cultural trends are discussed in order to show society the importance of innovation as a driver of economic development. This year, the event revolved around the importance of talent as the driving force behind innovation.
- II International Innovation Congress, organised by APD.
- South Summit Bilbao Congress.
- Closing of the sixth edition of BIND 4.0.
- Sponsor of the National Road Safety Conference in Málaga.
- Andalusian Road Congress.
- European Hydrogen Congress (EHEC 2022).
- IX Solar Forum organised by UNEF
- Madrid Tech Show
- Participation as speakers at the event "Hablando de Hidrógeno en Femenino" (Talking about Hydrogen for Women). The event brought together a group of women from the industry to debate on the importance of committing to green hydrogen as a driver of the ecological transition and to help build a sustainable economy with high added value.
- A public event co-organised by Enerfín to present a pilot test of a Caetano hydrogen bus in the framework of the "Green H2 Langosteira" project in the city of A Coruña.

## Awards

### 18th National ACEX Award for Safety in Conservation

The Baliza Láser Guía project of the subsidiary Audeca has won the 18th National ACEX Award for Safety in Conservation, in the associates category.

This is an innovative system designed to delimit the working area on the road at night. It comprises a luminous beacon consisting of a laser and a small LED directional panel, which projects a red line on the road surface, the purpose of which is to transmit to drivers the perception of a continuous barrier between cones that delimit the road work area and which cannot be crossed.

This award acknowledges initiatives that focus on occupational and road safety in the conservation and maintenance of infrastructures with a major social and/or business impact. The winning project addresses the need to improve signage on construction sites in low visibility conditions.

## 15.9 Responsible management

### Corporate Governance

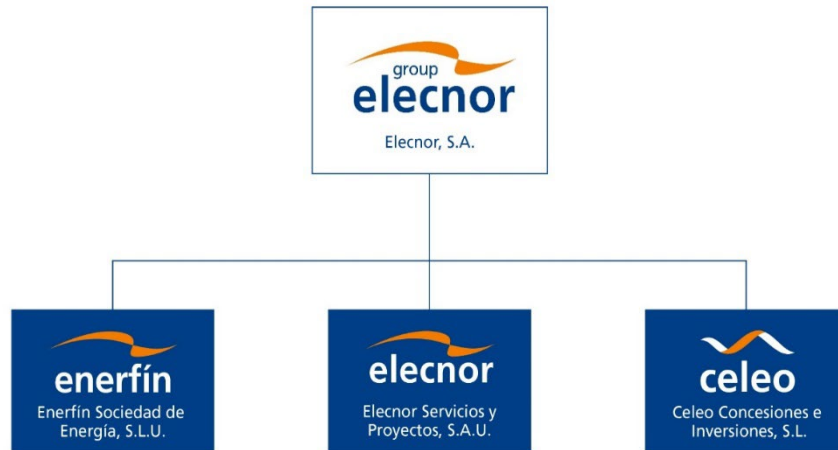
The Elecnor Group meets the requirements established in Spanish Companies Act and is guided by the recommendations in the Code of Good Governance of Listed Companies issued by the National Securities Market Commission<sup>7</sup>.

#### Corporate structure

Elecnor, S.A. is the Group's head listed company and the main business subsidiaries Elecnor Servicios y Proyectos, S.A.U. and Enerfín Sociedad de Energía, S.L.U., as well as the partner company Celeo Concesiones e Inversiones, S.L., report to it.

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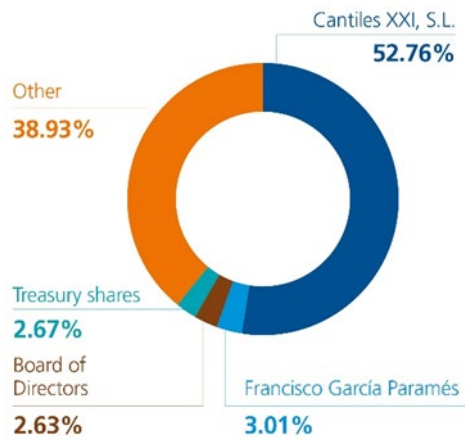
<sup>7</sup> This information is available under the Corporate Governance section and in the Annual Corporate Governance Report (ACGR) of the Shareholders and Investors section of the Elecnor Group corporate website.



This corporate structure of the Group is in line with the organisational reality in which the company has been working for years, and enables the risks, assets employed or profits of the activities conducted by each of them to be correctly individualised, thus adequately differentiating the added value of each of the Group's activities.

### Ownership structure

#### Shareholding



The company Cantiles XXI, S.L., comprising various family groups, holds a 52.76% interest in Elecnor, S.A., which gives it control of the company within the meaning of article 42 of the Code of Commerce.

The heading "Other" in the chart includes shareholders with a non-material shareholding (less than 3%).

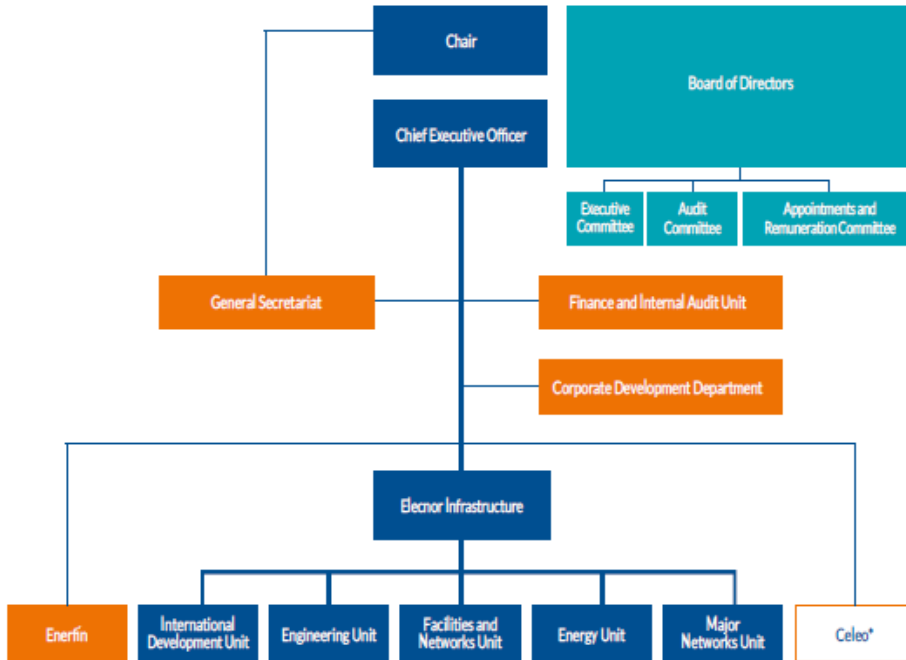
#### Governance structure

The governing bodies of the parent company (Elecnor, S.A.) are its General Shareholders' Meeting and the Board of Directors. The Executive Committee, Audit Committee and Appointments, Remuneration and Sustainability Committee report to the Board of Directors.

In 2022, the General Shareholders' Meeting was held, for the first time, in "hybrid" format, i.e. with both physical and online attendance of shareholders and their proxies, with 84.40% attendance.



**Organisational structure at 31 December 2022** GRI 2-9



\*Company co-managed by the Elecnor Group (51%) and APG (49%).

**Board of Directors** GRI 2-10, GRI 2-11



Director name	Position on the Board	Category	Date last appointed
Jaime Real de Asúa Arteché*	President (non-executive)	Proprietary	18/05/2022
Ignacio Prado Rey-Baltar*	Vice-Chair	Proprietary	18/05/2022
Rafael Martín de Bustamante Veda	Director and Chief Executive Officer	Executive	23/06/2021
Cristóbal González de Aguilar Alonso-Urquijo	Deputy-Secretary	Proprietary	22/05/2019
Miguel Cervera Erarle*	Member	Proprietary	18/05/2022
Isabel Dutilh Carvajal	Member	Independent	22/05/2019
Joaquín Gómez de Olea y Mendarn	Member	Proprietary	20/05/2020
Irene Hernández Álvarez*	Member	Independent	18/05/2022
Juan Landecho Sarabia*	Member	Proprietary	18/05/2022
Santiago León Domecq	Member	Proprietary	23/06/2021
Miguel Morenés Giles*	Member	Proprietary	18/05/2022
Francisca Ortega Hernández-Aqero**	Member	Independent	18/05/2022
Rafael Prado Aranguren*	Member	Proprietary	18/05/2022
Emilio Ybarra Aznar	Member	Independent	22/05/2019
Pedro Enrile Mora-Figueroa	Secretary non-director		24/06/2020

\* Reappointed for four more years

\*\* Appointed as a new independent director by the General Shareholders' Meeting

## Board of Directors' Committees GRI 2-12

### Executive Committee

The core functions of the Executive Committee are to prepare information on the issues to be addressed by the Board of Directors and the drafting of proposed resolutions; monitoring the implementation of the Elecnor Group's policies; and monitoring of the business of the company and its Group, which comprises confidential information due to its competitive sensitivity, which must be treated with the utmost safeguards on confidentiality. All of the foregoing is pursuant to the rules of operation of this Committee, as set forth in the deed of incorporation of the same.

In 2022, the composition of the Executive Committee changed to the current one:

Name	Position	Type
Jaime Real de Asúa Arteché*	President	Proprietary
Joaquín Gómez de Olea Mendaro**	Member	Proprietary
Cristóbal González de Aguilar Alonso-Urquijo	Member	Proprietary
Rafael Martín de Bustamante Vega	Member	Executive
Miguel Morenés Giles*	Member	Proprietary
Ignacio Prado Rey-Baltar*	Member	Proprietary
Pedro Enrile Mora-Figueroa***	Non-Director Secretary	--

\*Re-elected on 18/05/2022

\*\*Appointed 18/05/2022

\*\*\* Appointed 11/05/2022

Executive Committee	Number	% of total
Executive directors	1	16.7%
Proprietary directors	5	83.3%
<b>Committee meetings</b>	<b>22</b>	

The Executive Committee met 22 times in 2022, with all members attending all meetings, with the sole exception of the meeting held on 9 March 2022, which Fernando Azaola Arteché — who at that date was still Secretary of the Committee— was unable to attend for justified reasons.

Key Group matters were discussed at these meetings, such as the principal investment and divestment operations, the progress of the subsidiaries' businesses, the 2023-2025 Strategic Plan and actions regarding sustainability and climate change, among others.

Comprehensive information on the composition and actions of the Executive Committee in 2022 can be found in both the Executive Committee's Annual Report and the Annual Corporate Governance Report. Both documents are available in the Shareholders and Investors section of the Group's corporate website.

#### **Audit Committee** [GRI 2-16](#), [GRI 2-27](#)

The Audit Committee provides support to the Board in the supervision of financial and non-financial reporting, internal control and internal and external auditing, risk management and control, compliance with the company's corporate governance rules and internal codes of conduct, and it reports, among other matters, on related-party transactions.

In 2022, the composition of the Audit Committee changed to the current one:

Name	Position	Type
Irene Hernández Álvarez*	President	Independent
Miguel Morenés Giles*	Secretary	Proprietary
Isabel Dutilh Carvajal	Member	Independent
Ignacio Prado Rey-Baltar*	Member	Proprietary
Francisca Ortega Hernández-Agero**	Member	Independent

\*Re-elected on 18/05/2022

\*\*Appointed 18/05/2022

Audit Committee	Number	% of total
Independent directors	3	60%
Proprietary directors	2	40%
Female directors	3	60%
Committee meetings	11	

The Committee met 11 times in 2022, with an attendance rate of 100%. Additionally, when deemed appropriate, the Committee has requested that various persons from the company or its Group or external professionals attend meetings, depending on the matters to be discussed, in all cases at the invitation of the Chair of the Committee and to address those items on the agenda in relation to which they have been summoned.

The Audit Committee has put into practice each of the functions attributed to it by article 5 of its Internal Regulations in 2022, by means of the following main actions:

- The review of regular financial and non-financial information published in markets and the goals and forecasts at year end.
- The monitoring of the main risks with the potential impact on the income statement and other material matters relating to the annual accounts, the Risk Management System and the Internal Audit system.
- The relationship with the Group's external auditors, supervision of their independence and approval of fees.
- Supervision of the Compliance System and the activities of the Compliance Committee.
- Monitoring of the Group's Digital Transformation Project and the management of Information Systems Security.
- Information to the General Shareholders' Meeting.
- Supervision of compliance with the company's Corporate Governance rules and internal codes of conduct. Assessment of the Committee.

Comprehensive information on the composition and actions of the Audit Committee in 2022 can be found in both the Audit Committee's Annual Report and the Annual Corporate Governance Report. Both documents are available in the Shareholders and Investors section of the Group's corporate website.

### Appointments, Remuneration and Sustainability Committee

This Committee is in charge of assessing the competencies, knowledge and experience necessary in the Board. Additionally, it proposes and reviews the remuneration policy for Directors and Management, and reviews the corporate governance and sustainability of the company.

The Appointments, Remuneration and Sustainability Committee agreed in 2022 to re-elect two of its members (one of them being its Secretary), thus its composition has not changed during the year, and remains as follows:

Name	Position	Type
Emilio Ybarra Aznar	President	Independent
Jaime Real de Asúa Arteché*	Secretary	Proprietary
Miguel Cervera Earle*	Member	Proprietary
Isabel Dutilh Carvajal	Member	Independent

\*Re-elected on 18/05/2022

Appointments, Remuneration and Sustainability Committee	Number	% of total
Proprietary directors	2	50%
Independent directors	2	50%
Female directors	1	25%
Committee meetings	8	

The Committee met 8 times in 2022, with all members attending all meetings. Additionally, when deemed appropriate, the Committee has requested the presence of the Chief Executive Officer and other members of the management team, in all cases at the invitation of the Chair of the Committee and to address those items on the agenda in relation to which they have been summoned. Similarly, when deemed appropriate, external advisors or suppliers have participated in connection with certain particularly complex matters within the remit of the Appointments, Remuneration and Sustainability Committee.

The Appointments, Remuneration and Sustainability Committee has implemented each of the duties assigned to it in 2022 in relation to, inter alia:

- The composition of the Board of Directors and its Committees, having reviewed the category of each of the Directors, concluding that the current categories remain fully in line with their circumstances.
- The selection of Directors and members of the management team, by carrying out a prior analysis of needs of the Board of Directors including competencies, know-how and experience required, all of which was taken into account when compiling proposals and reports submitted to the Board concerning the appointment and re-election of Directors.
- Board positions, having updated the Succession Plan for the Chairman of the Board of Directors and the Chief Executive Officer, and also reviewed the Succession Plan for the management team.
- Remuneration of Directors and members of the management team, proposing the Directors' Remuneration Policy for 2022, 2023, 2024 and 2025, which was approved by a large majority at the Ordinary General Shareholders' Meeting held on 18 May 2022.
- The review of corporate governance and sustainability; accordingly, it has overseen the actions of the Sustainability Committee and has issued a report in connection with the functions of supervising compliance with the Corporate Policies within its remit and reviewing the Corporate Governance system.

Comprehensive information on the composition and actions of the Appointments, Remuneration and Sustainability Committee in 2022 can be found in both the Committee's Annual Report and the Annual Corporate Governance Report. Both documents are available in the Shareholders and Investors section of the Group's corporate website.

## Diversity of the Board of Directors and Director selection

The Elecnor Group's Policy for the Selection of Directors and for Board Diversity accessible on the Group's website, outlining all the measures adopted in relation to the selection of Directors, diversity policy in relation to gender, age, experience, etc., as well as the procedures for said selection so as to foster a diversity of experience, knowledge, competencies and gender and so as to ensure that, in general, they do not entail implicit biases that might imply any kind of discrimination.

This Policy was amended in December 2020 in order to adapt it to the reform of the Code of Good Governance approved in June 2020 by the CNMV, and is regularly reviewed by the Appointments, Remuneration and Sustainability Committee in order to make progress in improving this aspect.

The Policy is governed by the following guiding principles:

- Adequate composition of the Board of Directors, for which purpose the Director selection processes must be grounded on a prior analysis of the competencies required by the Board.
- Fostering diversity in the Board and its Committees, among other aspects, in relation to know-how, experience, age and gender.
- Non-discrimination and equal treatment, whether on the grounds of race, gender, age, disability or any other reason.
- Transparency in selecting candidates for Directors, with the Board of Directors being obliged to provide all significant information in this regard, duly documenting the selection processes and including the main conclusions in the reports and proposals by competent bodies that must be made available to shareholders at their General Meeting.
- Compliance with applicable regulations and the principles of good corporate governance.

The bodies in charge of ensuring the diversity of the Board of Directors and its Committees as well as of the processes of selection of members of the Board will be the Board of Directors and the Appointments, Remuneration and Sustainability Committee, without prejudice to the appointment powers of the General Meeting of Shareholders.

Similarly, the company has an Equality Plan, applicable not only to the Board of Directors but also to the management team and all Group personnel, which lays down specific actions to be conducted for persons holding positions of responsibility in each of the aforementioned fields of work.

This Equality Plan is one of the main tools used by the Appointments, Remuneration and Sustainability Committee to foster inclusion and diversity among the Group's employees, including its executives.

With regard to the recommendation of ensuring that the number of female directors represents at least 40% of members of the Board of Directors, the company intends to continue fostering an increased presence of female directors on the Board so as to fulfil the recommendation without affecting the normal functioning of the Board and the suitability of its members as a whole to discharge their duties.

Accordingly, on 18 May 2022, the General Shareholders' Meeting, at the proposal of the Board of Directors and the Appointments, Remuneration and Sustainability Committee, approved the appointment of Francisca Ortega Hernández-Agero as a new Independent Director of the company, thus making progress towards the Board's diversity goal, having increased the percentage of female directors by 8.1% with respect to the previous year. Also on the same date, Irene Hernández Álvarez was re-elected as Independent Director and as Chairperson of the Audit Committee for a further four years.

## Remuneration policy [GRI 2-19](#), [GRI 2-20](#)

With the aim of incorporating the new features of the Code of Good Governance approved by the CNMV in June 2020 and of Law 5/2021, of 12 April, amending the revised text of the Spanish Companies Act, with regard to the promotion of long-term shareholder involvement in listed companies, on 18 May 2022, the General Shareholders' Meeting of Elecnor, at the proposal of the Board of Directors and the company's Appointments, Remuneration and Sustainability Committee, approved the new Directors' Remuneration Policy for the remainder of 2022 from its approval and for 2023, 2024 and 2025, with 96.79% of the share capital present and represented voting in favour.

The current Policy, which continues the previous Remuneration Policy, seeks to ensure that the remuneration system for all Directors —for the performance of both non-executive and executive duties— falls within the framework of the new statutory remuneration system (art. 12 of the Bylaws) approved by the General Shareholders' Meeting held on 18 May 2022, and encourages the attraction, retention and development of the best talent, contributing to the business strategy and to the long-term interests and sustainability of the company.

In that regard, the Policy is governed by the following guiding principles:

- a. **Moderation:** remuneration should be reasonable, in keeping with trends and benchmarks in similar companies, and in reasonable proportion to the company's situation and the economic situation at any given time, taking into consideration, in the case of remuneration linked to the company's earnings, any qualifications that may be included in the external auditor's report and reduce those earnings.
- b. **Proportionality:** Directors' remuneration will be reasonably proportionate to the size of the company, its financial position at any given time and the performance of consolidated profits, as well as to market standards of comparable companies.
- c. **Suitability:** Directors' remuneration will be sufficient to attract and retain Directors with the desired profile and to reward the dedication, qualifications and responsibility demanded by the position, but not so high as to compromise the independence of judgement of non-executive Directors.
- d. **Profitability and sustainability:** the remuneration of the Chief Executive Officer will incentivise performance and professional performance and reward long-term value creation, ensuring alignment with the interests of the company and its shareholders.
- e. **Transparency:** the Policy will be designed, approved and implemented in a manner that ensures adequate transparency. Specifically, the company will make available to shareholders when the General Meeting is called, the reasoned proposal regarding this Policy and the specific Report of the Appointments, Remuneration and Sustainability Committee. Comprehensive information on the preparation, approval or, where applicable, amendment and implementation of the Policy will be included both in the notes to its annual accounts and in the company's Annual Report on Directors' Remuneration.
- f. **Protection of shareholders' interests:** the current Policy seeks to set up a system of Directors' remuneration that protects shareholders' interests in the short, medium and long term.

Total remuneration accrued both in the company and in Group companies, by the Board of Directors in 2022 amounted to Euros 4,809.8 thousand (Euros 4,789.6 thousand in 2021), including remuneration deriving from their executive functions (Chief Executive Officer) and their non-executive functions.

The table below shows a breakdown of this amount, in thousands of Euros, on an individual basis for each member of Elecnor, S.A.'s Board of Directors. This breakdown is also available in the Annual Report on Remuneration to the Directors of the Company for 2022, published by the CNMV and on the Group's corporate website.

## Remuneration accrued within the company

## Remuneration accrued within Group companies

Director name	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in 2022	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Group total in 2022	Company + Group total in 2022
Jaime Real de Asúa Arteche PROPRIETARY	487.3				487.3	20.0				20.0	507.3
Ignacio Prado Rey-Baltar PROPRIETARY	219.8				219.8	20.0				20.0	239.8
Rafael Martín de Bustamante Vega EXECUTIVE	1,728.90			5.5	1,734.4	20.0				20.0	1,754.4
Joaquín Gómez de Olea y Mendaro PROPRIETARY	191.5				191.5	20.0				20.0	211.5
Cristóbal González de Aguilar Alonso-Urquijo PROPRIETARY	201.9				201.9	20.0				20.0	221.9
Fernando Azaola Arteche EXTERNAL	82.9			2.6	85.5						85.5
Miguel Cervera Earle PROPRIETARY	189.4				189.4	20.0				20.0	209.4
Isabel Dutilh Carvajal INDEPENDENT	194.8				194.8						194.8
Irene Hernández Álvarez INDEPENDENT	184.4				184.4						184.4
Juan Landecho Sarabia PROPRIETARY	161.5				161.5	20.0				20.0	181.5
Santiago León Domecq PROPRIETARY	174				174	20.0				20.0	194
Miguel Morenés Giles PROPRIETARY	219.8				219.8	20.0				20.0	239.8
Gabriel Oraa y Moyúa PROPRIETARY	67.3			1.9	69.2	20.0				20.0	89.2
Francisca Ortega Hernández-Agero INDEPENDENT	119.3				119.3						119.3
Rafael Prado Aranguren PROPRIETARY	161.5				161.5	20.0				20.0	181.5
Emilio Ybarra Aznar INDEPENDENT	195.5				195.5						195.5
<b>Total</b>	<b>4,579.8</b>			<b>10.0</b>	<b>4,589.8</b>	<b>220.0</b>				<b>220.0</b>	<b>4,809.8</b>

Figures in thousands of Euros



## Board of Directors' Evaluation GRI 2-18

The Company's Board of Directors evaluates, by means of various questionnaires to be completed by all of its members, its own activity and that of its Committees, as well as the activity and actions of its Chair, Secretary and Chief Executive Officer, pinpointing the strengths and areas for improvement and applying the adequate remedial measures. The results of these evaluations are reviewed by the Board and the Committees (each with their own results) and, additionally, the Appointments, Remuneration and Sustainability Committee reviews the results of the evaluation of the Board and the Chair.

The abovementioned questionnaires include the assessment of areas such as preparation, dynamics and culture of the meetings, monitoring of the matters discussed (among others, strategic issues, ESG, etc.), composition of the Board and its Committees, training of its members, communication between governing bodies, the performance of the duties of the Chair, Secretary and Chief Executive Officer, etc.

Pursuant to the recommendation 36 of the Code of Good Governance, it is worth noting that for the 2021 assessment conducted in 2022, the external consultant Russell Reynolds has again been hired to review and update the assessment system, conducting individual interviews with each of the members of the Board of Directors as part of the assessment process.

## Progress on the principles of good governance

The endeavour and constant will of the Elecnor Group is to advance and improve in compliance with the recommendations of the Good Governance Code of Listed Companies. Thus, we report that the degree of compliance at 31 December 2022 with the recommendations of the abovementioned Code was 95%, one point higher than in 2021, after having partially complied with recommendation no. 37 through the appointment of the non-director Secretary of the Board as Secretary of the Executive Committee.

Similarly, the General Shareholders' Meeting of Elecnor, S.A. held in Madrid on 18 May 2022, in hybrid form, resolved to amend the directors' remuneration system to the new regulatory framework introduced by Law 5/2021, of 12 April, which amended the revised text of the Spanish Companies Act, with regard to the promotion of long-term shareholder involvement in listed companies. In that regard, the General Meeting approved the amendment of article 12 of the Bylaws regarding the remuneration of the Board of Directors as well as the new Directors' Remuneration Policy for the remainder of 2022 from its approval and for 2023, 2024 and 2025. Similarly, on 21 December 2022, the Board of Directors approved the amendment of art. 24 of its Regulations in coordination with the resolutions approved by the General Meeting.

Additionally, the General Shareholders' Meeting, at the proposal of the Board of Directors and the Appointments, Remuneration and Sustainability Committee, approved the appointment of Ms. Francisca Ortega Hernández-Agero as a new Independent Director of the company, thus making progress towards the Board's diversity goal, having increased with this appointment the percentage of female directors by 8.1% with respect to the previous year. Also, on the same date, Ms. Irene Hernández Álvarez was re-elected as Independent Director and as Chairperson of the Audit Committee for a further four years.

Lastly, since 2021, the Elecnor Group has had an Equity Story as a tool for transparency and market positioning, which provides a summary of its value project and future investment proposal. This document is periodically updated and is published both at the CNMV and on the corporate website.

## Risk management GRI 205-1, GRI 2-13

Elecnor Group is exposed to various risk factors linked to the sectors in which it operates and the long list of countries in which it is present, either consistently or by means of one-off projects.

The Group continually manages and prevents these risks, reducing to acceptable levels the probability of their materialising and mitigating their potential impact, where applicable, on business volume, profitability and efficiency, reputation and sustainability.

Ultimate responsibility for identifying the key risks and for implementing and monitoring the internal control and information systems lies with the Group's Board of Directors, which is assisted by the Audit Committee in this function of supervising and assessing the risk management and internal control systems.

Notwithstanding the foregoing, the day-to-day management and effective direction of the Elecnor Group's businesses and activities is undertaken by the Chief Executive Officer and the management team who, in the ordinary course of these responsibilities, and through the various business units and organisational structures, identify, assess, appraise and manage the various risks affecting the performance of the Group's activities.

The Elecnor Group's Risk Management System is therefore designed as an integrated, structured and dynamic system, the core elements of which are as follows:

- Identifying risks on an ongoing basis, and assessing and prioritising them in terms of impact and likelihood of occurrence.
- Assessing and implementing the most appropriate strategies for managing the major risks identified on the basis of their risk tolerance levels.
- Identifying and implementing the management and control mechanisms and tools of the main risks and conducting ongoing assessment on their efficacy.
- Continuous improvement of risk management by means of the development and implementation of initiatives and projects aimed at enhancing management mechanisms and tools.
- Permanent supervision and monitoring of the System.

To ensure that risks are properly identified and their management is integrated and coordinated at all levels and in all areas of the organisation, the Elecnor Group has a Corporate Risk Map, which is a structured list of risks in which each one is assessed according to its potential impact (measured by turnover, profitability and efficiency, reputation and sustainability) and its likelihood of occurrence, which determines the inherent risk associated with each event and the effectiveness of the control measures in place, resulting in a residual risk assessment. The result of this assessment exercise, which is reviewed annually, makes it possible to prioritise these risks accordingly and to focus the organisation's resources on supervising and improving the management of the most significant risks.

To ensure better identification and management of the risks identified, the Risk Map is structured into five broad categories:

- **Governance risks.** They primarily relate to risks associated with the organisation's governance structure and method (structure and composition of the governing body, risk management, social responsibility and sustainability strategy and management of stakeholders' expectations).
- **Strategic, planning and economic environment risks.** Those linked to the main strategic variables and decisions, with the manner in which the strategy is executed and with movements or changes in the economic environment that might have a material impact on the organisation's activities and compliance with its goals. These notably include risks related to the business model, management and attention to changing customer needs, growth, outsourcing strategy, business concentration, changes in the market, industry and competition, public health, laws and regulations, the political or social (geopolitical) situation, changes in exchange rates and interest rates, and climate change.
- **Operating risks.** This chapter covers risks related to the way in which the organisation conducts its activity and administers its resources in accordance with the established processes and procedures. These include, inter alia, risks relating to the management of projects, management and maintenance of assets, supply chain, commercial management, financing, credit, liquidity, financial and budget planning, legal aspects, human resources, information systems.
- **Reporting risks.** Risks relating to information at both internal and external level, including risks ranging from the capture and processing of information to the preparation of reports and distribution thereof to designated recipients, whether Director's reports or mandatory reports (annual accounts, reports and tax filings, etc.). The risks included in this chapter notably include those related to the process of preparing the financial and non-financial information to be disclosed to the markets.

- **Compliance risks.** These risks are relating to the mechanisms in place to ensure compliance with laws and regulations and with the organisation's policies and procedures, emphasising areas such as the promotion and consolidation of the culture of compliance, management of risks of this kind, communications or incident management. The key risks managed within the framework of the Compliance System include those relating to corruption, money laundering and the financing of terrorism, competition law, taxation, the environment and human, social and labour rights.

Within the framework of the ongoing review process of the risks to which the Group is exposed, this year the Group stepped up its assessment in terms of impact and probability of certain risks, such as those related to geopolitics, inflation and human resources management, among others.

Using the Corporate Risk Map as a basis and integrated as part of the Risk Management System, the Elecnor Group has designed and implemented various management and control systems that provide a more precise identification of the risks associated with certain specific areas of management and an appropriate deployment, monitoring and improvement of the measures established to adequately prevent, detect and mitigate them.

Similarly, and as part of its Integrated Management System, the Elecnor Group has devised a system, fully aligned with the methodology described for the development, updating and management of the Risk Map, which makes it possible to identify and manage the main risks related to certain processes by means of a periodic review and the establishment and monitoring of action plans. This system complements the initiatives and actions carried out based on the abovementioned corporate Risk Map.

The key areas of management that are covered by these specific management and control systems include project management, compliance, taxation, environmental and health and safety management, preparation of financial and non-financial information and information systems.

The management and control mechanisms and tools identified and implemented for appropriate risk management are integrated in the organisation's various processes so as to operate continuously in the daily course of business, without prejudice to other standalone initiatives and actions that may be determined for each individual case.

## Ethical management and regulatory compliance GRI 3-3, GRI 2-23, GRI 2-24

The Elecnor Group's responsible management and ethical, honest and transparent conduct with stakeholders is underpinned by a firm commitment, solid corporate values and the implementation of robust ethical management and regulatory compliance systems. At present, the Company has the necessary tools to ensure compliance with legislation in force and responsible management in its relations with shareholders, employees, customers, suppliers, competitors and social representatives.

**Our mission**

We generate change and well-being by deploying infrastructure, energy and services to territories all over the world in order to develop their potential.

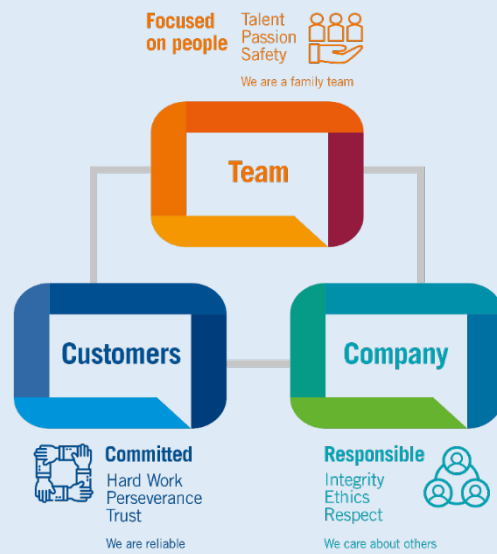
We place engineering and technology at the service of people.

**Vision**

A global enterprise whose purpose is developed through a people-centric business model and that believes in generating shared value and sustainability.

Efficiency, diversification and robustness are our levers for growth and expansion.

**Values**



From the outset, the Elecnor Group has remained unwaveringly committed to implementing the highest ethical standards in the course of its activities, a commitment that is the embodiment of its business culture and philosophy and the abovementioned solid values upon which its way of conducting business and relating to the environment rest.

The Elecnor Group’s Code of Ethics and Conduct is the cornerstone of its ethical and compliance culture and is designed to serve as a guide for the personal and professional behaviour of everyone belonging to the organisation, as well as the rest of persons and companies collaborating and having relations with the Group in the course of its activities.

This commitment to ethical behaviour and doing the right thing is not optional. No specific business circumstance may ever justify acting unlawfully or behaving in a manner that is contrary to its ethical values and standards. Everyone at the Elecnor Group must accept and foster the values and principles laid out in this Ethical Code. The Elecnor Group takes a zero tolerance approach to malpractice in connection with ethics and integrity.

**Compliance System** GRI 2-16, GRI 205-1, GRI 205-3, GRI 407-1, GRI 408-1, GRI 409-1

With a view to preventing and adequately managing the compliance-associated risks, the Elecnor Group has a fully operational Compliance System that is designed and operates according to the best national and international practices and is applicable to all the Group's subsidiaries and employees. The company also trusts that all its business partners will act to uphold its principles and values, which are mainly set out in the Code of Ethics and Conduct and in the Group's Compliance Policy, both of which can be found on the organisation's different websites, as well as on the corporate intranet "Buenos Días".

The Compliance System is certified according to the UNE-ISO 37001 anti-bribery management system standard and the UNE 19601 criminal compliance management system standard.

<p><b>Certification to UNE-ISO 37001 anti-bribery management system standard</b></p>  <p>This is the most updated and stringent international standard on anti-bribery management systems and the adoption of compliance protocols in general.</p>	<p><b>Certification to UNE 19601 criminal compliance management system standard</b></p>  <p>A national standard based on the requirements of UNE-ISO 37001. This standard establishes the requirements to implement, maintain and continuously improve the criminal compliance management system in order to prevent crimes being committed inside the organisation and to reduce criminal risk by fostering a culture of ethical behaviour and compliance.</p>
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**The main elements of the Compliance System**



The main policies and documents in relation to the Compliance System are available on the Group's various websites and on the Buenos días corporate intranet.

The Compliance System of the Elecnor Group is based on and structured using the appropriate identification of compliance risks and the controls established or necessary to ensure their correct management.

To identify these risks, the Group first analyses situations in which legal entities may be criminally liable for certain offences committed by their employees or by certain related parties, pursuant to the provisions of the Spanish Criminal Code in force and equivalent local regulations.

Similarly, for each of these situations, the main areas in which the organisation may be exposed to them are identified, with the Group conducting impact and probability analyses in order to establish the degree of criticality associated with each of these areas of exposure, which facilitates the appropriate design of the corresponding procedures and controls and the effective allocation of resources for their management. In that regard, and in relation to corruption-related risks, for instance, special importance is given to tender processes, to those related to managing claims or collection procedures (for instance, with customers), and those related to administrative procedures or claims before public entities or the courts, in addition to others, whether these processes are undertaken exclusively by the Group's own employees or with the support of third parties.

With regard to human rights, the Group places special emphasis on working conditions, both for Group employees and subcontracted workers who carry out work on the various projects under way. And with regard to competition law enforcement, efforts are concentrated on monitoring and supervising public tender processes, relations and agreements with competitors and participation in business associations.

These risk analyses cover all the operations and geographical areas in which the Group conducts its business.

The following table includes the main risks associated with these offences potentially imputable to legal persons and that could potentially affect the Group:

Type of risk	Impact
Foreign citizens and human trafficking	Imposition of forced labour or services, slavery or similar practices and helping persons to remain unlawfully.
Bribery and corruption	Inducement to lack of impartiality or obtaining undue benefits by delivering or promising gifts, favours, etc.
Moral integrity and sexual harassment (*)	Inflicting degrading treatment or repeatedly engaging in hostile or humiliating acts amounting to gross harassment and soliciting favours of a sexual nature by bringing about an objectively and seriously intimidating, hostile or humiliating
Natural resources and environment	Failure to comply with laws, legal provisions or regulations.
Taxation authorities and Social Security	Evading taxes or Social Security contributions (including false accounting) and improperly obtaining grants, aid or funds.
Money laundering	Using, performing transactions with or concealing the unlawful origin of goods obtained through
Financing of terrorism	Performing activities with goods or securities in the knowledge that they will be used in terrorist activities.
Market and consumer fraud	Incurring in antitrust practices, deceiving in order to make a profit, changing prices, disseminating, revealing or passing on trade secrets and using insider information.
Industrial and intellectual property	Profit from goods protected by industrial and/or intellectual property rights without the rights holder's consent.
Discovery and revelation of secrets	Discovering secrets or breaching privacy or using private information without permission.
IT damage	Erasing or damaging computer data or hampering the operation of systems.
Illegal financing of political parties	Performing donations or making contributions to political parties or similar organisations in breach of the law.



\* On the occasion of the amendment of the Criminal Code introduced by Organic Law 10/2022, on the comprehensive guarantee of sexual freedom, risks relating to undermining the moral integrity of persons and sexual harassment have been added to the Compliance System.

Due to the very nature of these risks, inasmuch as they imply a potential criminal liability, their possible impacts would be both short- and long-term, so the Elecnor Group lays particular emphasis on preventive management in this regard.

With a view to reducing the Group's exposure to such risks and areas to an acceptable level, the Elecnor Group has specific controls, such as the publication and dissemination of the Code of Ethics and Conduct and Compliance, Anti-Corruption Policy and Anti-Trust Policy; specific compliance training; the Ethics Channel; establishing procedures for procurement and compliance risk management in the supply chain, payment management, comprehensive management of major projects, setting up temporary business associations/consortiums/joint ventures, etc.; compulsory models for contracts with subcontractors and collaboration agreements for joint bidding; centralised management and control of powers of attorney; various corporate policies; structured and standardised recruitment and selection process; a supplier evaluation system, etc.

All these procedures and controls can be classified as financial and non-financial. The latter includes certain due diligence procedures, both in relation to Group employees and third parties.

With regard to employees, the main due diligence measures planned involve the design of the personnel recruitment process and compliance training and awareness-raising activities. Similarly, the Elecnor Group has a well-defined structure of powers and responsibilities.

With regard to the third parties with which the Group has relations (business partners), the corresponding due diligence measures are devised according to the assessment of the risk associated with each of them. Thus, at present, the main due diligence measures with third parties are intended for possible partners with whom collaboration agreements, temporary business associations or joint ventures are signed, for consultants of a commercial nature, business development and for subcontractors. In any case, all third parties that interact with the Elecnor Group must expressly confirm in writing their knowledge of the content of the Elecnor Group's Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators and their commitment to complying with it. This Code of Ethics and Conduct for Suppliers therefore constitutes an essential Elecnor Group tool to encourage its suppliers, subcontractors and collaborators to conduct their professional pursuits in accordance with only the best business practices and the highest ethical standards.

As regards the first two groups, the Elecnor Group has specific procedures for requesting the contracting or agreement, due diligence, approval and contracting or signing the agreement. The main characteristics of such procedures are as follows: making a centralised request for contracting or agreement through the legal counsel; obtaining compliance reports on the third party through a specialised external entity; collection and analysis of specific compliance questionnaires; obtaining express statements from the third party with regard to its adherence to the Elecnor Group's Code of Ethics and Conduct for Suppliers and to the highest ethical standards; having models of contracts and agreements with specific clauses on integrity and regulatory compliance; gaining approval for the contract or agreement at the highest level following a report prepared by legal counsel; and restrictive powers of attorney for signing the corresponding contracts or agreements.

As regards subcontractors, the Elecnor Group has a specific contracting, control and monitoring procedure, the main characteristics of which are as follows: centralised request for the preparation of contracts through the respective management areas of the various business units; models of contracts and agreements with specific clauses on integrity and regulatory compliance; restrictive powers of attorney for signing the corresponding contracts; and centralised control, validation and monitoring of the necessary documentation to be provided by subcontractors.



With respect to other suppliers, the Elecnor Group's General Procurement Conditions, which must be signed by all suppliers, include a specific clause on integrity and compliance, which is frequently reviewed and updated.

Similarly, and whenever circumstances may determine the existence of a higher than normal risk in relation to the supply chain, Elecnor assesses on a case-by-case basis the advisability of bolstering these procedures for suppliers and subcontractors. It does so by requesting, in these cases, that they fill in specific questionnaires on compliance, and analysing, through specialised platforms or other public sources, their profile in matters related to integrity and regulatory compliance.

The Compliance System of the Elecnor Group is subject to an ongoing improvement process to guarantee the adequate management of the risks identified in terms of prevention and detection, correction and monitoring, which, among other matters, encompasses the implementation and/or review and ongoing improvement of its procedures and controls. The Elecnor Group uses certain indicators (KPIs) to conduct better monitoring on the correct operation and performance of its Compliance System. The key indicators are concentrated on aspects such as training or awareness-raising, the scope of the review of procedures and controls, the activity of the Ethics Channel and the management of compliance risk associated with third parties.

The Compliance Committee, which functionally reports to the Audit Committee, is entrusted with the duties of continuously improve and ensuring the correct operation of the Compliance Management System, through its appropriate supervision, monitoring and control. The Committee is headed by the Elecnor Group's head of Compliance and currently comprises him and nine other members representing the fields of general services, human resources and the Group's various business divisions, primarily through the corresponding legal counsel areas. In 2022, the Compliance Committee held 6 meetings.

The main actions that guarantee the ongoing improvement and correct operation of the Compliance System are as follows:

- Establishing on an annual basis and conducting ongoing monitoring on compliance goals, which are reported to and approved by the Audit Committee.
- Regularly reporting to the Audit Committee on any aspect or matter related to compliance (ongoing projects, initiatives, etc.).
- Designing, developing and deploying the annual compliance and awareness training plan.
- Operating the whistleblowing channel and regularly reporting to the Audit Committee regarding the communications received and, where applicable, the investigations in progress and the conclusions reached.
- Conducting an ongoing review and audit of identified key controls related to compliance risks.
- Two annual external audits of the Compliance System conducted by two different audit/consultancy firms.

The Compliance Committee compiles an Annual Report describing the main actions conducted during the year in the spheres of prevention and monitoring of and response to compliance risks, which is submitted to the Audit Committee and the Management to help them in their duties of supervision of the System.

**GRI 2-26** The Elecnor Group provides its professionals and/or third parties with a legitimate interest with a confidential channel through which to report any questions regarding the interpretation of this Code of Ethics and Conduct or its implementing regulations, to propose improvements in the existing internal control systems, and to report in good faith any conduct that is unlawful or contrary to the provisions of the abovementioned Code, the regulations on which it is based, its implementing policies and/or procedures or the applicable legislation.

All Elecnor Group professionals are obliged to immediately report any irregular practice or unlawful or unethical conduct of which they become apprised or which they witness. This channel may be accessed via the email address [codigoetico@elecnor.com](mailto:codigoetico@elecnor.com) or post office box 266-48080.

In 2022, no complaints were received in the sphere of human rights, in particular, violations of freedom of association and the right to collective bargaining, forced or compulsory labour, child labour, discrimination or violation of the rights of indigenous people through the Ethics Channel or other available channels. Likewise, neither were any complaints received through the Ethics Channel in connection with corruption, bribery or money laundering.

The twelve complaints received in the year through the Ethics Channel refer mainly to labour-related issues, and were handled by the relevant persons belonging to the Compliance Committee. At the time of completing this Report, there were no complaints pending resolution.

### Actions in 2022 GRI 205-2

- Continuing the process of rolling out improvements in compliance risk management and due diligence procedures in relation to third parties (mainly suppliers and subcontractors), notably including:
  - Requesting and obtaining from suppliers and subcontractors registered on the Group's procurement platform their express acceptance of and compliance with the Elecnor Group's Code of Ethics and Conduct for Suppliers, Subcontractors and Collaborators. By year-end 2022, more than 15,000 suppliers had expressed their acceptance and adherence to it.
  - Completion of the integration process for supplier approval through the procurement platform of the Group's specific compliance due diligence questionnaire.
  - Consolidating the use of the new platform for conducting third-party compliance risk analysis.
- Compliance Training:
  - In addition to other training actions conducted in the Group's various organisations and subsidiaries, more than 275 professionals from the Elecnor Group, both nationally and internationally, received specific anti-trust training. For the preparation and delivery of these training sessions, the company partnered with a specialised firm (Deloitte). This training comes on top of the training received in 2021 by almost 250 members of the Group's management team.
  - A total of 376 new employees in Spain have completed compliance training in the on-boarding phase through the digital platform, which is compulsory for structural staff joining the organisation in Spain.

The Elecnor Group allocates significant investment to raising awareness and training its staff in connection with compliance issues. Below are details of the number of employees who have received this kind of training in the last 3 years (from the end of 2019 up to the present), broken down by professional category and geographical area:

Geographic area	Management		Executive		Technician	
	No. employees	%	No. employees	%	No. employees	%
Spain	135	96%	621	88%	1910	94%
Europe	2	1%	20	3%	26	1%
America	3	2%	24	3%	26	1%
Asia	1	1%	29	4%	62	3%
Africa	-	-	6	1%	3	1%
Oceania	-	-	5	1%	3	-
<b>Total (*) (**)</b>	<b>141</b>	<b>100%</b>	<b>705</b>	<b>100%</b>	<b>2,030</b>	<b>100%</b>

(\*) Compliance training is intended for staff in Structure. Staff in Works, given their lower exposure to compliance risk, are not included in these specific training plans.

(\*\*) Includes a total of 376 employees (practically all from the geographical area "Spain" and professional category "Technician") who have joined the Elecnor Group in Spain in 2022 and who have received specific training on compliance as part of the *on boarding* phase training.

- Reviewing the specific compliance clause ("Integrity and Regulatory Compliance") included in the various model contracts.
- Designing and launching the initial phase of the campaign to confirm commitment/adherence to the Group's principles and values (Code of Ethics and Conduct and related policies) by structural staff (both national and international). In January 2023, the corresponding communication was made by the Group's Chief Executive Officer to a group of around 4,000 employees, and at the closing date of this report, this confirmation process was ongoing (it is expected to be completed during the first quarter of the year). The Group plans campaigns of this nature in a multi-annual frequency with the scope it deems appropriate at any given time to enhance the commitment of its employees to ethics, integrity and compliance.
- Designing, developing and publishing a short presentation regarding the core areas of the Elecnor Group's Compliance System ("Compliance at a glance") to help and support the Group's dissemination and promotion of its principles and values and the main elements of the abovementioned system to both its staff and third parties.
- Reviewing and strengthening the procedure for participation in associations.
- Continuous improvement and consolidating the large projects integrated management procedure (opportunity, bid and contract), aimed at improving the system, risk assessment (including compliance risk) and coordination between departments as soon as a major project opportunity arises and until the relevant contract is signed.
- Continuing the consolidation and improvement of the Compliance System at the various subsidiaries and organisations belonging to the Group, in accordance with the Compliance System Rollout Plan.
- Executing the *IE-Elecnor work plan Observatory on Sustainable Compliance Cultures*, by the Elecnor Foundation, notably featuring:
  - Drafting the second study on "Comparative study on cultures of compliance among various LATAM countries" (currently in the final stages of completion).
  - Continuous improvement of the content of the Observatory's website (articles written by compliance experts or compliance video shorts).
  - Designing the Observatory Newsletter.
  - Launching and consolidating the initiative consisting of the recording and dissemination of videopodcasts (*Compliance Matters: We care about sustainable future*) with various personalities from the business, academic and legal worlds, etc. in order to discuss various aspects related to business ethics, compliance and sustainability, culture in organisations, etc. Six videopodcasts have been released throughout 2022.
  - Drafting practical factsheets to help companies and organisations implement and enforce the highest standards of compliance.

### Goals in 2023

In 2023, the work of the Elecnor Group will be continued in relation to the following goals in terms of compliance, among others:

- Finalising the roll-out process of the enhancements implemented in 2022 in relation to compliance risk analysis and third party due diligence procedures.

- Improving the system for outlining training needs and for designing, developing and implementing compliance training initiatives (developing new training materials, using digital platforms, etc.).
- Improving the systematic approach to the design, development and implementation of awareness-raising initiatives in the field of compliance.
- Publishing and disseminating the second study of the *IE-Elecnor Observatory on Sustainable Compliance Cultures* and conducting the rest of the planned activities.
- Completion of the project to improve systems relating to the preparation, issuance and approval, dissemination, review and monitoring of the mandatory Corporate Policies and Procedures.
- Improvement of integration between the Compliance and Integrated Management Systems (better harnessing of know-how, systems and resources).
- Continuation of the consolidation and improvement of the Group's Compliance System at the various subsidiaries in accordance with the "Compliance System Rollout Plan".

The Elecnor Group has partnered various sector associations in order to continue driving the sectors of activity in which it operates. In accordance with its Compliance System, it does not make financial contributions that are unlawful or aimed at obtaining special treatment. In 2022, the Group has tightened its controls in relation to its participation in industry associations with a view to preventing and reducing related risks in the field of competition law (mainly accepting or implementing recommendations or collective decisions that could limit competition or exchanging commercially sensitive information). [GRI 2-28](#)

In 2022, the Elecnor Group contributed Euros 1.8 million to sector associations (Euros 1.2 million in 2021).

## Committed to fighting corruption, bribery and money laundering GRI 415-1

The Elecnor Group's Compliance System is its main tool to combat corruption, bribery and money laundering. The effectiveness of the system has led to the company being certified in accordance with the UNE-ISO 37001 and UNE 19601 standards, as mentioned above.

Pursuant to the principles and values in force since its incorporation in 1958, the Elecnor Group is firmly committed to ensuring strict compliance with anti-bribery and anti-corruption regulations, and one of its priorities is to develop a solid corporate culture of regulatory compliance that permeates the daily decision-making processes by its Directors, executives and employees, as well as any other natural or legal persons acting on behalf of the Elecnor Group in law or in fact, enabling them, within the scope of their respective functions and responsibilities, to detect and prevent practices that might constitute acts of corruption or bribery.

The Elecnor Group implements the principle of zero tolerance to practices that contravene any provisions concerning ethics and integrity, and in particular concerning bribery and corruption, and expects its professionals and third parties with whom it has dealings to always act and behave in a manner consistent with the principles and values established in its Code of Ethics and Conduct, in its Compliance Policy and, specifically, in the Group's Anti-Corruption Policy.

Under no circumstances shall the employees of the Elecnor Group and its partners resort to unethical practices that could be construed as being conducive to a lack of impartiality, transparency and integrity in the decisions of any third party with whom they have dealings, whether they belong to the public sector (authorities, civil servants or persons involved in the performance of public duties) or the private sector.

The Elecnor Group, as established in its Anti-Corruption Policy, adopts a position of strict political neutrality and does not make donations to any political parties, political candidates, federations, coalitions, voter groups or foundations that serve as a vehicle for political contributions.

In particular, the Elecnor Group strictly prohibits:

- Offering, promising or granting, directly or indirectly, bribes to any third party, whether in the public or private sector.
- Offering, promising or granting, directly or indirectly, facilitation payments to commence or facilitate administrative processes or procedures.
- Offering, promising or granting, directly or indirectly, gifts, presents or courtesies to any third party who breaches the provisions of the "Elecnor Group's Policy on Gifts, Presents and Courtesies".
- Offering, promising or performing, directly or indirectly and on behalf of the Elecnor Group, contributions for political purposes.
- Using sponsorships or donations as a means of obtaining favourable treatment.
- Requesting, accepting or receiving any kind of unwarranted benefit or advantage with a view to unduly favouring a third party in the acquisition or sale of products, contracting of services and any other commercial or business dealings.
- Establishing business relationships with third parties without complying with the duty of minimum due diligence in getting to know them.

In order to promote respect for these action principles by its employees and partners, the Elecnor Group is firmly committed to:

- Acting and requiring others to act at all times in accordance with the provisions of the applicable legislation on combating bribery and corruption, its Anti-Corruption Policy and the rest of regulations, policies and complementary internal procedures, applying, where necessary, the applicable disciplinary framework, in accordance with labour regulations and collective bargaining agreements in force, in the event of non-compliance in this sphere.
- Disseminating the organisation's commitment to strict compliance with legislation, in particular in combating bribery and corruption, among both its employees and its partners.
- Disseminating among its employees, by means of suitable communication and training programmes, the importance of discharging their duties and responsibilities in accordance with the highest ethical standards and in strict compliance with the law.
- Providing Elecnor Group employees the necessary knowledge and tools to detect, prevent and properly manage any situations that may lead to a breach of the law or that may contravene the principles and values of the Elecnor Group and the Anti-Corruption Policy.
- Encouraging and requiring its partners to have the utmost respect for the principles and values of the Elecnor Group.
- Making available to its employees proper communication channels to enable them to convey any queries they may have in connection with the Anti-Corruption Policy and to fulfil their duty to report and inform of any irregular conduct of which they are aware or which they suspect.

In that regard, and among the dynamics and practices established to foster and disseminate this commitment among employees, it is worth noting that all meetings of the Board of Directors, Executive Committee, Management Committee and other major committees have included a specific item on the agenda on compliance issues since the end of 2018, at the proposal of the Board of Directors.

With regard to money laundering, the corresponding associated risks are identified among those monitored by the Elecnor Group's Compliance System, as stated above. In that regard, the Elecnor Group's Code of Ethics and Conduct expressly states that *"The Elecnor Group is firmly committed to the prevention of money laundering. Under no circumstances will we engage in activities aimed at affording the appearance of legitimacy or legality to property or assets obtained through criminal actions"*.

In the same manner, the Compliance Policy states that *"...under no circumstances shall the Elecnor Group's staff or the related persons acquire, own, use, convert or transfer goods if it is known that they arise from crime, irrespective of whether the criminal activity was carried out on national territory or abroad. Likewise, the performance of any act to hide or conceal its illegal origin, or to help someone who has participated in such breach by avoiding the legal consequences of his actions, is expressly prohibited. Elecnor Group's staff shall therefore be extremely cautious and diligent in their transactions with third party providers of goods and services, to assure that they do not arise from a criminal activity."*

The Elecnor Group has procedures and controls in place to prevent and manage these risks, which are subject to ongoing review and improvement to ensure that they operate correctly.

No incidents of corruption or money laundering have been identified in 2022. In any case, and following its due diligence procedures with respect to third parties, the Group assesses — should potential indications of malpractice by third parties be identified— whether or not it is appropriate to start or continue the corresponding business relationship, taking the appropriate measures.

## Human Rights GRI 3-3, GRI 407-1, GRI 408-1, GRI 409-1, GRI 411-1

Since it commenced its activities, the Elecnor Group has been fully committed to supporting, respecting and safeguarding human rights in all spheres of action, based on its ethical principles and its corporate social responsibility.

As outlined in its Human Rights Policy, all the Group's companies are unwaveringly committed to compliance with and defence of human rights in developing their activities in all of the countries where they operate. Moreover, this Policy extends to all the Company's stakeholders with a view to sharing and requiring the same exacting level of commitment in its relationships with them.

This Policy is fully aligned with the Group's Sustainability Policy and its Ethical Code, as well as with the UN Universal Declaration of Human Rights, the principles of the UN Global Compact and the Sustainable Development Goals, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

In the context of its ongoing management of the risks to which it is exposed, the Elecnor Group identifies the main fields in which human rights risks may materialise with a view to establishing the appropriate measures to prevent possible human rights violations and to mitigate any impact that may arise in this regard. As a result of this analysis, the Group attaches particular attention and focuses its efforts on fostering and defending non-discrimination and equal opportunities regardless of people's characteristics, the abolition of forced labour and child labour, health and safety, respect for the rights of local communities, with special care for the most vulnerable groups, such as ethnic minorities and indigenous populations, and the recognition and defence of the freedom of affiliation and association of its workers.

In particular, and as regards the above-mentioned local communities, the Group has a Local Community Relations Policy that outlines its commitment to fostering a culture of respect, generating relationships of trust and furthering the generation of value by promoting specific initiatives and establishing an ongoing dialogue with these communities in the countries and environments in which it conducts its business. In that regard, a special effort is made to identify the communities impacted by the projects; to assess the environmental, social and economic factors that may result from their activity and have an effect on these communities; to engage in dialogue, inform and encourage the participation of the communities in the various stages of the projects through different consultation processes; to respect the values, traditions and cultures of the local communities; and to responsibly manage the positive and negative impacts that may materialise.

The Group manages the abovementioned human rights risks through various initiatives and procedures integrated into its operations and activities. These mechanisms notably include its labour procedures, the primary goals of which are to ensure a fluid and honest dialogue with its employees, to guarantee fair working conditions in line with applicable legislation, and to ensure non-discrimination and equal opportunities; the procedures and controls in place in the field of health and safety based on the principle of zero accidents; the identification and registration of its workers and of the people who work on its projects through the corresponding subcontractors, as well as their ongoing and appropriate training; and dialogue with local communities, the implementation of initiatives to protect them from the effects that may arise from the projects and to improve their situation.

Furthermore, as regards third parties that collaborate with the organisation in carrying out its activities, the Elecnor Group sets up various due diligence measures, already mentioned above, the primary goals of which include acquiring adequate knowledge of the performance of its business partners in terms of human rights and fostering respect for them throughout the entire supply chain.



In particular, the Code of Ethics for Suppliers, Subcontractors and Collaborators states, among other matters, that the Group's business partners must maintain working practices and conditions with their employees that are respectful of the relevant national and international regulations and acknowledge their workers' freedom of affiliation and association and right to collective bargaining, as well as reject forced labour in all its forms, any manifestation of abuse of authority and the use of child labour.

No situations have been identified in 2022 in which these rights have been deemed to have been violated or compromised.



Furthermore, as a Signatory of the United Nations Global Compact, the Group has undertaken to incorporate the 10 principles in relation to human rights, labour, environment and anti-bribery into its corporate strategy, and to promote the Sustainable Development Goals (SDGs).

The companies co-owned by the Elecnor Group, Celeo Redes in Chile and Brazil, have also subscribed to the Global Compact.

## Fiscal transparency GRI 207-1, GRI 207-2, GRI 207-3

The Elecnor Group has a governance framework for tax matters in order to ensure that the Group's actions and operations are governed by clear principles, values and standards, to enable any employee, person or entity having a relationship with the Group, when appropriate, and the Board itself to adopt suitable decisions so as to comply with tax legislation. This framework is fully aligned with the principles and criteria on which the Group's Risk Management and Control System is based.

Accordingly, the Elecnor Group's Tax Policy reflects the Group's fiscal strategy and its commitment to the application of best tax practices, which is available on the Group's corporate website. The strategy consists of ensuring compliance with applicable tax regulations and seeking to properly coordinate the fiscal practices followed by Group companies, for the corporate interest and in support of a long-term business strategy that avoids tax risks and inefficiencies in executing business decisions.

The Group's tax strategy is based on the following principles:

1. Fulfilling their tax obligations with the utmost diligence in the various countries and territories in which the Group operates.
2. Submitting all the Group's tax filings in a timely manner, including those that do not involve tax payments.
3. Paying in a proper and timely manner all taxes payable in accordance with the applicable laws.
4. Making tax decisions on the basis of a reasonable interpretation of the regulations, refraining from taking material tax risks, without relinquishing legitimate tax efficiency to maximise the Group's value for shareholders.
5. Paying particular attention, when applying tax law, to the interpretation thereof emanating from the courts in relation to each of the operations or matters that have a tax impact.



6. Preventing and minimising, to the extent possible, the tax risks associated with the Group's strategic operations and decisions.
7. Defining and implementing frameworks for the supervision, review and control of the tax function.
8. Informing the management bodies in regard to the main tax implications of the operations or matters submitted for their approval, when they constitute a significant factor in determining their intentions.
9. Fostering an open relationship with the tax authorities based on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity and good faith, without prejudice to any legitimate disputes that, upholding the above principles and in defence of the corporate interest, may emerge with said authorities in connection with the interpretation of the regulations.

The Elecnor Group's Tax Policy is available on the corporate website and intranet.

The Elecnor Group publishes its tax information in an exercise of reporting transparency. The taxes paid by the Group in the countries and territories where it operates constitute one of its main contributions to society.

**GRI 207-4** In 2022, the Elecnor Group has submitted the 2021 *Country by Country Report*, which can be found in Appendix I hereto. The full list of Elecnor Group companies and their main activities is published annually in Appendix I of the Consolidated Annual Accounts.

### Profit before tax by country

Figures in thousands of Euros

Countries	2021	2022
Germany	-69	-26
Angola	6,352	10,701
Algeria	-1,625	-75
Argentina	1,231	1,629
Australia	11,704	-7,119
Belgium	1,228	-3,655
Bolivia	-23	147
Brazil	83,400	75,280
Cameroon	2,679	-5,623
Canada	-121	6,229
Chile	4,931	14,023
Colombia	-4,062	-21
Ivory Coast	-1,404	2,630
Ecuador	571	-2,072
El Salvador	88	165
Spain	-2,864	7,659
United States	12,317	11,996
Philippines		-31
Finland	-321	1,011
France	-15	
Ghana	-1,556	-2,006
Guatemala	0	
Guinea	-76	-124

Honduras	2,985	1,763
Italy	-4,161	2,263
Jordan	310	-691
Kuwait	-15	-25
Lithuania	3,278	7,211
Morocco	-17	-1,616
Mauritania	-1,283	-600
Mexico	11,497	9,860
Mozambique	-898	-1,345
Norway	8,256	4,800
Oman	3,883	2,743
Panama	-2,896	5,102
Paraguay	-23	
Peru	2,405	16,164
Portugal	2,695	683
UK	2,795	5,871
Dominican Republic	390	3,952
Romania	70	79
Senegal	185	-1,496
South Africa	8	60
Uruguay	391	536
Venezuela	-203	-40
Zambia	31	-79
<b>Total</b>	<b>142,048</b>	<b>165,913</b>

### Payment of income tax

Figures in thousands of Euros

Country	2021	2022
Angola	1,163	4,257
Argentina	445	113
Australia	-3	4,685
Belgium		29
Bolivia	0	0
Brazil	19,593	16,408
Cameroon	0	200
Canada	0	92
Chile	952	-696
Colombia	239	515
Ecuador	376	397
El Salvador	69	29
Spain	11,202	8,378
United States	1,001	1,564
Finland		51
France	0	0
Ghana	17	1
Guinea	10	5
Honduras	-55	38
Italy	109	322
Jordan	0	5
Kuwait	25	46
Lithuania	6	127
Morocco	435	0
Mauritania	68	315
Mexico	1,552	3
Mozambique	4	5
Norway	1,080	-1,053
Panama	0	0
Peru	0	0
Portugal	102	662
UK	-116	687
Dominican Republic	0	18
Romania	5	10
Senegal	0	0
Uruguay	207	107
Venezuela	46	
<b>Total</b>	<b>38,532</b>	<b>37,320</b>

The Elecnor Group has made its best estimate of the breakdown of results by country, as well as the payments made in income tax by country, based on the data available at the time of preparing these Annual Accounts. For this breakdown by country, the same criteria were used as those applied to preparing the Consolidated Annual Accounts, likewise breaking down harmonisations and removals as required for the presentation of the Consolidated Income Statement.

Estimated corporate income tax payments in countries in which the Group operates, correspond mainly to the final settlement of taxes accrued in 2021, and to payments on account of taxes accrued in 2022 which will be settled in 2023.

#### **Public grants received** [GRI 201-4](#)

In 2022, the Elecnor Group received public grants amounting to Euros 1,079 thousand, compared with Euros 3,307 thousand in the previous year, as detailed below.

Figures in thousands of Euros

Country	2021	2022
Spain	2,348	2,531
Canada	178	130
Italy	29	99
UK	110	99
Portugal	491	744
Romania	151	10
<b>Total</b>	<b>3,307</b>	<b>3,613</b>

### 15.10 Social impact [GRI 3-3](#)

Through its various initiatives, the Elecnor Group has a direct impact on employment, progress and social welfare. It also acts as a driving force for development in the countries in which it operates, while contributing to resolving specific major global challenges reflected in the 2030 Agenda, such as the fight to combat climate change, the reduction of the energy gap and secure access to essential resources such as energy and drinking water, among others.

Furthermore, the Elecnor Group generates value and distributes it among its main stakeholders as a result of its sustained growth.

The Group's social commitment is chiefly coordinated through the Elecnor Foundation with social infrastructure projects in the places most in need and through a commitment to the training, research and employability of young people.

Moreover, by means of the main Group companies, numerous social and/or environmental programmes are implemented with local communities in the various countries in which they operate.

## Value generation GRI 2-7, GRI 203-2

### Direct financial value generated and distributed GRI 2-28, GRI 201-1

The information concerning the creation and distribution of the financial value shows how the Elecnor Group continues to generate wealth for its stakeholders.

In thousands of Euros	2021	2022
<b>Generated financial value</b>	<b>3,165,816</b>	<b>3,714,068</b>
Income <sup>1</sup>	3,165,816	3,714,068
<b>Distributed financial value</b>	<b>3,028,383</b>	<b>3,573,529</b>
Operating costs <sup>2</sup>	2,035,937	2,454,755
Personnel expenses <sup>3</sup>	868,281	984,095
Payments to capital suppliers <sup>4</sup>	84,981	96,580
Tax contribution <sup>5</sup>	38,532	37,320
Investment in the community <sup>6</sup>	652	779

Source. Figures from the income statement in the Consolidated Annual Accounts for 2022, except for dividend payments and income tax payments shown in the statement of cash flows included in the Consolidated Annual Accounts.

1 Includes: Amount of turnover + change in inventories + self-constructed assets + other operating income + finance income.

2 Includes: Materials consumed + external services + taxes + other management expenses.

3 Includes: Personnel expenses.

4 Includes: Finance expenses + dividend payments (statement of cash flows).

5 Includes: Income tax payments (from the statement of cash flows).

6 Includes: Contributions to the Elecnor Foundation and to various non-profit organisations, associations and foundations.

### Job creation

With a team of more than 22,000 people in over 50 countries, people are the main asset for the Elecnor Group, being crucial to the optimum execution of its activities.

At the end of 2022, the Group's workforce had increased by 917 people (up 4% on the previous year).

Workforce	2021	2022	Changes
Domestic	11,103	11,210	1%
International	10,328	11,138	8%
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4%</b>

The Elecnor Group contributes to the development and well-being of local communities by means of direct job creation by contracting local employees and suppliers.

## Local employment

Location	2021		2022	
	Employees	Local employment	Employees	Local employment
Spain	11,103	94%	11,210	93 %
Europe	1,253	79%	1,461	78 %
America	6,396	97%	6,831	98 %
Africa	2,378	95%	2,403	94 %
Asia	188	43%	207	45 %
Oceania	113	73%	236	86 %
<b>Total</b>	<b>21,431</b>	<b>94%</b>	<b>22,348</b>	<b>93 %</b>

## Procurements from local suppliers GRI 204-1

As described in the chapter on Operational Excellence of this NFIS, the Elecnor Group is focused on the ongoing optimisation of the supply chain. In that regard, and whenever possible, it gives priority to hiring local suppliers to foster the economy in the countries in which it operates.

Below is the percentage of the volume of purchases made from local suppliers:

	2021	2022
Spain	93%	92%
Brazil	100%	100%
Chile	74%	74%
United States	100%	100%
Mexico	87%	83%
UK	80%	79%
Other	77%	77%
<b>Total</b>	<b>90%</b>	<b>89%</b>

## Profitability for shareholders

Elecnor, S.A.'s shares are traded in Spain's SIBE electronic trading system, where shares in the leading Spanish companies are traded, and the market with the largest trading volume in Spain.

The Company has been able to consistently create value for its shareholders in the last few years. In 2022, the dividend yield has been increased compared to the previous year.

Stock market indicators	2021	2022
Closing share price (Euros)	10.50	10.60
Dividend yield	3.1%	3.5%

In 2022, two dividends were paid to shareholders: a supplementary dividend against 2021 profit and voluntary reserves in a gross amount of Euros 0.29383572 per share (Euros 0.30188176 including the pro-rata distribution of treasury shares); and an interim dividend against 2022 profit in a gross amount of Euros 0.06259868 per share (Euros 0.06431453 including the pro-rata distribution of treasury shares).

## Elecnor Group social action GRI 203-1 GRI 413-1

The Group's social action is mainly coordinated by means of the Elecnor Foundation.

In 2022, the Elecnor Group donated a total of Euros 779,126 to various associations, foundations and non-profit entities to support a range of social causes (Euros 651,604 in 2021). Of that amount, the Elecnor Group contributed Euros 622,300 to Elecnor Foundation.

### Elecnor Foundation. Generators of change and well-being

Since its launch, the Foundation's mission has been closely linked to the Elecnor Group's own activities, with the aim of helping to improve people's living standards and powering the economic and social progress of the communities in which Elecnor has a stable presence.

Throughout its history spanning more than 60 years, the Elecnor Group has built a corporate culture based on conducting its activity in a responsible and committed manner, voluntarily incorporating social and environmental criteria into business practice.

With the Elecnor Foundation, the company took another step forward in this strategy, expanding the scope of its commitment to the environments in which it operates and to key aspects of today's society, such as training and research. In that regard, the work of the Foundation is strongly tied to the Elecnor Group's own activity, with the priority areas of action being countries in which the company is present and projects related to its lines of business.

Since its creation in 2008, the Elecnor Foundation has been projecting the more human side of engineering with solid values through all its actions, geared towards:

- The development and building of infrastructures that provide access to water and energy for the benefit of those most in need and the environment.
- Boosting training and research to nurture the professional development and projection of young people, stimulating and boosting relations between business, public institutions and the educational sector.

It is worth highlighting that, since its creation, the Elecnor Foundation has signed numerous collaboration agreements with NGOs, universities and training centres, private companies and public bodies, with a view to combining efforts, knowledge and experience to achieve the best practical results and to progress in meeting the SDGs.

As such, the Foundation has been present in Spain, Honduras, the Dominican Republic, Chile, Uruguay, Peru, Nicaragua, Mexico, Brazil, Cameroon, Ghana, Angola, Senegal and the Democratic Republic of Congo.

Since it was first set up, the Elecnor Group has donated funds amounting to Euros 7,300,000 million. Moreover, the Foundation has obtained other funds totalling Euros 5,850,000. Accordingly, the Elecnor Foundation has led projects worth a total of Euros 13,150,000 million.

In 2022, the Foundation invested Euros 622,195 in the various projects.

## Social infrastructure projects

In 2022, the Elecnor Foundation has focused on the following projects:

> *Nos importa el aire que respiras, Spain*

This project, which opened this year, consisted of treating the air inside the Ronald McDonald House in Madrid in order to improve the health of particularly vulnerable children who live in the house as they are forced to move far from their usual home to receive medical treatment with their families. The Elecnor Foundation has been a member of the Board of Trustees of the Ronald McDonald House in Madrid since 2013, the year in which Elecnor built this home for 30 families and implemented an energy efficiency project at the facility.

The project involved installing air filtration systems in the central air conditioning units, specifically SIPAP® active polarisation systems that reduce energy consumption and CO<sub>2</sub> emissions, and SFEG® photocatalysis systems, which treat the air flow of the air conditioning units to eliminate microorganisms and reduce the risk of contamination by chemical compounds.

Purification systems have also been installed in the communal areas —given that it is essential— especially in densely populated areas, to renew and clean the air in the various rooms.

> *Health Energy, Senegal*

The Elecnor Foundation, in conjunction with the NGO Manos Unidas, has implemented this project at the Saint Jean de Dieu Hospital, located in Thiès (Senegal), with the aim of introducing a more efficient energy consumption system that allows for cost savings and, in turn, makes it possible to acquire new machinery for the detection and treatment of diseases.

This hospital is recognised for its universality, caring for all patients free of charge and without discrimination, fostering respect and equality. Nevertheless, the obsolescence of its electrical installations entails a high risk of power supply disruption, which hampers the work of the doctors and nurses and puts the lives of their patients at risk, while at the same time generating high maintenance costs.

With Health Energy, a technical solution has been implemented based on the installation of a photovoltaic system. This system has helped **cut energy consumption by 70%** and ensure an adequate power supply to the hospital's medical services. This project, and the resulting improvements in treatment, contribute to lowering the mortality rate in Senegal and improving the well-being and quality of life of the approximately 500,000 inhabitants of the region of Thiès.

> *H2OMe, Brazil*

This project, based in the Amazon, in the municipality of Óbidos in the Brazilian state of Pará, is currently in the development phase, and seeks to provide more resources to the public school of the Quilombola Community.

This public school, which caters for 95 children, only has water collected by hand from an Amazon tributary and has serious power supply problems. The proposal currently being deployed by the Elecnor Foundation is intended to solve these issues, but also to offer new resources, bearing in mind that in addition to being an educational centre, it is also a social and meeting place for more than 290 families.

The core goals are to provide energy by supplying electricity to the school using photovoltaic power; to provide water by pumping water from the well to the water treatment plant to ensure that they have clean water at all times; and to create multifunctional spaces for different activities including an audio-visual library and an outpatient clinic fully equipped to serve the community, especially women and children.



## Training and research projects

In the field of training and research, the Elecnor Foundation has developed the following initiatives

- > IE - Elecnor *Observatory on Sustainable Compliance Cultures*

This Observatory was created at the end of 2019 by the Elecnor Foundation and the Instituto de Empresa Foundation, in partnership with the law firm Eversheds Sutherland. Its aim is to foster the culture of compliance and sustainability with a special focus on small and medium-sized enterprises.

This year, the following actions were performed:

- Launching *Compliance Matters*, a video podcast channel to deliver a 360-degree view of the world of compliance. To date, leading professionals have been interviewed, such as Eduardo Torres-Dulce, former State Attorney General, Beatriz Saura, Co-President of the Compliance section of ICAM, and Eloy Velasco, Magistrate of the National Court, among others. This podcast is available on all digital audio platforms.
  - Publishing articles and compliance information shorts on the Observatory's website.
  - Drafting the "Compliance and Sustainability in Latin America" report to continue developing the conceptual framework of a culture of compliance and sustainability, to analyse compliance and sustainability policies in representative Latin American countries, and to publish a comparative study on the cultural dimensions related to the values of compliance and sustainability and the dissemination of this culture.
  - Organising the event "Ethics and Artificial Intelligence" at IE Tower featuring Javier Camacho Ibáñez, Managing Partner of Ethical Sustainability and professor, Manuela Battaglini, Consultant and researcher in AI Ethics and Richard Benjamins, Chief AI & Data Strategist at Telefónica.
- > Corporate Leadership in Entrepreneurship and Innovation, Deusto Business School

The Elecnor Foundation has a collaboration agreement with Deusto Business School and Icade Business School to collaborate in the development of this programme, which includes the most innovative entrepreneurial initiatives of major corporations explained by the executives who have led them.

This year marked the graduation of the 2021/2022 graduating classes of the Executive Education programme.

This programme is in line with three Sustainable Development Goals: SDG 4 Quality education, SDG 9 Industry, innovation and infrastructure, and SDG17 Partnerships for the goals.

- > Improving in Emotional Prevention

This educational project on emotional risk prevention is undertaken through the digital environment and classroom activities. Growing in Emotional Prevention is intended for 3rd, 4th and 5th year Primary School pupils and their teachers.

These are its goals:

- Raising awareness among pupils and the education community regarding the importance of educational orientation and the prevention of emotional risks in all the areas and facets of the life, so that they can integrate these lessons into their daily routines and future careers.
- Providing educational resources to teachers and students in order to work on the importance of emotional risk prevention in students' most everyday contexts: home, outside and school.

- Fostering emotional risk prevention in the family context by families being involved and participating in students' educational and training process.

By December 2022, some 20,000 children in the Community of Madrid, Extremadura and the Autonomous Community of Navarre will have benefited from this educational project.

- > Specialist course in medium- and low-voltage electrical installations. Vocational training at Colegio Salesianos Deusto.

The tenth edition of this course has been organised this year, lasting 131 hours.

It is worth noting that the facilities where the 14 students are trained are also used for the training and recycling of Elecnor workers.

- > Advanced qualification in renewable energies. Dual vocational training.

This initiative is intended to train students as professionals specialised in Elecnor's own activities, so that they can become site managers in the future. The aim of this vocational training is to provide students with knowledge through apprenticeships both at school and in companies.

In 2022, a partnership agreement was signed with the school IES Cuatro Caminos (Don Benito, Badajoz) to carry out the project.

Three students have finished their internships during their first year of studies: two students at the Astexol Thermosolar Power Plant and one student at a PV farm in Cuenca.

- > Master's thesis grants. Valencia's Polytechnic University (UPV).

The Elecnor Foundation, as part of its collaboration with the UPV spanning more than 30 years, has awarded eight scholarships, acknowledging the talent of students who have developed their work in various areas of knowledge linked to the Elecnor Group's activities.

- > Agreement with the Jaime I University of Castellón. Scholarships for Bachelor's Degree Thesis.

The Jaime I University in Castellón, the Elecnor Foundation and Elecnor signed a general collaboration agreement in 2021 to establish and develop academic, cultural and scientific relations between the three entities.

The Bachelor's Degree Thesis selected for completion in 2022 is called "Design of a photovoltaic canopy for the UJI car park", which seeks to design a photovoltaic canopy for the four parking areas in front of the University building.

## Other social projects

The Elecnor Group has a clear commitment to the communities where it operates, and programmes to foster social, environmental and economic development in the surrounding communities have become especially significant.

Below are some of the initiatives launched by Elecnor and the companies Enerfín and Celeo.

### Angola

Elecnor in Angola is involved in several social initiatives, including the donation of material to the community of Mevayela-Matala (AH Matala). Given the difficulty of obtaining footwear, some farmers work barefoot. Thus, Elecnor salvaged some PPE from its works and donated them so that these farmers could work more safely.

## Brazil

In Brazil, Elecnor is conducting the "Casablanca Project", which prioritises the recruitment of women. The programme aims to foster gender equality on the construction site by encouraging the recruitment of women in the renewable energy generation sector through actions and commitments that advocate for the inclusion of women.

A further initiative by Elecnor in Brazil is related to the Orquestra Sinfónica Juvenil Carioca (Carioca Youth Symphony Orchestra). This project will serve children and young people by organising after-school music workshops and other activities linked to the project's goals: democratising cultural goods through teaching and musical performances for pupils in the Public Education Network, extended to their families.

Elecnor is also assisting in the construction of a new building for the Casa do Pontal Museum (the country's biggest popular art museum), in Barra da Tijuca, with its installations, equipment, furniture, landscaping and urban works. The land for the new headquarters was donated by the Rio de Janeiro City Council.

The Group's renewable power subsidiary, Enerfín, approved by the Brazilian government and in compliance with tax incentive legislation, has contributed to social development, culture and sport. Some of these initiatives were being undertaken in 2021 and have been maintained during 2022.

- > Visitors' centre at the Osorio wind complex.

Following the visitor centre's construction in 2016, visits are received each year from different groups, mainly schoolchildren between 7 and 18 years of age, and content is provided on wind energy and the sustainability of this wind farm complex.

- > Renovation – São Vicente de Paulo Charity Hospital - RS

This project is intended to make improvements to the rooms of the São Vicente de Paulo hospital for hospitalised patients. The goal is to perform a full overhaul that will involve masonry, painting, bathroom refurbishment, replacing furniture, replacing carpentry and flooring where necessary. Repairs will also be made to the electrical and water networks.

- > Physical Activity Incentive Programme for the Elderly - PIAFI. It involves a series of actions proposed by the UBEA - PUCRS, the São Lucas Hospital and the PUCRS Institute of Geriatrics and Gerontology to be undertaken in partnership with the Municipal Health Secretariat and the Municipal Council for the Elderly of Porto Alegre, geared towards the practice of physical exercise by people over 60 years of age.
- > Karatê e Capoeira: Revelando Campeões. The primary goal of the project is to encourage the development of Karate and Capoeira sports for children and adolescents. It is focused on integrating participants based on interpersonal relationships and individual differences, avoiding selectivity and hyper-competitiveness, seeking a better quality of life for all, as well as fostering and promoting regular sporting practice.
- > Conhecer para Transformar Project. Its aim is to generate knowledge through research that can be used to increase the chances of a cure for children and adolescents facing childhood cancer.
- > Casa Lar, Acolhimento e Cuidado Humanizado a Idosos com Deficiência (COMUI) - RS. This project seeks to improve the quality of life and dignity of the elderly by providing continued care in the long term.

- > Túnel do Tempo - 250 anos de Porto Alegre (PRONAC) - RS. To celebrate the city of Porto Alegre's 250th anniversary, we will bring the museums to the people, creating an exhibition space in the busiest place in the city. Each alcove in the space will represent 50 years of the city, with an exhibition of photographs and objects from the period. The exhibition will be free for 14 days and as a social contribution, 5 trips will be organised with public schools to take pupils to the exhibition sites.
- > Festival de Artes e Sustentabilidade Vila Flores (PRONAC) - RS. The aim is to support the Vila Flores Festival of Arts and Sustainability, which is intended to highlight new cultural languages, the diversity of forms and modes of expression and the promotion of unusual artistic encounters. The festival highlights the aspect of sustainability and the Sustainable Development Goals as a central theme of contemporary urban life in the city of Porto Alegre.
- > The project, approved by the Ministry of Health, supports oncological projects in hospitals with the goal of developing a therapeutic vaccine, intended for paediatric patients, for the treatment of adrenocortical carcinoma and to reduce the adverse effects of chemotherapy.
- > Pelo Direito a Vida III (FIA - CEDCA) - PR. The goal is to ensure the right to life and health of children and adolescents by promoting inpatient and outpatient care; investment in technological innovation and scientific research; and providing training and continuing education of health professionals.

Celeo has implemented various initiatives aiming to contribute to the quality of life and the development of local human capital through a range of social projects, including the following:

- Celeo Aquece Campaign. A charity project for the voluntary collection of warm clothes for the most needy.
- Project Quipá - cultivating knowledge. This is a youth education project for the world of work in São João de Piauí. 66 young people have benefited.
- Green Ecoe project: Esmeralda community space. An environmental education project benefiting 1,593 children and adolescents and 80 residents of the Esmeralda neighbourhood.
- Restore CAATINGA Project (2022-2024). The voluntary reforestation of 20 ha, together with the Caatinga Association, Vbio, Universidade Federal do Rio Grande do Norte, FIEC, Prefeitura de Carteus and PPPN Neném Barrios. 40 rural communities will benefit from this project.
- Green Initiative Project. It involves the voluntary reforestation of 20 ha in São Paulo, in partnership with the Green Initiative association for three years. At present, 8 ha have been reforested.

## Canada

Enerfín performed the following actions:

- > Guided tours of the L'Érable wind farm. These visits are organised in partnership with the local tourism office, but in a new format for small, independent groups as a result of the health restrictions.
- > Providing support to community organisations and events in the municipalities of Saint Ferdinand, Saint-Pierre-Baptiste and Sainte-Sophie-d'Halifax. This year, we have collaborated with: the construction of a permanent stage for concerts and exhibitions in the municipality of Sainte-Sophie-d'Halifax, financial backing for the association Agri-Ressources Arthabaska-Érable and sponsorship of the Forestry Day of the community of L'Érable.

## Chile

Celeo's social projects are mainly geared towards environmental education. In 2022, the environmental education programmes were continued in the Corel and Charrúa schools, Los Alisos School and Bajo Perquin School, with workshops on environmental awareness, flora, fauna and conservation.

An energy efficiency workshop was also held in Diego de Almagro, which had been requested by the community itself in prior consultation processes.

## Colombia

The company supported the Ministry of Defence with school kits for the communities of Uribia in La Guajira.

## Dialogue with local communities GRI 2-25 GRI 3-3, GRI 203-2 GRI 413-2

Communication, ongoing dialogue and proper management of impact on local communities are essential to maintain social legitimacy and ensure the success of the Group's projects.

In the context of the Environmental Assessment Studies of the projects, there are stakeholder outreach processes, the goal of which is to outline the main characteristics of projects, their design and planning to communities that might be affected. Queries are also fielded and their comments taken on board so as to minimise the projects' impact on their territory.

## Africa

This year Enerfín hired a local company in Zimbabwe to carry out the environmental impact study for the Guruve-Mazowe wind project. As part of this work, over 20 organisations and associations potentially affected by or interested in the project were consulted.

## Brazil

In Brazil, citizen participation is a cornerstone of the environmental licensing process, through which project-affected parties have the chance to be heard, either in public hearings or in technical briefings. Celeo has a stakeholder engagement process called the Integra Project. This voluntary project is chiefly geared towards:

- Minimising risks.
- Fostering stakeholder awareness of environmental conservation, burning and forest fires.
- Training the Operation and Maintenance teams in approaching and communicating with local stakeholders.
- Increasing transparency.
- Understanding stakeholder concerns and interests and bringing them into its processes and activities.
- Enhancing the way it communicates and interacts with stakeholders.

The main channels of communication are open meetings with the local community, landowners and other people affected by the projects.

## Canada

As part of the agreements signed with the town councils and the community in which the L'Érable project is located, in operation since 2013, annual contributions are made which the town councils allocate to their most imminent needs. Enerfín is also an active member of the community, making annual contributions to several non-profit associations that request sponsorship for their activities.

## Chile

Enerfín has hired a social consultancy firm to draw up the Community Engagement Plan during the processing and subsequent phases of the wind farm project Los Lagos del Sur.

The goals are as follows:

- To socialise and delve deeper into the measures and/or Voluntary Environmental Commitments for each sector, clarifying the difference between Environmental Measures and Environmental Commitments.
- To clarify any queries about the project processing process.
- To continue with the ongoing community relationship initiated with the Advance Citizen Participation process, delivered in the environmental impact study, establishing trusting and working relationships.

The initial meetings have been held with each of the communities and human groups in the project's area of influence.

In Chile, Celeo has implemented the Community Relations Strategy, which shows how to approach communities, carry out diagnoses and needs assessments, and manage social actions.

Celeo carried out a community diagnosis in the commune of Hualqui (MATE) during 2022. A total of 47 interviews were held with stakeholders (local and regional authorities, neighbourhood councils, businesses, media, etc.), in which four priority areas of action were identified: education and training, employment and entrepreneurship, environmental protection culture, sport and recreation.

As part of the education and training component, a workshop on vegetable gardens and food security was held in a local school.

## Colombia

The recently launched "Portón del Sol Solar Park Project" has an employment board that includes the neighbourhood councils of the area of influence of the project, the mayor's office of La Dorada (Caldas) and a company in charge of identifying skilled and unskilled labour for hiring during the construction of the project. To date, 38 people from the community have been hired for logging and earthwork operations, and a further 32 people are currently in the process of being hired.

At the end of 2022, gifts were given to children in the communities within the areas of influence of the projects.

## Respect for indigenous communities [GRI 2-25](#)

The Elecnor Group sometimes executes projects close to indigenous communities or areas with other social minorities. In these cases the social and/or environmental impacts on the affected areas are analysed and, where necessary, measures are implemented to mitigate them.

## Chile

The environmental impact study of the Los Lagos del Sur wind farm, submitted to the Environmental Assessment Service by Enerfín, includes anthropological studies which confirm the detection of indigenous communities and human groups of interest in the project's area of influence and the degree of impact of the project on them. Additionally, the impact study includes a series of mitigation measures for communities that have a declared material impact and voluntary environmental and social commitments for those with non-material impacts.

In order to manage and ensure compliance with the mitigation measures and voluntary commitments, we have hired a social consultancy firm to draw up the Community Engagement Plan during the processing and subsequent phases of the project, as specified in the previous section. The plan includes workshops and roundtables with indigenous and local communities with a view to establishing trusting and sensitive relationships.

### **Colombia**

In the context of the El Ahumado, Musichi, Trupillo, Dividivi and Brisas del Caribe wind farm projects, since 2018, Enerfín has achieved 88 Preliminary Consultation processes and 13 agreements with a differential approach, obtaining the free and informed consent of these communities.

This has meant that the projects located in Colombia have been developed under a policy of dialogue and respect for the customs and traditions of the neighbouring indigenous communities. These participatory processes are conducted in several meetings and are accompanied by various Colombian state entities.

More than 40 meetings have been held in the territory in 2022, guaranteeing the participation of the various communities, which has enabled permanent channels of communication with residents.

Similarly, follow-up meetings have been held by the Colombian government in order to report to the communities on the progress of the development of the Brisas Wind Farm project studies. This shows that the company Eólica Alta Guajira SAS (a subsidiary of Enerfín) is complying with the principle of providing clear and timely information as laid down in international conventions on the subject, which proves that the company is socially responsible with its neighbouring communities.

### **Brazil**

IN the context of its environmental legislation, Celeo Brazil conducted Indigenous Component Studies (ICS) or Quilombola Component Studies (QCS), to gauge the specific impacts of the project on these communities. Subsequently, control and mitigation measures are conducted for each impact identified in a Basic Indigenous Environmental Plan (BIEP) or Quilombola (BQEP).

Throughout the year, Celeo Brazil monitored the studies and plans awaiting assessment and approval by the relevant bodies (PBAI CAIUA, BQEP IMTE, BIEP JTE JAURÚ, ICS and ENTE).

### **Mexico**

Enerfín's Social Management Plan that was agreed with the communities in the indigenous consultation will be rolled out during the construction phase of the Yucatán projects. However, in 2022, Enerfín has provided the communities with various training programmes: candle making workshops, hammock weaving workshops and the creation of community gardens.

## **Elecnor, committed to the SDGs**

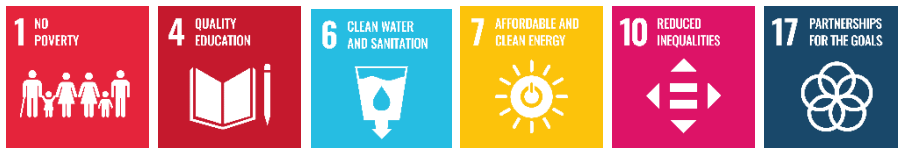
The goal of the Elecnor Group is to ensure that its actions, together with those of the Foundation, are in keeping with the challenges presented by the 2030 Agenda Sustainable Development Goals.

Because of the nature of its activity, the Elecnor Group is a key player in society's development and progress. Its infrastructure, renewable energy, water and environmental projects contribute solutions to some of the current and future challenges such as climate change, the reduction of inequalities, and the energy gap, among others.

Contribution to SDGs deriving from the main businesses




Contribution to the SDGs deriving from the Elecnor Foundation's social action



SDGs

Some projects and initiatives by the Elecnor Group and Elecnor Foundation

	<p><b>Enerfín</b> Social projects</p> <p><b>Celeo</b> Social projects</p> <p><b>Elecnor Foundation</b> Social infrastructure projects</p>
	<p><b>Celeo</b> Social projects</p>
	<p><b>Elecnor Group</b> Safety Excellence project ISO 45001 certification Awareness campaigns Health and safety training plan</p> <p><b>Elecnor Foundation</b> Social infrastructure projects</p>
	<p><b>Elecnor Group</b> Collaboration with universities and vocational training centres</p> <p><b>Enerfín</b> Training programmes in various projects</p> <p><b>Celeo</b> Social initiatives</p> <p><b>Elecnor Foundation</b> Education projects</p>
	<p><b>Elecnor Group</b> Equality plan CEO Diversity Initiative</p>



**Elecnor Group**

Services specialising in water infrastructure

**Audeca**

Water and waste water treatment projects

**Hidroambiente**

Water treatment solutions

**Elecnor Foundation**

Social infrastructure projects

**Elecnor Group**

Renewable energy generation projects

Promotion of renewable energy

Energy efficiency projects and initiatives

**Atersa**

Development, production and distribution of solar photovoltaic products

**Enerfín**

Wind farms

**Celeo**

Energy transportation projects

Solar PV farms

Solar thermal plants

**Elecnor Foundation**

Social infrastructure projects

**Elecnor Group**

Creation and promotion of local employment

Hiring local suppliers

Signatories of the UN Global Compact

**Elecnor Foundation**

Training and research projects

**Elecnor Group**

Infrastructure development

Initiatives involving start-ups

Digital Transformation Plan

Innova calls for proposals

Innovation projects

**Elecnor Group**

Equality plan

**Enerfín**

Social projects

**Celeo**

Energy transportation projects

Social projects

**Elecnor Foundation**

Social infrastructure projects

**Elecnor Group**

Energy efficiency projects

*Smart Cities* Projects

Managing street lighting

**Audeca**

Urban waste collection projects

	<p><b>Elecnor Group</b> Energy efficiency projects <i>Smart Cities</i> Projects Managing street lighting</p> <p><b>Audeca</b> Urban waste collection projects</p>
	<p><b>Elecnor Group</b> Renewable energy projects: wind, solar PV, hydroelectric and biomass Climate change strategy Calculation and verification of the carbon footprint Emission reduction plan</p>
	<p><b>Audeca</b> Water and waste water treatment projects Projects to preserve natural spaces</p> <p><b>Hidroambiente</b> Water treatment solutions</p>
	<p><b>Elecnor Group</b> Initiatives to foster biodiversity</p> <p><b>Audeca</b> Projects to preserve natural spaces</p> <p><b>Enerfín</b> Plan to monitor bird life in wind projects</p> <p><b>Celeo</b> Environmental initiatives</p>
	<p><b>Elecnor Group</b> Certification to UNE-ISO 37001 anti-bribery management system standard Certification to UNE 19601 criminal <i>compliance</i> management system standard Compliance Training</p> <p><b>Elecnor Foundation</b> <i>The IE-Elecnor Observatory on Sustainable Compliance Cultures</i></p>
	<p><b>Elecnor Group</b> Partnerships and collaborations with entities and associations - Participation in forums</p> <p><b>Elecnor Foundation</b> Partnerships and collaborations with entities and associations</p>

## Other channels for engagement with society

### Participation in associations GRI 2-28

The Elecnor Group is actively involved in flagship associations in the industries and countries where it operates. There follows a list of the most important of these for the Group:

**Spain** ACEX, Asociación de Empresas de Conservación y Explotación de Infraestructura  
ADEMI, Asociación de Empresas de Ingeniería, Montajes, Mantenimientos y Servicios Industriales

AEDYR, Asociación de Desalación y Reutilización del Agua

AEE, Asociación Empresarial Eólica

AeH2, Asociación Española del Hidrógeno

AESPLA, Asociación Española de Servicios de Prevención Laboral

AEPIBAL, Asociación Empresarial de Pilas, Baterías y Almacenamiento Energético

AIN, Asociación de Industria de Navarra  
 ANCI, Asociación Nacional de Constructores Independientes  
 ANDECE, Asociación Nacional de la Industria del Prefabricado de Hormigón  
 ANESE, Asociación Nacional de Empresas de Servicios Energéticos  
 APECYL, Asociación de Promotores de Energía Eólica de Castilla y León  
 APIEM, Asociación Profesional de Instaladores Eléctricos y de Telecomunicaciones de Madrid  
 APPA Renovables - Asociación de Empresas de Energías Renovables  
 ARPHO Asociación de Reparación, refuerzo y Protección del Hormigón  
 ASAGUA, Asociación Española de Empresas de Tecnologías del Agua  
 ASEALEN, Asociación Española de Almacenamiento de Energía  
 ASEJA Asociación de Empresas de Gestión de Infraestructura Verde  
 ASERPYMA, Asociación de Empresas Restauradoras del Paisaje y Medio Ambiente  
 Asociación de transmisores de Chile  
 ATC, Asociación Técnica de Carreteras  
 CEOE, Confederación Española de Organizaciones Empresariales  
 CETREN, Asociación de Acción Ferroviaria  
 CONFEMETAL, Confederación Española de Organizaciones Empresariales del Metal  
 Enercluster, Cluster Eólico de Navarra  
 Plataforma enerTIC  
 EGA, Asociación Eólica de Galicia  
 FEMEVAL, Federación Metalúrgica Valenciana  
 FVEM, Federación Vizcaína de Empresas del Metal  
 PROTERMOSOLAR  
 Sedigás, Asociación Técnica Española de la Industria del Gas  
 SERCOBE, Asociación Nacional de Fabricantes de Bienes de Equipo  
 UNEF, Unión Española Fotovoltaica

### **Brazil**

ABRATE, Associação Brasileira das Empresas de Transmissão de Energia Elétrica  
 ABSOLAR, Associação Brasileira de Energia Solar Fotovoltaica  
 ABRAMAN, Associação de Manutenção e Gestão de Ativos  
 ABREN, Associação Brasileira de Recuperação Energética de Resíduos  
 AUI Cultural Produção Cultural e Artes Cênicas EIRELI  
 Spanish Chamber of Commerce in Brazil  
 CIGRE, Comité Nacional Brasileiro de Produção e Transmissão de Energia Elétrica  
 IDEC, Instituto Para o Desenvolvimento do Esporte e da Cultura

### **Canada**

CCIBF Chamber of Commerce and Industry of the Bois-Francs Region  
 AQPER, Quebec Association for the Production of Renewable Energy  
 CANREA, Canadian Renewable Energy Association  
 Spain-Canada Chamber of Commerce

### **Chile**

Asociación Gremial de Transmisoras de Chile  
 CIGRE, Consejo Internacional de Grandes Sistemas Eléctricos  
 Asociación Avanza de Inclusión Socio - Laboral

### **Mexico**

Cámara Española de Comercio en México  
 Cámara Nacional de Manufacturas Eléctricas

### **Portugal**

APIEE, Associação Portuguesa Ind. Eng. Energetica  
 AECOPS, Associação Emp. Construção Obras Publicas e Serviço [Participation in forums](#)

Throughout 2022, the Elecnor Group took part in various forums and events related to its fields of activity. Some of the most noteworthy ones are listed below:

Co-responsible Conference "Risks, actions and main sustainable opportunities in ESG matters". Over 35,000 online viewers attended the Co-responsible Conference to present the 2022 Yearbook.

- Spain-Greece Business Forum. Elecnor travelled to Athens to take part in a Business Forum held by ICEX and sponsored by the Spanish Chamber of Commerce, the CEOE, the Ministry of Foreign Affairs of the Republic of Greece and Enterprise Greece. The event, chaired by the Secretary of State for Trade and the Greek Deputy Minister of Foreign Affairs, focused on the energy sector, transport, water and waste management. It was attended by some 30 Spanish companies and more than 55 Greek companies and 20 Greek institutions.
- 10th Director's Forum. The CEO of the Elecnor Group attended the 10th Anniversary of the Director's Forum, a forum promoted by KPMG Spain, El Mundo and IESE. The forum addressed matters related to the role of the Board of Directors in the governance of companies and the challenges it faces in the present environment.
- IV National Real Estate Servicing Congress. Elecnor was a Silver Sponsor at this event, which was attended by numerous companies from the real estate, management and consultancy sectors.
- Frankfurt Midcap Event. The Elecnor Group's Chief Financial Officer took part in this event hosted by the BME Group, where he explained the organisation's value proposition to international analysts and investors.
- MedCap Forum. This forum, organised by the BME Group, gave the Group the opportunity to share the company's strategy and future with investors and analysts.
- Energy Week, Panamá. Elecnor exhibited its experience in the implementation of onshore wind projects at the 7th Panamá Energy Week, organised by OLADE (Latin American Energy Organisation).

Similarly, the Group's various subsidiaries have been present at forums in their sectors of activity. Some of the most relevant ones are set out below:

### **Africa**

Enerfín was present at regular meetings held by the African Task Force of GWEC, congresses and talks organised by ALER and AMER, and several webinars held by ICEX, the Exporters Club and other foreign organisations on investments and the renewable energy sector in African markets.

In 2022 Enerfín took part in the Africa Energy Forum, held in Brussels. This is an event that brings together governments, financial institutions, investors and professionals from the sector working in Africa for the energy transition.

### **Brazil**

Enerfín took part in WindPower 2022, the country's leading congress that brings together companies, federal bodies and other agents operating in the country's electricity sector. Signing the agreement between ENERFIN and the Government of Rio Grande do Sul in Brazil for collaboration in the development of a green hydrogen plant in the state

### **Colombia**

Enerfín was noteworthy with its participation as a panellist at:

- a. Colombian Hydrogen Congress.
- b. "Actions to mitigate the difficulties of preliminary consultation for FNCER projects in Colombia" at the 5th Renewables and DER LATAM Meeting and Trade Fair held in Barranquilla.
- c. PAAU Working Group Ministry of Defence - Intervention Uribe - La Guajira.
- d. Procolombia 30th Anniversary Event.
- e. Spain - Colombia business encounter.
- f. Infrastructure and Renewable Energy Commission of the Spanish Chamber of Commerce in Colombia.

### **Spain**

In Spain, it is worth highlighting Enerfín's participation in the following events:

- a. Participation in the European Hydrogen Congress (EHEC 2022).
- b. A public event co-organised by Enerfín to present a pilot test of a Caetano hydrogen bus in the framework of the "Green H2 Langosteira" project in the city of A Coruña.
- c. Participation as speakers at the event "Hablando de Hidrógeno en Femenino" (Talking about Hydrogen for Women). The event brought together a group of women from the industry to debate on the importance of committing to green hydrogen as a driver of the ecological transition and to help build a sustainable economy with high added value.
- d. Third General Assembly of the Electron Project in Athens, Greece, which Enerfín attended to observe the progress of this project. The ELECTRON (rEsilient and self-healed EleCTRical pOwer Nanogrid) project is a European Union initiative on cybersecurity and sustainability of Energy Sector installations in normal, critical and emergency circumstances.
- e. I Ebro #Hydrogen Corridor Forum, an event featuring 43 projects representing the entire renewable hydrogen value chain, which Enerfín attended as a guest.
- f. Participation in the Employment Forums of the Carlos III University in Leganés, Madrid, the University of Comillas, Madrid, and the University of Navarra.

The subsidiary Audeca took part in the following initiatives:

- a. The Málaga National Road Safety Conference as a sponsor, with a stand with information on R&D&I projects.
- b. Andalusian Road Congress, setting up a stand and participating in the podcast under the slogan "Towards a new generation of roads".
- c. Participation in the Almazán Trade Fair with a stand, informing the public about the waste collection service currently being undertaken in the municipality.
- d. Sponsorship of the Murcia Branch of the College of Civil Engineers at the 1<sup>st</sup> Santo Domingo de la Calzada Engineering Week.
- e. Sponsorship of VII Encontros da Enxeñería de Camiños, Canais e Portos de Galicia.

Lastly, Atersa was an exhibitor at the GENERA 2022 trade fair held in Madrid.

## **Mexico**

Enerfín participated in the WindPower 2022 and the Energy Commission of the Spanish Chamber of Commerce in Mexico.

## **Recognition**

- > Aster Awards, ESIC. Winners of the "Corporate Career Path towards Big Business" category. The aim of the award is to acknowledge the merits of individuals and entities achieved in the exercise of their professional activity and which foster the integration of academic training and business work.
- > Vocento Business Awards. Winners of the sixth edition in the category "Best Internal Communication Campaign".
- > Co-responsible Awards. Finalist at the 13th Co-responsible Awards in the categories "Best advertising campaign" and "Written press".
- > ACEX. Audeca, winner of the national award in the "Conservation Safety" category.
  
- > Queen's Award for Enterprise. IQA wins an award in the "International Trade" category. The award, which applies for the next five years, is the most prestigious of its kind in the UK and recognises achievement and business excellence throughout Britain.
- > Elecnor, one of the world's 30 leading photovoltaic "EPC contractors" according to Wiki-Solar.

- > Valor 1000. Elecnor Do Brasil won the award for best construction and engineering company in the country by the newspaper Valor Económico.
- > “Green Loan” rating of the loan obtained for the construction of the Ribera de Navarra wind farms.
- > Celeo Chile and Celeo Brazil are ranked first and second, respectively, in the GRESB ranking of power transmission companies in the Americas.

## Appendix I

### Supplementary information

#### Our people, our best asset GRI 2-1, GRI 2-7

##### Workforce data (year-end)

Geographical area and country	2021	2022	Changes
Spain	11,103	11,210	1%
Europe	1,253	1,461	17%
Germany	1	1	—%
Belgium	1	—	-100%
Finland	3	2	-33%
The Netherlands	1	1	—%
Italy	627	805	28%
Lithuania	19	82	332%
Norway	68	25	-63%
Portugal	224	280	25%
UK	286	243	-15%
Romania	23	22	-4%
North America	759	805	6%
Canada	6	7	17%
United States	753	798	6%
Latin America	5,637	6,026	7%
Argentina	94	114	21%
Brazil	4,283	4,766	11%
Chile	611	453	-26%
Colombia	33	31	-6%
Ecuador	3	3	—%
El Salvador	48	1	-98%
Honduras	41	51	24%
Mexico	99	97	-2%
Panama	75	62	-17%
Paraguay	1	1	—%
Peru	—	49	
Dominican Republic	112	162	45%
Uruguay	218	220	1%
Venezuela	19	16	-16%
Africa	2,378	2,403	1%
Angola	1,622	1,335	-18%
Algeria	1	1	—%
Cameroon	473	610	29%
Ivory Coast	6	30	400%
Ghana	113	177	57%
Guinea Conakry	1	—	-100%
Mauritania	5	4	-20%
Mozambique	140	225	61%
Senegal	17	13	-24%
Zambia	—	8	
Asia	188	207	10%

Geographical area and country	2021	2022	Changes
India	1	1	—%
Jordan	3	3	—%
Oman	184	203	10%
Oceania	113	236	109%
Australia	113	236	109%
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4%</b>

Professional category	2021			2022		
	Male	Female	Total	Men	Women	Total
Structure	4,210	1,900	6,110	4,547	2,025	6,572
Management	141	20	161	143	18	161
Executive	1,110	233	1,343	1,184	225	1,409
Technician	2,959	1,647	4,606	3,220	1,782	5,002
Works	14,620	701	15,321	14,900	876	15,776
Basic	14,620	701	15,321	14,900	876	15,776
<b>Total</b>	<b>18,830</b>	<b>2,601</b>	<b>21,431</b>	<b>19,447</b>	<b>2,901</b>	<b>22,348</b>

\*The "Basic" professional category comprises mainly men as it corresponds to Works personnel.

#### By age

Staff in Structure	2021			2022		
	Male	Female	Total	Male	Female	Total
>50	653	189	842	696	181	877
From 30 to 50	2,733	1,212	3,945	2,868	1,269	4,137
<30	824	499	1,323	983	575	1,558
<b>Total</b>	<b>4,210</b>	<b>1,900</b>	<b>6,110</b>	<b>4,547</b>	<b>2,025</b>	<b>6,572</b>

Staff in Works	2021			2022		
	Male	Female	Total	Male	Female	Total
>50	2,930	86	3,016	2,951	85	3,036
From 30 to 50	9,209	439	9,648	9,138	515	9,653
<30	2,481	176	2,657	2,811	276	3,087
<b>Total</b>	<b>14,620</b>	<b>701</b>	<b>15,321</b>	<b>14,900</b>	<b>876</b>	<b>15,776</b>



**Breakdown of information by contract type**

By age	2021	2022	Changes
Open-ended	14,160	17,447	23%
>50	2,971	3,287	11%
From 30 to 50	9,039	10,704	18%
<30	2,150	3,456	61%
Temporary	7,271	4,901	-33%
>50	887	626	-29%
From 30 to 50	4,554	3,086	-32%
<30	1,830	1,189	-35%
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4%</b>

Average by age	2021	2022	Changes
Open-ended	12,705	16,708	32%
>50	2,929	3,264	11%
From 30 to 50	8,122	10,346	27%
<30	1,655	3,098	87%
Temporary	7,929	6,252	-21%
>50	1,222	786	-36%
From 30 to 50	5,107	3,984	-22%
<30	1,600	1,482	-7%
<b>Total</b>	<b>20,634</b>	<b>22,960</b>	<b>11%</b>

By geographical area	2021	2022	Changes
Open-ended	14,160	17,447	23 %
Spain	7,487	9,642	29 %
Europe	838	1,022	22 %
North America	297	307	3 %
Latin America	5,105	5,791	13 %
Africa	375	555	48 %
Asia	5	6	20 %
Oceania	53	124	134 %
Temporary	7,271	4,901	-33 %
Spain	3,616	1,568	-57 %
Europe	415	439	6 %
North America	462	498	8 %
Latin America	532	235	-56 %
Africa	2,003	1,848	-8 %
Asia	183	201	10 %
Oceania	60	112	87 %
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4 %</b>

By professional category	2021	2022	Changes
Open-ended	14,160	17,447	23%
Management	161	161	—%
Executive	1,160	1,222	5%
Technician	3,220	4,213	31%
Basic	9,619	11,851	23%
Temporary	7,271	4,901	-33%
Management	0	0	
Executive	183	187	2%
Technician	1,386	789	-43%
Basic	5,702	3,925	-31%
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4%</b>
Average by professional category	2021	2022	
Open-ended	12,705	16,708	32%
Management	162	161	-1%
Executive	1,147	1,210	5%
Technician	2,931	3,724	27%
Basic	8,465	11,613	37%
Temporary	7,929	6,252	-21%
Management	0	—	
Executive	192	186	-3%
Technician	1,405	1,137	-19%
Basic	6,332	4,929	-22%
<b>Total</b>	<b>20,634</b>	<b>22,960</b>	<b>11%</b>

## By gender

Staff in Structure	2021	2022	Changes
Open-ended	4,541	5,596	23%
Male	3,072	3,830	25%
Female	1,469	1,766	20%
Temporary	1,569	976	-38%
Male	1,138	717	-37%
Female	431	259	-40%
<b>Total</b>	<b>6,110</b>	<b>6,572</b>	<b>8%</b>

Staff in Works	2021	2022	Changes
Open-ended	9,619	11,851	23%
Male	9,173	11,213	22%
Female	446	638	43%
Temporary	5,702	3,925	-31%
Male	5,447	3,687	-32%
Female	255	238	-7%
<b>Total</b>	<b>15,321</b>	<b>15,776</b>	<b>3%</b>

## Average by gender

Staff in Structure	2021	2022	Changes
Open-ended	4,240	5,095	20%
Men	2,901	3,484	20%
Women	1,339	1,611	20%
Temporary	1,597	1,323	-17%
Men	1,175	975	-17%
Women	423	348	-18%
<b>Total</b>	<b>5,837</b>	<b>6,418</b>	<b>10%</b>

Staff in Works	2021	2022	Changes
Open-ended	8,465	11,613	37%
Men	8,063	11,075	37%
Women	402	538	34%
Temporary	6,332	4,929	-22%
Men	6,075	4,664	-23%
Women	257	265	3%
<b>Total</b>	<b>14,797</b>	<b>16,542</b>	<b>12%</b>

\*In Spain, the category of fixed-term discontinuous contracts is included in the category of permanent contracts.

**Breakdown of information by employment type**

By age	2021	2022	Changes
Full-time	21,209	22,163	4%
>50	3,713	3,802	2%
From 30 to 50	13,544	13,744	1%
<30	3,952	4,617	17%
Part-time	222	185	-17%
>50	145	111	-23%
From 30 to 50	49	46	-6%
<30	28	28	—%
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4%</b>

Average by age	2021	2022	Changes
Full-time	20,333	22,759	12%
>50	3,999	3,926	-2%
From 30 to 50	13,126	14,282	9%
<30	3,208	4,551	42%
Part-time	301	201	-33%
>50	152	124	-18%
From 30 to 50	103	48	-53%
<30	47	29	-38%
<b>Total</b>	<b>20,634</b>	<b>22,960</b>	<b>11%</b>

By geographical area	2021	2,022	Changes
<b>Full-time</b>	<b>21,209</b>	<b>22,163</b>	<b>4 %</b>
Spain	10,915	11,058	1 %
Europe	1,227	1,441	17 %
North America	755	799	6 %
Latin America	5,635	6,023	7 %
Africa	2,378	2,403	1 %
Asia	187	207	11 %
Oceania	112	232	107 %
<b>Part-time</b>	<b>222</b>	<b>185</b>	<b>-17 %</b>
Spain	188	152	-19 %
Europe	26	20	-23 %
North America	4	6	50 %
Latin America	2	3	50 %
Africa	0	0	
Asia	1	0	-100 %
Oceania	1	4	300 %
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4 %</b>

By professional category	2021	2022	Changes
<b>Full-time</b>	<b>21,209</b>	<b>22,163</b>	<b>4%</b>
Management	160	161	1%
Executive	1,329	1,397	5%
Technician	4,531	4,923	9%
Basic	15,189	15,682	3%
<b>Part-time</b>	<b>222</b>	<b>185</b>	<b>-17%</b>
Management	1	—	-100%
Executive	14	12	-14%
Technician	75	79	5%
Basic	132	94	-29%
<b>Total</b>	<b>21,431</b>	<b>22,348</b>	<b>4%</b>

Average by professional category	2021	2022	Changes
<b>Full-time</b>	<b>20,333</b>	<b>22,759</b>	<b>12%</b>
Management	160	160	—%
Executive	1,324	1,381	4%
Technician	4,260	4,779	12%
Basic	14,589	16,438	13%
<b>Part-time</b>	<b>301</b>	<b>201</b>	<b>-33%</b>
Management	2	—	-100%
Executive	16	15	-6%
Technician	75	82	9%
Basic	208	104	-50%
<b>Total</b>	<b>20,634</b>	<b>22,960</b>	<b>11%</b>

## By gender

Staff in Structure	2021	2022	Changes
Full-time	6,020	6,481	8%
Male	4,160	4,494	8%
Female	1,860	1,987	7%
Part-time	90	91	1%
Male	50	53	6%
Female	40	38	-5%
<b>Total</b>	<b>6,110</b>	<b>6,572</b>	<b>8%</b>

Staff in Works	2021	2022	Changes
Full-time	15,189	15,682	3%
Male	14,503	14,818	2%
Female	686	864	26%
Part-time	132	94	-29%
Male	117	82	-30%
Female	15	12	-20%
<b>Total</b>	<b>15,321</b>	<b>15,776</b>	<b>3%</b>

## Average by gender

Staff in Structure	2021	2022	Changes
Full-time	5,744	6,321	10%
Men	4,018	4,404	10%
Women	1,726	1,917	11%
Part-time	93	97	4%
Men	57	55	-4%
Women	36	42	17%
<b>Total</b>	<b>5,837</b>	<b>6,418</b>	<b>10%</b>

Staff in Works	2021	2022	Changes
Full-time	14,589	16,438	13%
Men	13,952	15,646	12%
Women	637	792	24%
Part-time	208	104	-50%
Men	187	93	-50%
Women	22	11	-50%
<b>Total</b>	<b>14,797</b>	<b>16,542</b>	<b>12%</b>

**Workforce turnover** <sup>8</sup> GRI 401-1

By age range, gender and geographical area

Location	Departures	Average employment	% rotation in 2022	Rotation in 2021	Change in Rotation 2022 vs. 2021
<b>Spain</b>	<b>2,338</b>	<b>11,067</b>	<b>21 %</b>	<b>18%</b>	<b>3%</b>
Male	2,094	9,658	22 %	19%	3%
>50	446	2,525	18 %	13%	5%
From 30 to 50	1,259	6,094	21 %	18%	3%
<30	389	1,039	37 %	40%	-3%
Female	244	1,409	17 %	13%	4%
>50	26	184	14 %	7%	7%
From 30 to 50	133	942	14 %	12%	2%
<30	85	283	30 %	21%	9%
<b>Europe</b>	<b>457</b>	<b>1,324</b>	<b>35 %</b>	<b>46%</b>	<b>-11%</b>
Male	407	1,135	36 %	43%	-7%
>50	83	251	33 %	33%	—%
From 30 to 50	220	630	35 %	45%	-10%
<30	104	254	41 %	51%	-10%
Female	50	189	26 %	58%	-32%
>50	2	16	13 %	53%	-40%
From 30 to 50	29	98	30 %	56%	-26%
<30	19	75	25 %	68%	-43%
<b>North America</b>	<b>293</b>	<b>769</b>	<b>38 %</b>	<b>33%</b>	<b>5%</b>
Male	272	711	38 %	34%	4%
>50	58	173	34 %	22%	12%
From 30 to 50	149	405	37 %	37%	—%
<30	65	133	49 %	42%	7%
Female	21	58	36 %	19%	17%
>50	6	10	60 %	14%	46%
From 30 to 50	8	34	24 %	15%	9%
<30	7	14	50 %	31%	19%
<b>Latin America</b>	<b>7,274</b>	<b>6,899</b>	<b>105 %</b>	<b>85%</b>	<b>20%</b>
Male	6,866	6,204	111 %	88%	23%
>50	601	665	90 %	70%	20%
From 30 to 50	3,961	3,739	106 %	86%	20%
<30	2,304	1,800	128 %	106%	22%
Female	408	695	59 %	46%	13%
>50	13	41	32 %	36%	-4%
From 30 to 50	255	405	63 %	43%	20%
<30	140	249	56 %	55%	1%
<b>Africa</b>	<b>1,034</b>	<b>2,479</b>	<b>42 %</b>	<b>33%</b>	<b>9%</b>

<sup>8</sup> Turnover is determined as total departures (sum of voluntary redundancies, leaves of absence, retirements, deaths, dismissals, end-of-contract and other kinds of departure)/average employment \* 100

Location	Departures	Average employment	% rotation in 2022	Rotation in 2021	Change in Rotation 2022 vs. 2021
Male	934	2,125	44 %	35%	9%
>50	27	97	28 %	35%	-7%
From 30 to 50	623	1,504	41 %	34%	7%
<30	284	524	54 %	37%	17%
Female	100	354	28 %	23%	5%
>50		11	— %	20%	-20%
From 30 to 50	55	232	24 %	20%	4%
<30	45	111	41 %	33%	8%
<b>Asia</b>	<b>70</b>	<b>228</b>	<b>31 %</b>	<b>4%</b>	<b>27%</b>
Male	68	219	31 %	3%	28%
>50	8	25	32 %	9%	23%
From 30 to 50	41	137	30 %	0%	30%
<30	19	57	33 %	9%	24%
Female	2	9	22 %	17%	5%
>50			— %	0%	—%
From 30 to 50	1	6	17 %	25%	-8%
<30	1	3	33 %	0%	33%
<b>Oceania</b>	<b>81</b>	<b>194</b>	<b>42 %</b>	<b>37%</b>	<b>5%</b>
Male	58	147	39 %	42%	-3%
>50	16	42	38 %	74%	-36%
From 30 to 50	32	75	43 %	31%	12%
<30	10	30	33 %	22%	11%
Female	23	47	49 %	23%	26%
>50	7	8	88 %	17%	71%
From 30 to 50	6	30	20 %	36%	-16%
<30	10	9	111 %	0%	111%
<b>Total Group</b>	<b>11,547</b>	<b>22,960</b>	<b>50 %</b>	<b>39%</b>	<b>11%</b>

By geographical area, gender and type of employee

2021

Structure		Location	Works	
Male	Female		Male	Female
13%	11%	Spain	20%	21%
36%	56%	Europe	45%	0%
17%	23%	North America	41%	0%
36%	34%	Latin America	99%	75%
25%	14%	Africa	36%	28%
0%	17%	Asia	6%	0%
40%	20%	Oceania	60%	0%
20%	19%	Total	46%	38%

## 2022

Structure			Works		
Men	Women	Location	Men	Women	
15 %	17 %	Spain	24 %	22 %	
26 %	25 %	Europe	40 %	34 %	
23 %	28 %	North America	45 %	67 %	
43 %	50 %	Latin America	122 %	70 %	
31 %	28 %	Africa	46 %	28 %	
22 %	22 %	Asia	37 %		
36 %	40 %	Oceania	54 %	150 %	
23 %	26 %	Total	61 %	43 %	

**New hirings** GRI 401-1

By gender and geographical area

## Staff in Structure

Location	2021	2022	Changes
Spain	645	704	9%
Male	450	482	7%
Female	195	222	14%
Europe	166	177	7%
Male	79	117	48%
Female	87	60	-31%
North America	45	78	73%
Male	38	61	61%
Female	7	17	143%
Latin America	485	695	43%
Male	314	444	41%
Female	171	251	47%
Africa	100	101	1%
Male	70	68	-3%
Female	30	33	10%
Asia	48	42	-13%
Male	46	38	-17%
Female	2	4	100%
Oceania	84	133	58%
Male	63	106	68%
Female	21	27	29%
Total Group	1,573	1,930	23%



## Staff in Works

Location	2021	2022	Changes
Spain	1,476	1,673	13%
Male	1,441	1,632	13%
Female	35	41	17%
Europe	503	541	8%
Male	437	505	16%
Female	66	36	-45%
North America	237	310	31%
Male	233	300	29%
Female	4	10	150%
Latin America	4,353	6,969	60%
Male	4,220	6,543	55%
Female	133	426	220%
Africa	1,106	891	-19%
Male	1,016	795	-22%
Female	90	96	7%
Asia	14	43	207%
Male	14	43	207%
Female			
Oceania	8	55	588%
Male	5	47	840%
Female	3	8	167%
<b>Total Group</b>	<b>7,697</b>	<b>10,482</b>	<b>36 %</b>

Location	2021	2022	Average employment 2022	New hiring rate 2022
Spain	2,121	2,377	11,067	21 %
Male	1,891	2,114	9,658	22 %
Female	230	263	1,409	19 %
Europe	669	718	1,324	54 %
Male	516	622	1,135	55 %
Female	153	96	189	51 %
North America	282	388	769	50 %
Male	271	361	711	51 %
Female	11	27	58	47 %
Latin America	4,838	7,664	6,899	111 %
Male	4,534	6,987	6,204	113 %
Female	304	677	695	97 %
Africa	1,206	992	2,479	40 %
Male	1,086	863	2,125	41 %
Female	120	129	354	36 %
Asia	62	85	228	37 %
Male	60	81	219	37 %
Female	2	4	9	44 %
Oceania	92	188	194	97 %
Male	68	153	147	104 %
Female	24	35	47	74 %
<b>Total Group</b>	<b>9,270</b>	<b>12,412</b>	<b>22,960</b>	<b>54 %</b>

By gender and age range

Staff in Structure

Age	2021	2022	Changes
>50	104	142	37%
Male	85	128	51%
Female	19	14	-26%
From 30 to 50	807	1,029	28%
Male	552	717	30%
Female	255	312	22%
<30	662	759	15%
Male	423	471	11%
Female	239	288	21%
<b>Total</b>	<b>1,573</b>	<b>1,930</b>	<b>23%</b>

## Staff in Works

Age	2021	2022	Changes
>50	812	975	20 %
Male	776	935	20 %
Female	36	40	11 %
From 30 to 50	4,718	5,827	24 %
Male	4,533	5,519	22 %
Female	185	308	66 %
<30	2,167	3,680	70 %
Male	2,057	3,411	66 %
Female	110	269	145 %
<b>Total</b>	<b>7,697</b>	<b>10,482</b>	<b>36%</b>

Age	2021	2022	Average employment 2022	New hiring rate 2022
>50	916	1,117	4,048	28 %
Male	861	1,063	3,778	28 %
Female	55	54	270	20 %
From 30 to 50	5,525	6,856	14,331	48 %
Male	5,085	6,236	12,584	50 %
Female	440	620	1,747	35 %
<30	2,829	4,439	4,581	97 %
Male	2,480	3,882	3,837	101 %
Female	349	557	744	75 %
<b>Total</b>	<b>9,270</b>	<b>12,412</b>	<b>22,960</b>	<b>54 %</b>

**Dismissals**

Dismissals in the Elecnor Group are displayed, referring to the non-voluntary termination of the employment contract due to application of the disciplinary code governing the employee, regardless of whether it is declared proper or whether the company acknowledges that the dismissal is improper when so declared by a court.

The figures below include information from Spain, Angola, Australia, Brazil, Cameroon, Colombia, United States, Ghana, Italy, Mozambique, Oman, Panama, United Kingdom and Uruguay.

## By gender and professional category

Category	2021			2022			Changes
	Male	Female	Total	Male	Female	Total	
Structure	85	41	126	62	31	93	-26 %
Manageme	6	1	7	0	1	1	-86 %
Executive	20	4	24	7	3	10	-58 %
Technician	59	36	95	55	27	82	-14 %
Works	718	35	753	986	44	1,030	37 %
Basic	718	35	753	986	44	1,030	37 %
<b>Total</b>	<b>803</b>	<b>76</b>	<b>879</b>	<b>1,048</b>	<b>75</b>	<b>1,123</b>	<b>28 %</b>

## By gender and age

## Staff in Structure

Age	2021			2022			Changes
	Male	Female	Total	Male	Female	Total	
>50	19	4	23	8	2	10	-57%
From 30 to 50	56	28	84	40	16	56	-33%
<30	11	9	20	14	13	27	35%
<b>Total</b>	<b>86</b>	<b>41</b>	<b>127</b>	<b>62</b>	<b>31</b>	<b>93</b>	<b>-27 %</b>

## Staff in Works

Age	2021			2022			Changes
	Male	Female	Total	Male	Female	Total	
>50	84	3	87	105	5	110	26 %
From 30 to 50	491	17	508	591	26	617	21 %
<30	142	15	157	290	13	303	93 %
<b>Total</b>	<b>717</b>	<b>35</b>	<b>752</b>	<b>986</b>	<b>44</b>	<b>1,030</b>	<b>37 %</b>

## Remunerations Policy

Fixed average remuneration by gender, age and professional category

2021

Age	Structure						Works	
	Management		Executive		Technician		Basic	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Spain</b>								
>50	141,357	111,793	54,599	55,235	32,021	28,277	22,816	21,749
From 30 to 50	98,311	88,054	48,637	47,491	32,234	27,856	21,713	21,458
<30			36,273	38,423	27,609	26,271	19,312	19,864
<b>Europe (Italy, Norway, Portugal, United Kingdom and Romania)</b>								
>50			71,381	62,575	41,064	32,959	27,546	36,345
From 30 to 50			47,055	38,293	35,717	32,968	27,160	33,377
<30			25,250	19,854	28,584	23,988	21,212	35,014
<b>North America (United States and Canada)</b>								
>50	173,089		119,846	90,056	125,808	58,139	92,419	77,757
From 30 to 50	178,111	149,966	109,555	81,168	79,149	50,556	86,975	69,556
<30			80,165	51,862	52,708	43,405	77,476	60,728
<b>Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruguay)</b>								
>50			51,344	38,646	22,778	10,734	8,547	8,177
From 30 to 50			41,299	35,250	17,813	12,405	6,722	5,019
<30			20,784		9,092	6,365	4,494	3,912
<b>Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)</b>								
>50			71,246		28,868	14,350	6,262	2,626
From 30 to 50			35,136	36,202	13,272	7,536	5,036	2,376
<30			4,131	5,237	4,530	5,110	2,517	2,315
<b>Asia (Jordan and Oman)</b>								
>50					62,689		23,546	
From 30 to 50			45,322		19,459	21,575	13,454	
<30					14,244	17,836	11,756	
<b>Oceania (Australia)</b>								
>50			88,634	46,793	100,581	63,297		*
From 30 to 50			105,652		79,719	49,154	87,488	
<30					51,936	51,406	59,183	

## 2022

	Structure						Works	
	Management		Executive		Technician		Basic	
	Male	Female	Male	Female	Male	Female	Male	Female
<b>Spain</b>								
>50	138,963	116,834	56,950	57,408	33,724	30,547	24,342	24,309
From 30 to 50	101,773	98,391	49,849	49,758	33,626	29,203	22,718	22,740
<30			40,233	44,219	29,605	28,572	20,584	21,336
<b>Europe (Germany, Finland, The Netherlands, Italy, Lithuania, Norway, Portugal, United Kingdom and Romania)</b>								
>50			88,764		45,236	32,787	25,636	*
From 30 to 50			44,136	41,153	36,926	31,750	26,564	26,122
<30			24,352	22,925	27,703	24,618	22,533	19,618
<b>North America (United States and Canada)</b>								
>50	208,696		133,694	89,694	129,734	60,793	100,610	73,491
From 30 to 50	199,225	*	125,200	88,631	73,182	57,504	98,737	71,264
<30			87,061	67,995	63,839	51,182	81,644	49,849
<b>Latin America (Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Dominican Republic and Uruguay)</b>								
>50			63,844	34,577	31,599	22,888	10,817	10,588
From 30 to 50			47,088	44,468	20,940	14,982	8,647	5,656
<30				*	9,743	8,283	5,569	4,935
<b>Asia (Jordan and Oman)</b>								
>50					48,833		35,869	
From 30 to 50			64,888	*	32,940	23,602	18,240	*
<30					21,121	14,449	15,434	
<b>Africa (Angola, Algeria, Cameroon, Ivory Coast, Ghana, Mauritania, Mozambique, Senegal and Zambia)</b>								
>50			48,798		31,476	16,824	7,765	2,833
From 30 to 50			40,051	28,574	17,130	10,166	5,865	2,491
<30			13,028		4,843	5,450	2,637	2,120
<b>Oceania (Australia)</b>								
>50			204,697		105,801	70,767	99,966	
From 30 to 50			105,883		89,972	58,169	79,606	79,618
<30					61,348	46,406	67,978	

\* This information is not shown in the interest of protecting the data of the persons represented, since there is only one employee in that professional category.

## Fixed average remuneration by geographical area, gender and type of employee

2021

	Structure		Works	
	Male	Female	Male	Female
Spain	40,565	31,731	21,851	21,348
Europe (Italy, Norway, Portugal, United Kingdom and Romania)	35,991	30,809	26,144	34,521
North America (United States and Canada)	112,062	61,976	85,803	68,374
Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruguay)	19,931	11,401	6,319	4,832
Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)	23,837	20,507	13,966	—
Asia (Jordan and Oman)	13,833	8,777	4,416	2,367
Oceania (Australia)	82,336	53,708	78,053	*

\* This information is not shown in the interest of protecting the data of the persons represented, since there is only one employee in that professional category.

2022

	Structure		Works	
	Male	Female	Male	Female
Spain	42,034	33,092	23,001	22,932
Europe (Germany, Finland, The Netherlands, Italy, Lithuania, Norway, Portugal, United Kingdom and North America (United States and Canada)	35,923	28,893	25,465	22,870
Latin America (Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Dominican Republic and	125,918	73,073	94,736	64,621
Asia (Jordan and Oman)	23,599	13,900	7,917	5,701
Africa (Angola, Algeria, Cameroon, Ivory Coast, Ghana, Mauritania, Mozambique, Senegal and Zambia)	35,479	20,170	19,737	*
Oceania (Australia)	17,637	9,458	5,088	2,383
	92,021	58,315	82,069	79,618

**Ratio of total annual compensation** [GRI 2-21](#)

The annual remuneration ratio of the organisation's highest paid person to the median annual remuneration of all employees (excluding the highest paid person) is 27.8. Only fixed remuneration has been taken into account in this ratio, with the Chief Executive Officer's compensation corresponding to the fixed remuneration for his executive duties. The Elecnor Group is working on its reporting systems in order to be able to report the total compensation ratio with all variable items in 2025.



## Management of biodiversity and protection of the natural environment GRI 304-1

**Projects located in or near protected and high-value areas**

Country	Project/Activity	Proximity to protected areas or zones of great value for Biodiversity		
		Type and name of protected area affected	Location with respect to the protected area (within the area, adjacent to the area or with plots in the protected area)	Area/Length affected
Brazil	LTT	"Parque Estadual do Pau Furado" (Unidade de Conservação de Proteção Integral no Estado de Minas Gerais)	Inside	10.5 km
Brazil	PATE- LT230 kV Oriximiná-Juruti-Parintins e Subestações Associadas	Áreas Prioritárias para a Conservação da Biodiversidade: Várzeas do Médio Amazonas, Rio Amazonas, Várzea Médio Amazonas e Cachoeira do Aruã	Adjacent	N/A
Brazil	Complexo Solar Fotovoltaico Lar do Sol – Casablanca	Próxima a APCB Buritizeiro/Pirapora e a APCB Rio São Francisco e Grandes Afluentes	Adjacent	N/A
Spain	Brovales solar photovoltaic installation project and associated infrastructures	Natura 2000 network: ZEPA "Embalse Valuengo", ZEC "Río Ardila" ZEC "Río Ardila Alto"	Adjacent	N/A
Spain	Aerosur wind farm	"La Janda" lagoon, African-European migratory flyway (Strait of Gibraltar)/ Important Bird and Biodiversity Area (IBA)	Adjacent	N/A
Spain	SIGMA solar PV plant. Arco 1-5 farms	The nearest protected natural areas are the ZEC Río Guadalete, the Medina Sidonia IBA and the La Sauna periurban park	Adjacent	N/A

		Proximity to protected areas or zones of great value for Biodiversity		
Country	Project/Activity	Type and name of protected area affected	Location with respect to the protected area (within the area, adjacent to the area or with plots in the protected area)	Area/Length affected
Colombia	Portón del Sol	Regional Integrated Management Districts	Adjacent	N/A
Australia	New England Solar Farm	PCT 510 - Blakely's Red Gum - Yellow Box grassy woodland	Adjacent	N/A
Australia	Goyder South Wind Farm	Mimbara Protected Area. Category VI UICN	Inside	Tower 49
Mozambique	Temane Thermal Power Plant 400 kV transmission line – Vilanculos Substation (Lot 4)	KBA Inhassoro-Vilankulos (Key Biodiversity Area)	Part-time	30 towers occupying 11.5 linear km featuring 50 m of easements
Spain (Audeca)	Improvement cuts and partial treatments to modify the structure of the masses in the Public Utility	ES4320011 ZEC Las Hurdes, ES0000355 ZEPA Hurdes and ES4320047 ZEC Sierras de Risco Viejo	Inside	424 ha
Spain (Audeca)	Fire prevention forestry treatments on 280 hectares and other improvements to the natural environment in 13 municipalities in	LIC ZEPA, Natural P. "Cañón del río Lobos" MUP 72,287,223,98 LIC "Sabinares Sierra Cabrejas MUP 243, 247	Inside	280 ha
Spain (Audeca)	Grey partridge conservation actions	Sanabria Lake Natural Park and Sierras Segundera and Porto	Inside	40 ha

**Projects including monitoring of species appearing on the International Union for Conservation of Nature (IUCN) Red List** [GRI 304-4](#)

Country	Project	Classification according to IUCN					
		CR*	EN*	VU*	NT*	LC*	Oth
Chile	Prime medium-voltage line					11	
Chile	Cardonal Substation			1		1	2
Chile	Llanos del Viento wind farm	1				2	
Brazil	PATE- LT230 kV Oriximiná-Juruti-Parintins e Subestações Associadas			18	3	82	5
Brazil	Complexo Solar Fotovoltaico Lar do Sol	2		1	1		12
Colombia	Portón del Sol					21	8
Peru	Valle del Chira substation						21
Panama	Sabanitas					2	1
Dominican Republic	Solar PV plant - ESPERANZA	1	2	1		4	1
Spain	Brovales solar photovoltaic installation project and associated infrastructures		3	10			13
Spain	Aerosur wind farm		1			1	
Spain	SIGMA solar PV plant. ARCO 1-5 FARMS					2	
Australia	New England Solar Farm					7	
Australia	Goyder South Wind Farm					1	
Mozambique	Temane Thermal Power Plant 400 kV transmission line – Vilanculos Substation				1		6
Chile	AJTE and CHATE			4			
Chile	CHATE				1		
Brazil	PATE	2					
Brazil	PATE			11			
Brazil	PATE					7	
Brazil	PATE						1
<b>Total</b>		<b>3</b>	<b>9</b>	<b>46</b>	<b>6</b>	<b>141</b>	<b>70</b>

\*CR: Critically endangered

\*EN: Endangered

\*VU: Vulnerable

\*NT: Near threatened

\*LC: Least concern

## European taxonomy of environmentally sustainable economic activities

In 2020, the European Parliament and the Council of the European Union adopted 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 investments, amending Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (hereinafter referred to as the *Taxonomy Regulation (TR)*).

The requirements on how and to what extent the activities of companies are associated with economic activities that are deemed environmentally sustainable are specified in Article 8 of the TR which, in its first two paragraphs, states:

1. Any company required to disclose non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU will include in its consolidated non-financial statement information on how and to what extent the activities of the company are associated with economic activities that are deemed to be environmentally sustainable in accordance with Articles 3 and 9 of this Regulation.
2. In particular, non-financial companies will disclose the following information:
  - a. The proportion of their turnover that comes from products or services related to economic activities that are deemed environmentally sustainable pursuant to Articles 3 and 9.
  - b. The proportion of its capital expenditure and the proportion of its operating expenses related to assets or processes associated with economic activities that are deemed environmentally sustainable pursuant to Articles 3 and 9.

Furthermore, three delegated regulations have been published to implement the TR:

- 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 (hereinafter referred to as the *1<sup>st</sup> Delegated Act*).
- 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 (hereinafter referred to as the *2<sup>nd</sup> Delegated Act*).
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy markets and Delegated Regulation (EU) 2021/2178 as regards public disclosure of specific information on these economic activities. Specifically, this Delegated Regulation includes technical selection criteria that enable some activities in the fossil gas and nuclear energy sectors to be deemed environmentally sustainable activities (hereinafter the *3<sup>rd</sup> Delegated Act*).

In this way, the European Taxonomy is set up as a classification system for environmentally sustainable economic activities to assist in informing investors —under a single, official criterion— about which investments are sustainable.

## Eligible and ineligible activities

The following tables contain a list of the activities and sub-activities that the Elecnor Group has deemed eligible and ineligible pursuant to the regulations:

ACTIVITY	SUB-ACTIVITIES	NACE Code	Taxonomy		
			Taxonomy Activity	Activity Description	Activity Goal and Type
Electricity	Distribution and transmission networks, substations, transformer stations and live working	3512: Electricity transmission 3513: Electricity distribution	4.9. Transmission and distribution of electricity	Construction and operation of: transmission systems that transport electricity on the very high voltage and high voltage interconnected system; and distribution systems that transport electricity on high, medium and low voltage distribution systems	Mitigation (enabling activity)
Energy efficiency	Street lighting	3312: Machinery repair	7.3. Installation, maintenance and repair of energy-efficient equipment	Individual renovation measures comprising installation, maintenance or repair of energy-efficient equipment	Mitigation (enabling activity)
Power generation	Wind farms, solar photovoltaic, power generation and self-consumption plants	3511: Wind, hydroelectric and other electricity production 4321: Electrical installations 2711: Manufacture of electric motors, generators and transformers	4.1. Generation of electricity using solar photovoltaic technology 4.3. Electricity generation from wind energy 4.5. Electricity generation from hydropower 4.8. Electricity generation from bio-energy 7.6. Installation, maintenance and repair of renewable energy technologies	Construction and operation of solar photovoltaic (PV), concentrating solar-power, wind, hydro or biomass-only, biogas or bioliquid electricity generation facilities, installation, maintenance and repair of renewable energy technologies, in situ, and manufacturing of renewable energy technologies	4.1, 4.3 and 7.6 Mitigation (direct contribution activity)  4.5 and 4.8 Mitigation (enabling activity)

Railways	Catenary, traction substations, signalling and interlocking, and communications	4212: Construction of aboveground and underground railway lines 4321: Electrical installations	6.14. Rail transport infrastructure	Construction, modernisation, operation and maintenance of aboveground and underground railways, bridges and tunnels, stations, terminals, railway service facilities, safety and traffic management systems, including the rendering of architectural, engineering, draughting, building inspection, surveying and mapping services, in addition to services performing physical, chemical and other analytical testing of all types of materials and product	Mitigation (enabling activity)
Maintenance	Urban services	3811: Non-hazardous waste collection	5.5. Collection and transport of non-hazardous waste in source-segregated fractions	Separate collection and transport of non-hazardous waste in individual or mixed fractions to prepare it for reuse or recycling	Mitigation (direct contribution activity)
Facilities	Electricity and instrumentation, air-conditioning, HVAC, PCI and plumbing and comprehensive installations	4120: Construction of buildings 4321: Electrical installations 4322: Plumbing, heating and air-conditioning systems	7.1. Construction of new buildings 7.2. Renovation of existing buildings	Construction of complete residential or non-residential buildings Construction and civil engineering works or preparation of such works	7.1. Mitigation (direct contribution activity) 7.2. Mitigation (transition activity)
Construction	Non-residential buildings	4120: Construction of buildings	7.1. Construction of new buildings 7.2. Renovation of existing buildings	Construction of complete residential or non-residential buildings Construction and civil engineering works or preparation of such works	7.1. Mitigation (direct contribution activity) 7.2. Mitigation (transition activity)

Water	Water treatment plants	4299: Construction of other civil engineering projects n.e.c.	5.1. Construction, expansion and operation of water catchment, purification and distribution systems	Construction, expansion and operation of water collection, purification and distribution systems and centralised waste-water systems, including collection (sewerage) and treatment and their renewal	Mitigation (direct contribution activity)
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Furthermore, the Elecnor Group undertakes a number of other activities which, under taxonomy regulations, are eligible activities, such as those related to the construction and operation of waste-water collection and treatment systems or activities in the field of forestry and forest management. In any case, these activities have not been taken into account when calculating the corresponding indicators on environmentally sustainable activities due to their scant significance in the Elecnor Group's current turnover, CapEx and OpEx.

Furthermore, the following activities of the Elecnor Group are not described in the delegated acts implementing the TR and have therefore been catalogued as ineligible activities:

ACTIVITY	SUB-ACTIVITIES	NACE Code
Power generation	Combined cycle thermal power plants	3516: Production of conventional thermal electricity
Gas&oil	Distribution and transmission, infrastructure operations (domestic grid), domestic services and miscellaneous facilities and oil	3522: Distribution of gaseous fuels through pipelines 3523: Trade in gas by pipeline 4950: Pipeline transport 0610: Extraction of crude oil
Telecommunications and systems	Network creation, customer registration, internal plant and equipment, network engineering and maintenance, projects and maintenance of communications, security and automation and control systems, special and unique installations, product engineering	4222: Construction of electrical grids and telecommunications networks 6110: Cable telecommunications 6120: Wireless telecommunications 6130: Satellite telecommunications 6190: Other telecommunications activities 8020: Security systems services
Maintenance	Comprehensive maintenance of buildings, electrical and instrumentation, air conditioning, HVAC, plumbing, mechanical, industrial maintenance and maintenance of transport infrastructure and green areas	3314: Repair of electrical equipment 3320: Installation of industrial machinery and equipment 4211: Construction of roads and motorways 4213: Construction of bridges and tunnels 4322: Plumbing, heating and air-conditioning systems installations 8130: Landscaping activities 9104: Activities of botanical gardens, zoos and nature reserves
Facilities	Interior design	7410: Specialised design activities
Construction	Non-residential buildings	4211: Construction of roads and motorways 4213: Construction of bridges and tunnels 2361: Manufacture of concrete elements for construction purposes
Water	Waste disposal plants, waterworks and water distribution systems	4299: Construction of other civil engineering projects n.e.c. 4291: Waterworks 4221: Construction of fluid power networks
Space	Space	6190: Other telecommunications activities 8030: Research activities

### Proportion of turnover from products or services related to environmentally sustainable economic activities

Economic activities	Codes	Absolute turnover (€ '000)	Proportion of turnover (%)	Substantial contribution criteria		Do No Significant Harm (DNSH) criteria							Minimum guarantees (V/N)	Proportion of Taxonomy-aligned turnover 2022 (%)	Category of enabling activity	Category of transition activity
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (V/N)	Climate change adaptation (V/N)	Water and marine resources (V/N)	The transition to a circular economy (V/N)	Pollution prevention and control (V/N)	Biodiversity and ecosystems (V/N)					
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																
Transmission and distribution of electricity	4.9	950.172	26,29%	26,29%	0,00%	Y	Y	N/A	Y	Y	Y	Y	37,72%	F		
Generation of electricity using solar photovoltaic technology	4.1	493.007	13,64%	13,64%	0,00%	Y	Y	N/A	Y	N/A	Y	Y	19,57%			
Electricity generation from wind energy	4.3	378.088	10,46%	10,46%	0,00%	Y	Y	Y	Y	N/A	Y	Y	15,01%			
Collection and transport of non-hazardous waste in source-segregated fractions	5.5	3.045	0,08%	0,08%	0,00%	Y	Y	N/A	Y	N/A		Y	0,12%			
Rail transport infrastructure	6.14	92.322	2,55%	2,55%	0,00%	Y	Y	Y	Y	Y	Y	Y	3,66%	F		
Construction of new buildings	7.1	2.034	0,06%	0,06%	0,00%	Y	Y	Y	Y	Y	Y	Y	0,08%			
Renovation of existing buildings	7.2	12.980	0,36%	0,36%	0,00%	Y	Y	Y	Y	Y	N/A	Y	0,52%		T	
Installation, maintenance and repair of energy-efficient equipment	7.3	65.548	1,81%	1,81%	0,00%	Y	Y	N/A	N/A	Y	N/A	Y	2,60%	F		
Installation, maintenance and repair of renewable energy technologies	7.6	2.500	0,07%	0,07%	0,00%	Y	Y	N/A	N/A		N/A	Y	0,10%	F		
<b>Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>1.999.697</b>	<b>55,34%</b>	<b>55,34%</b>	<b>0,00%</b>								<b>79,38%</b>			
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned)</b>																
Generation of electricity using solar photovoltaic technology	4.1	27.345	0,76%										1,09%			
Electricity generation from wind energy	4.3	1.825	0,05%										0,07%			
Electricity generation from hydropower	4.5	26.970	0,75%										1,07%			
Electricity generation from bio-energy	4.8	12.593	0,35%										0,50%			
Transmission and distribution of electricity	4.9	335.740	9,29%										13,33%	F		
Construction, expansion and operation of water catchment, purification and distribution systems	5.1	33.544	0,93%										1,33%			
Rail transport infrastructure	6.14	3.158	0,09%										0,13%	F		
Construction of new buildings	7.1	13.364	0,37%										0,53%			
Renovation of existing buildings	7.2	64.809	1,79%										2,57%		T	
<b>Turnover from Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-eligible activities) (A.2)</b>		<b>519.349</b>	<b>14,37%</b>										<b>20,62%</b>			
<b>Total (A.1 + A.2)</b>		<b>2.519.046</b>	<b>69,71%</b>													
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																
Turnover from Taxonomy non-eligible activities (B)		1.094.626	30,29%													
<b>Total (A + B)</b>		<b>3.613.672</b>	<b>100,00%</b>													

### Proportion of capital expenditure (CapEx) related to assets or processes associated with sustainable environmental economic activities

Economic activities	Codes	Absolute CapEx (€ '000)	Proportion of CapEx (%)	Substantial contribution criteria		Do No Significant Harm (DNSH) criteria							Minimum guarantees (V/N)	Proportion of Taxonomy-aligned CapEx 2022 (%)	Category of enabling activity	Category of transition activity
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (V/N)	Climate change adaptation (V/N)	Water and marine resources (V/N)	The transition to a circular economy (V/N)	Pollution prevention and control (V/N)	Biodiversity and ecosystems (V/N)					
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																
Electricity generation from wind energy	4.3	85.713	42,77%	42,77%	0,00%	Y	Y	Y	Y	N/A	Y	Y	100,00%			
<b>CapEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>85.713</b>	<b>42,77%</b>	<b>42,77%</b>	<b>0,00%</b>								<b>100,00%</b>			
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned)</b>																
CapEx from Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		0	0,00%										0,00%			
<b>Total (A.1 + A.2)</b>		<b>85.713</b>	<b>42,77%</b>													
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																
CapEx from Taxonomy non-eligible activities (B)		114.702	57,23%													
<b>Total (A + B)</b>		<b>200.415</b>	<b>100,00%</b>													



### Proportion of operating expenses (OpEx) related to assets or processes associated with sustainable environmental economic activities

OpEx (thousands of Euros)	Codes	Absolute OpEx (€ '000)	Proportion of OpEx (%)	Substantial contribution criteria		Do No Significant Harm (DNSH) criteria								Proportion of Taxonomy-aligned OpEx 2022 (%)	Category of enabling activity	Category of transition activity
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (V/N)	Climate change adaptation (V/N)	Water and marine resources (V/N)	The transition to a circular economy (V/N)	Pollution prevention and control (V/N)	Biodiversity and ecosystems (V/N)	Minimum guarantees (V/N)				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>																
Electricity generation from wind energy	4.3	7.283	4,02%	4,02%	0,00%	Y	Y	Y	Y	N/A	Y	Y	100,00%			
<b>OpEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>7.283</b>	<b>4,02%</b>	<b>4,02%</b>	<b>0,00%</b>								<b>100,00%</b>			
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned)</b>																
OpEx from Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		0	0,00%										0,00%			
<b>Total (A.1 + A.2)</b>		<b>7.283</b>	<b>4,02%</b>													
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																
OpEx from Taxonomy non-eligible activities (B)		173.924	95,98%													
<b>Total (A + B)</b>		<b>181.207</b>	<b>100,00%</b>													

Fiscal transparency

Country by Country Report 2021 GRI 207-4

Tax jurisdiction	Number of employees	Income from sales to third parties	Income from intra-group transactions with other tax jurisdictions	Profit or loss before taxes	Tangible assets other than cash and cash equivalents	Income tax paid	Income tax accrued	Difference between accrued tax and that resulting from applying the tax rate to the accounting result
GERMANY	-	20.000,00	-	49.359,62	-	-	-	4
ANGOLA	1.622,00	47.570.280,11	2.089.992,00	7.292.437,13	4.057.511,00	1.162.929,88	1.154.234,91	8
ALGERIA	12,50	557,86	-	3.158.669,61	3.984,25	125,95	520.881,47	8, 11
ARGENTINA	94,00	7.940.845,09	720,09	1.231.468,23	610.235,48	445.404,66	19.614,47	5, 6, 8
AUSTRALIA	109,00	201.418.182,66	99.619,87	17.296.989,06	1.828.814,30	3.251,11	3.408.836,93	6, 11, 12
BELGIUM	1,00	28.267.181,63	-	1.227.847,75	-	-	31.701,63	12
BOLIVIA	-	53,10	-	23.247,68	7.760,50	-	-	9
BRAZIL	4.283,00	336.460.093,75	140.117.453,81	88.797.012,42	351.541.452,22	19.783.688,23	18.638.646,30	10, 11
CAMEROON	473,00	20.578.415,17	-	2.633.682,83	3.361.830,90	391.990,30	1.120.254,36	6
CANADA	6,00	27.206.654,45	6.001.574,74	5.008.958,65	152.086.814,63	-	660.629,56	5, 6, 11
CHILE	611,00	71.039.557,32	47.029.612,56	8.280.567,40	3.448.713,90	952.321,59	1.209.137,36	5, 11
COLOMBIA	33,00	9.663.988,66	23.286,98	4.040.182,28	179.913,94	238.983,61	59,60	4, 6, 11
IVORY COAST	6,00	602.101,96	-	1.404.475,40	143.263,31	-	-	4
DOMINICAN REPUBLIC	139,00	17.145.551,29	890.342,00	1.057.795,18	418.621,37	77.893,54	413.604,89	1, 5, 6, 11, 12
ECUADOR	3,00	17.420.002,09	1.508.354,83	1.484.456,69	63.160.309,38	375.766,69	234.989,76	5, 11
USA	753,00	256.084.858,36	-	11.054.481,74	14.674.951,67	1.000.561,58	3.030.511,16	11, 12
EL SALVADOR	48,00	9.057.396,01	99.963,60	88.136,76	122.182,72	69.124,95	-	12
UNITED ARAB EMIRATES	-	-	-	-	1.223,06	-	-	N/A
SPAIN	11.104,00	1.604.169.934,00	137.238.036,84	110.045.070,69	261.661.671,38	6.695.282,05	4.279.609,31	5, 6, 7, 11
FINLAND	3,00	4.041.934,77	-	320.948,33	135.214,32	-	-	4
GAMBIA	5,00	1.572.990,59	-	354.259,64	228.793,22	-	-	3
GHANA	113,00	7.134.676,40	-	2.390.611,05	389.021,14	16.917,46	-	4
GUINEA	3,50	5.307.781,81	-	673.523,17	859.617,39	9.520,00	9.520,00	1, 3
GUINEA-BISSAU	4,00	2.328.836,24	-	197.485,38	282.982,35	-	-	3
HAITI	3,00	2.132.999,53	-	232.586,46	119.876,03	94.962,05	-	4, 9
HONDURAS	41,00	6.658.855,48	739.846,00	2.465.374,94	47.850,24	55.319,91	22.368,71	3, 7
ENGLAND	286,00	36.006.996,43	27.790.293,47	2.776.849,98	688.491,66	115.797,15	514.890,15	5, 6, 11
ITALY	627,00	71.865.676,42	27.310,97	4.155.941,53	4.180.411,51	66.038,40	300.889,70	1, 6, 11
JORDAN	3,00	830.112,78	-	16.569,29	-	-	-	11, 12
KUWAIT	-	220.737,21	-	153.454,26	-	25.294,44	21.670,32	11
LIBERIA	16,00	175.026,65	156.128,35	109.161,00	-	-	-	3
LITHUANIA	19,00	16.857.741,68	-	3.277.644,39	10.771.849,71	5.765,00	115.537,63	12
MOROCCO	-	23.407,52	-	21.062,51	-	434.938,05	435.228,01	1, 13
MAURITANIA	-	197.131,42	252.237,68	1.282.729,54	127.400,96	68.022,37	26.067,60	1
MEXICO	52,00	75.993.558,05	3.328.303,61	12.416.073,44	218.773.447,91	1.551.849,09	4.860.683,98	11
MOZAMBIQUE	140,00	4.808.423,41	-	1.241.235,12	1.142.933,34	3.735,52	1.859,52	1, 6
NORWAY	68,00	40.862.416,60	2.494.907,48	8.043.927,78	152.254,87	1.079.596,12	1.297.437,17	2, 6
OMAN	184,00	85.805.890,58	-	4.563.494,84	8.285.009,94	599.575,71	92.602,13	4, 7, 11, 12
PANAMA	75,00	15.351.695,50	113.041,85	10.666.032,62	878.708,61	-	55.638,35	1, 4, 7, 11
PARAGUAY	1,00	389,73	-	214.566,15	-	-	38,77	4, 11, 12
PERU	1,08	1.687.310,20	-	507.427,41	123.092,71	1.668,14	88.368,29	7, 8, 11
PORTUGAL	224,00	25.969.279,59	1.872.931,55	2.698.693,86	1.065.522,99	101.844,08	511.642,78	6, 7, 11
ROMANIA	23,00	666.545,88	411.186,01	69.926,32	10.099,48	4.541,87	8.679,08	5, 6, 7
SENEGAL	18,00	6.354.854,32	227.467,21	562.139,03	3.002.287,11	-	6.588,85	1, 7, 11
SOUTH AFRICA	-	9.451,73	-	7.686,57	0,16	-	-	7
URUGUAY	218,00	13.090.841,76	111.166,54	473.371,33	498.015,04	206.933,61	79.000,11	1, 7
VENEZUELA	19,00	104.506,47	-	322.339,29	949.759,84	48.345,05	52.865,89	6, 11
ZAMBIA	-	53.268,57	-	30.542,52	-	-	-	4
<b>Overall total</b>	<b>21.444,08</b>	<b>3.080.758.990,83</b>	<b>372.623.778,04</b>	<b>262.254.766,77</b>	<b>1.110.021.894,53</b>	<b>35.335.915,54</b>	<b>34.543.751,74</b>	

\* Explanatory notes about the differences between effective tax rates and nominal rates:

1. Application of minimum tax
2. Special scheme that defers the tax payment
3. Projects that are exempt from the profits tax losses were generated, and therefore no tax payable was generated
- 4, 7, 11, 12
5. Negative tax adjustment (non-taxable income) expenses) and inflationary adjustment
- 6, 7, 11
7. Application of tax credits
8. Application of deferred taxes
9. Tax year different from the calendar year
10. Presumed profit
11. The group of companies of the same fiscal jurisdiction with before-tax losses reduces the
12. Adjustments due to accounting integration
13. Prior years' tax from inspection

## Appendix II

Index of content required by Law 11/2018, of 28 December, concerning non-financial information and diversity.

Information required by Law 11/2018	Materiality	Page or section of the report responding to the requirement under Law 11/2018	Reporting criterion: GRI (2016 version unless otherwise stated)
<b>General information</b>			
A brief overview of the business model including the business environment, organisation and structure	Material	3, 33-34	GRI 2-6
Markets where it operates	Material	5-7, 36-37	GRI 2-1 GRI 2-6
The organisation's goals and strategies	Material	33-34	GRI 2-22
The main factors and trends potentially affecting future performance	Material	114-116	GRI 2-22
Reporting framework used	Material	22	GRI 1
Principle of Materiality	Material	27-30	GRI 3-1 GRI
<b>Environmental issues</b>			
<b>Management approach:</b> description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	66-85	GRI 3-3
<b>Detailed general information</b>			
Detailed information concerning current and foreseeable effects of the Company's activities on the environment and, where applicable, health and safety	Material	75-76	GRI 3-3
Procedures for environmental assessment or certification	Material	75	GRI 3-3
Resources allocated to preventing environmental risks	Material	75	GRI 3-3
Application of the precautionary principle	Material	60-61,75	GRI 3-3
Amount of provisions and guarantees for environmental risks	Material	76	GRI 3-3
<b>Pollution</b>			
Measures to prevent, reduce or remedy severe environmental emissions; taking into account any kind of atmospheric pollution specific to an activity, including noise and light pollution.	Not material	Not material	
<b>Circular economy and waste prevention and management</b>			
Prevention, recycling, re-use, other methods of waste recovery and elimination	Material	80-82	GRI 306-1 (2020) GRI 306-2 (2020) GRI 306-4 (2020) GRI 306-5 (2020)
Actions for combating food wastage	Not material	Not material	
<b>Sustainable use of resources</b>			
Water consumption and water supply in accordance with local constraints	Material	78-80	GRI 303-5 (2018)

Consumption of raw materials and measures implemented to boost efficiency in their usage	Material	76 and 80	GRI 3-3
Direct and indirect energy consumption	Material	76	GRI 302-1
Measures taken to boost energy efficiency	Material	77	GRI 3-3
Renewable energy use	Material	78	GRI 302-1
<b>Climate change</b>			
Greenhouse gas emissions generated as a result of the Company's activities, including the use of the goods and services it produces	Material	72-73	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures implemented to adapt to the consequences of climate change	Material	66-71	GRI 3-3 GRI 201-2
Targets established voluntarily in the medium and long term to reduce greenhouse gas emissions and the measures implemented for that purpose	Material	66-71	GRI 305-5
<b>Safeguarding biodiversity</b>			
Measures implemented to preserve or restore biodiversity	Material	82-85	GRI 304-3
Impacts of the activities or operations on protected areas	Material	82-85	GRI 304-2
<b>Social matters and issues concerning staff</b>			
<b>Management approach:</b> description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	34-51	GRI 3-3
<b>Employment</b>			
Total number of employees and breakdown by country, gender, age and professional category	Material	36-39,151-152	GRI 2-7 GRI 405-1
Total number and distribution of contract modalities and annual average numbers of open-ended, temporary and part-time contracts by gender, age and professional category	Material	153-157	GRI 2-7
Number of layoffs by gender, age and professional category	Material	39,163-164	GRI 3-3 GRI 401-1
Average remuneration and evolution thereof by gender, age and professional category or equal value	Material	44-45,165-167	GRI 3-3 GRI 405-2
Wage gap, remuneration of equal jobs or company average	Material	45	GRI 3-3 GRI 405-2
Average remuneration of directors and executives, including variable remuneration, per diem expenses, termination benefits, payments to long-term benefit schemes and any other items, broken down by gender	Material	44-45,110-112	GRI 3-3 GRI 405-2
Policies to facilitate disconnection from work	Material	45-46	GRI 3-3
Number of disabled employees	Material	48-49	GRI 405-1
<b>Organisation of work</b>			
Organisation of work time	Material	45	GRI 3-3
Number of hours of absenteeism	Material	39	GRI 3-3

Measures aimed at facilitating work-life balance and fostering a mutually responsible approach thereto by both parents	Material	45-47	GRI 3-3
<b>Health and Safety</b>			
Occupational Health and Safety conditions	Material	53-60	GRI 403-1 (2018) GRI 403-2 (2018) GRI 403-3 (2018) GRI 403-4 (2018) GRI 403-5 (2018) GRI 403-6 (2018) GRI 403-7 (2018) GRI 403-8 (2018)
Workplace accidents, in particular their frequency and severity, as well as occupational illnesses; broken down by gender	Material	56-58	GRI 403-9 (2018) GRI 403-10 (2018)
<b>Social relations</b>			
Organisation of social dialogue, including procedures to inform and consult employees and to negotiate with them	Material	51	GRI 3-3
Percentage of employees covered by collective bargaining agreements by country	Material	51	GRI 2-30
Balance of collective bargaining agreements, especially in connection with occupational health and safety	Material	54	GRI 403-4 (2018)
Mechanisms and procedures that the company has in place to encourage workers' involvement in the management of the company, in terms of information, consultation and participation	Material	51	GRI 3-3
<b>Training</b>			
Training policies implemented	Material	39-41	GRI 3-3
Total number of training hours by professional category	Material	41-44	GRI 404-1
<b>Universal access</b>			
Universal access for disabled people	Material	49	GRI 3-3
<b>Equality</b>			
Measures implemented to promote equal treatment and equal opportunities for women and men	Material	46-47	GRI 3-3
Equality plans, measures adopted to promote employment, protocols against sexual harassment and gender-based harassment	Material	46	GRI 3-3
Policy against any kind of discrimination and, in the event, for managing diversity	Material	47	GRI 3-3
<b>Respect for Human Rights</b>			
<b>Management approach:</b> description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	127-128	GRI 3-3
<b>Application of due diligence procedures</b>			

Application of due diligence procedures in connection with human rights and the prevention of risks of human rights breaches and, where applicable, measures to mitigate, manage and remedy potential abuse	Material	127-128	GRI 2-23 GRI 2-26
Complaints regarding human rights breaches	Material	47, 122	GRI 3-3
Measures implemented for the promotion and compliance with the provisions of ILO fundamental conventions relating to respect for freedom of association and the right to collective bargaining; elimination of discrimination in the workplace and occupation; elimination of forced or compulsory labour; effective abolition of child labour	Material	127-128	GRI 3-3
<b>Combating bribery and corruption</b>			
<b>Management approach:</b> description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	118-121, 125-126	GRI 3-3
Measures implemented to prevent bribery and corruption	Material	118-121, 125-126	GRI 3-3 GRI 2-23 GRI 205-3
Anti-money laundering measures	Material	118-121, 125-126	GRI 3-3 GRI 2-23 GRI 205-3
Contributions to foundations and non-profit organisations	Material	124.135	GRI 2-28 GRI 201-1
<b>Company information</b>			
<b>Management approach:</b> description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	132-150	GRI 3-3
<b>The company's commitment to sustainable development</b>			
Impact of the business on society, with regard to jobs and local development	Material	133-143	GRI 3-3 GRI 203-2 GRI 204
The impact of the business on local communities and territory	Material	28-29, 133-143	GRI 2-29 GRI 203-2
Relations with the stakeholders in local communities and modalities of dialogue with them	Material	28-29, 31-33, 142-143	GRI 2-29
Association or sponsorship actions	Material	101-102, 124, 133,146-147	GRI 2-28 GRI 3-3 GRI 201-1
<b>Subcontracting and suppliers</b>			
Inclusion in procurements policy of social issues, equality and environmental considerations	Material	63-65	GRI 3-3

Consideration, in relations with suppliers and subcontractors, of their social and environmental responsibility	Material	63-65	GRI 2-6 GRI 308-1
Supervisory system and audits, and findings thereof	Material	63-65	GRI 2-6
<b>Consumers</b>			
Measures to ensure consumer health and safety	Material	60-62	GRI 3-3
Complaints systems, complaints received and resolution thereof	Material	62-63	GRI 3-3
<b>Tax information</b>			
Profits obtained by country	Material	129-130	GRI 207-1 (2019) GRI 207-2 (2019) GRI 207-3 (2019)
Income tax paid	Material	131	GRI 207-1 (2019) GRI 207-2 (2019) GRI 207-3 (2019)
Public grants received	Material	132	GRI 201-4
<b>EU Regulation (202/852) - Taxonomy</b>			
Regulation requirement	Material	85-92, 172-177	Elecnor Group's own methodology prepared based on article 8 of the European Taxonomy

## Appendix III

### GRI content index

<b>Statement of use</b>	Elecnor has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2022.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standards</b>	Not applicable

<b>GRI standard</b>	<b>Contents</b>	<b>Page of the report featuring response</b>	<b>Omissions</b>
<b>GRI 1: Foundation 2021</b>			
<b>GRI 2: General disclosures 2021</b>			
2-1	Organizational details	3, 22, 151-152 Paseo de la Castellana, 81 - 20th floor 28046 - Madrid Spain	
2-2	Entities included in the organization's sustainability reporting	22 Appendix I to the Annual Accounts of Elecnor, S.A. and Subsidiaries	
2-3	Reporting period, frequency and contact point	Year 2022 Annual submission Contact address <a href="mailto:elecnor@elecnor.com">elecnor@elecnor.com</a>	
2-4	Restatements of information	There have not been any significant changes	
2-5	External assurance	191-193 ACGR C.1.30	
2-6	Activities, value chain and other business relationships	33, 63-65	
2-7	Employees	36-38, 133, 151-157	
2-8	Workers who are not employees	36	Information on Workers who are not employees controlled by the Elecnor Group is not available in the company's systems with the required breakdown. The Elecnor Group is working towards improving its systems to report this information in 2027
2-9	Governance structure and composition	105-109	
2-10	Nomination and selection of the highest governance body	105-106 ACGR C.1.16.	
2-11	Chair of the highest governance body	105-106	



2-12	Role of the highest governance body in overseeing the management of impacts	106-109 ACGR C.2.1	
2-13	Delegation of responsibility for managing impacts	114 ACGR C1.3, C.2.1	
2-14	Role of the highest governance body in sustainability reporting	23-24	
2-15	Conflicts of interest	ACGR D6	
2-16	Communication of critical concerns	23-25, 107-108, 118-122	
2-17	Collective knowledge of the highest governance body	ACGR C1.3	
2-18	Evaluation of the performance of the highest governance body	113 ACGR C.1.17	
2-19	Remuneration policies	110-112 <a href="#">Remuneration Policy 2022-2025</a>	
2-20	Process to determine remuneration	110-112 <a href="#">Remuneration Policy 2022-2025</a>	
2-21	Annual total compensation ratio	168	The information in section b has not been reported. Section a. Only fixed remuneration has been taken into account in this ratio, with the Chief Executive Officer's compensation corresponding to the fixed remuneration for his executive duties. The Elecnor Group is working on its reporting systems in order to be able to report the total compensation ratio with all variable items in 2025.
2-22	Statement on sustainable development strategy	The Chairman's Letter is published in the 2022 Integrated Report	
2-23	Policy commitments	22, 60-61, 75-76, 116-124	
2-24	Embedding policy commitments	22, 60-61, 75-76, 116-124	
2-25	Processes to remediate negative impacts	30-32, 46-47, 62-63, 82-85, 141-143	
2-26	Mechanisms for seeking advice and raising concerns	121	
2-27	Compliance with laws and regulations	90, 107	
2-28	Membership associations	101-102, 146-147, 124, 133	

2-29	Approach to stakeholder engagement	27-30, 30-32	
2-30	Collective bargaining agreements	51	
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	27-30	
3-2	List of material topics	27-30	

### Thematic content

GRI standard	Contents	Page of the report featuring response	Direct Response/O missions
<b>Talent management</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	34-36, 39-41	
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	39,158-163	
401-3	Parental leave	47	
<b>GRI 404: Training and education 2016</b>			
404-1	Average hours of training per year per employee	41	
404-2	Programs for upgrading employee skills and transition assistance programs	39-41	Note. At present, the Elecnor Group does not have any transition assistance programmes in place to facilitate
<b>Occupational health and safety</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	53-60	
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	51-60	
403-2	Hazard identification, risk assessment and incident investigation	53-54	
403-3	Occupational health services	53-54, 56	
403-4	Worker participation, consultation and communication on occupational health and safety	54	
403-5	Worker training on occupational health and safety	54-56	
403-6	Promotion of worker health	56-60	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53, 58	
403-8	Workers covered by an occupational health and safety management system	53-54	
403-9	Work-related injuries	56-58	
403-10	Work-related ill health	56-58, 59-60	

<b>Ethics and Compliance</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	116-132	
<b>GRI 201: Economic performance 2016</b>			
201-4	Financial assistance received from government	132	
<b>GRI 205: Anti-Corruption 2016</b>			
205-1	Operations assessed for risks related to corruption	114-116, 118-119	
205-2	Communication and training about anti-corruption policies and procedures	122-123	
205-3	Confirmed incidents of corruption and actions taken	118-122	
<b>GRI 206: Anti-competitive behavior 2016</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Note 18 Annual Accounts of Elecnor, S.A. and Subsidiaries	
<b>GRI 207: Tax 2019</b>			
207-1	Approach to tax	128-132	
207-2	Tax governance, control, and risk management	128-132	
207-3	Stakeholder engagement and management of concerns related to tax	128-132	
207-4	Country-by-country reporting	129, 178	
<b>GRI 415: Public policy 2016</b>			
415-1	Political contributions	125	
<b>Resource efficiency</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	<b>75-85</b>	
<b>GRI 302: Energy 2016</b>			
302-1	Energy consumption within the organisation	76	
302-2	Energy consumption outside of the organisation	76	
302-3	Energy intensity	76	
302-4	Reduction of energy consumption	70-71	
302-5	Reductions in energy requirements of products and services	73-75, 77	
<b>GRI 303: Water and Effluents 2018</b>			
303-1	Interactions with water as a shared resource	78-80	
303-5	Water consumption	80	
<b>GRI 306: Waste 2020</b>			
306-1	Waste generation and significant waste-related impacts	80	
306-2	Management of significant waste-related impacts	80	
306-3	Waste generated	80	
306-4	Waste diverted from disposal	81	
306-5	Waste directed to disposal	81	
<b>Biodiversity</b>			

<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	82-83	
<b>GRI 304: Biodiversity 2016</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	82-85, 169-171	
304-2	Significant impacts of activities, products, and services on biodiversity	82-85	
304-3	Habitats protected or restored	82-85	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	172	
<b>Climate change</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	66-75	
<b>GRI 201: Economic performance 2016</b>			
201-2	Financial implications and other risks and opportunities due to climate change	66-71, 77-78	In the project to identify and assess climate risks and opportunities undertaken in 2022, the Elecnor Group has not found that any short-term costs will be generated beyond those associated with the management and mitigation measures currently
<b>GRI 305: Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	72	
305-2	Energy indirect (Scope 2) GHG emissions	72	
305-3	Other indirect (Scope 3) GHG emissions	72-73	
305-4	GHG emissions intensity	72	
305-5	Reduction of GHG emissions	71-73 <a href="#">Note<sup>9</sup></a>	
<b>Dialogue with communities</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	142-144	
<b>GRI 203: Indirect economic impacts 2016</b>			
203-2	Significant indirect economic impacts	141-143	
<b>GRI 413: Local communities 2016</b>			

<sup>9</sup> The GHGs encompassed in the Elecnor Group's carbon footprint are those which, among those considered in the Kyoto Protocol, are generated by the Group's activity. These are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) and, additionally, hydrofluorocarbons (HFCs) associated with refrigerant gas leaks. Given that sulphur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>) and perfluorocarbons (PFCs) are not generated within the Group's equipment or activities, they have not been considered for the scope of the current carbon footprint.

413-2	Operations with significant actual and potential negative impacts on local communities	141-143	
<b>Local development</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	133-142	
<b>GRI 201: Economic performance 2016</b>			
201-1	Direct economic value generated and distributed	133-136	
<b>GRI 203: Indirect economic impacts 2016</b>			
203-1	Infrastructure investments and services supported	136-139	
<b>GRI 204: Procurement practices 2016</b>			
204-1	Proportion of spending on local suppliers	135	
<b>GRI 413: Local communities 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	135-141	
<b>Human rights</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	128-129	
<b>GRI 406: Non-Discrimination 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	47	
<b>GRI 407: Freedom of association and collective bargaining 2016</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	63-65, 118-124, 127-128	
<b>GRI 408: Child labor 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor	63-65, 118-124, 127-128	
<b>GRI 409: Forced or compulsory labor 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	63-65, 118-124, 127-128	
<b>GRI 411: Rights of indigenous peoples 2016</b>			
411-1	Incidents of violations involving rights of indigenous peoples	127-128	
<b>Service quality and customer focus</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	60-63	
<b>GRI 416: Customer Health and Safety 2016</b>			
416-1	Assessment of the health and safety impacts of product and service categories	60-63	
<b>Digital transformation</b>			
<b>3-3 Material topics</b>			
<b>3-3</b>	<b>Management of material topics</b>	94-96	

## Appendix IV

### Table of contents according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

The contents of this report are in line with the recommendations of the TCFD. The location of the contents suggested by the initiative can be viewed in this table of contents:

Areas	Contents	Pages
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities	66-67
	Describe management's role in assessing and managing climate-related risks and opportunities	66-67
<b>Strategy</b>	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	67-70
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	67-70
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	66-70
<b>Risks</b>	Describe the organisation's processes for identifying and assessing climate-related risks	67-70, 118-121
	Describe the organisation's processes for managing climate-related risks	67-70, 118-121
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	67-70, 118-121
<b>Metrics</b>	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	70-72, 76-82
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	71-73
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance of these targets	66-70

## Appendix: alternative performance measures

Elecnor presents the Alternative Performance Measures, according to the guidelines published by the ESMA (European Securities and Markets Authority). These measures are widely used by investors, securities analysts and other agents as performance measures that are supplementary, and should be considered as such, and in no case as a replacement.

### Alternative measures of the Elecnor Group's performance

#### Key figures

(thousands of euros)	2022	2021	Change (%)
Turnover	3,613,672	3,122,421	15.7%
Domestic	1,491,563	1,422,918	4.8%
International	2,122,109	1,699,503	24.9%
EBITDA	302,052	271,769	11.1%
Profit before tax	165,931	142,048	16.8%
Attributable consolidated net profit	102,813	85,883	19.7%

#### Turnover by segments

(thousands of euros)	2022	2021	Change (%)
Elecnor	3,422,866	2,958,160	15.7%
Enerfín	220,412	166,593	32.3%
<b>Subtotal Businesses</b>	<b>3,643,278</b>	<b>3,124,753</b>	16.6%
Operations between segments	(29,606)	(2,332)	-
	<b>3,613,672</b>	<b>3,122,421</b>	15.7%

#### Turnover by activity

(thousands of euros)	2022	2021	Change (%)
Electricity	1,352,435	1,260,553	7.2%
Power generation	945,146	685,292	37.9%
Telecommunications and space	242,133	267,522	-9.5%
Facilities	232,520	209,434	11.0%
Construction, environment and water	285,849	298,202	-4.1%
Maintenance	287,998	194,514	48.1%
Oil & Gas	165,724	141,279	17.3%
Railways	101,867	65,625	55.2%
	<b>3,613,672</b>	<b>3,122,421</b>	15.7%

## EBITDA

EBITDA is defined as operating income plus expense for amortisation, depreciation, impairment and charges to provisions. The group deems EBITDA to be a useful supplementary indicator that can be used in assessing the Group's operating performance.

	2022	2021	Change (%)
<b>EBITDA = Gross Operating Profit:</b>	<b>302,052</b>	<b>271,769</b>	<b>11.1%</b>
Operating income	212,742	178,683	
+ Expense for amortisation, depreciation, impairment, and charges to provisions, and negative difference in business	89,310	93,086	

### EBITDA by segments

(thousands of euros)	2022	2021	Change (%)
Elecnor	168,928	165,838	1.9%
Enerfín	154,490	116,303	32.8%
Celeo	17,153	14,998	14.4%
<b>Subtotal Businesses</b>	<b>340,571</b>	<b>297,139</b>	<b>14.6%</b>
Group Management and Other Adjustments	(29,569)	(25,109)	
Operations between segments	(8,950)	(261)	
<b>Total Group</b>	<b>302,052</b>	<b>271,769</b>	<b>11.1%</b>

### Profit before income tax by segment

(thousands of euros)	2022	2021	Change (%)
Elecnor	105,913	114,957	-7.9%
Enerfín	84,934	44,076	92.7%
Celeo	17,153	14,999	14.4%
<b>Subtotal Businesses</b>	<b>208,000</b>	<b>174,032</b>	<b>19.5%</b>
Group Management and Other Adjustments	(35,959)	(32,566)	
Operations between segments	(6,110)	582	
<b>Total Group</b>	<b>165,931</b>	<b>142,048</b>	<b>16.8%</b>

### Consolidated net profit attributable by segment

(thousands of euros)	2022	2022	Change (%)
Elecnor	77,459	77,119	0.4%
Enerfín	44,124	23,336	89.1%
Celeo	17,153	14,998	14.4%
<b>Subtotal Businesses</b>	<b>138,736</b>	<b>115,453</b>	<b>20.2%</b>
Group Management and Other Adjustments	(30,622)	(29,991)	
Operations between segments	(5,301)	421	
<b>Total Group</b>	<b>102,813</b>	<b>85,883</b>	<b>19.7%</b>



## Alternative measures of profit and loss of the holding company of the Elecnor Group

### Key figures

(thousands of euros)	2022	2021
Turnover	102,237	67,456
Operating income	40,894	16,109
Profit before tax	31,606	7,361
Profit after tax	36,882	9,196
	2022	2021
EBITDA = Gross Operating Profit	45,027	25,685
Operating income	40,894	16,109
+ Depreciation and amortisation of fixed assets in the income statement of Elecnor, S.A.	5,098	3,897
+ Impairment and losses under the heading Impairment and profit/loss on disposals of financial instruments in the income statement of Elecnor, S.A.	(965)	5,679

### Stock market information

	2022	2021
Closing share price (Euros)	10.6	10.5
Total volume of securities (millions)	6.1	5.6
Total cash traded (millions of Euros)	66.6	57.7
Number of shares (millions)	87	87
Market capitalisation (millions of Euros)	922.2	913.5
PER	9.0	10.6
Dividend yield	3.5%	3.1%

### Elecnor's portfolio

#### Pending backlog

(thousands of Euros, at year-end)	2022	2021	Change (%)
Domestic	633,939	579,656	9.4%
International	1,774,464	1,711,829	3.7%
<b>Total</b>	<b>2,408,403</b>	<b>2,291,485</b>	<b>5.1%</b>

### Alternative debt measures; indebtedness ratio

#### Net Financial Debt

(thousands of Euros, at year-end)

	2022	2021
Net Financial Debt with recourse	120,791	119,392
EBITDA	302,052	271,769
<i>With recourse<sup>3</sup></i>	137,661	138,284
<i>Without recourse<sup>4</sup></i>	164,391	133,485
Ratio of Debt/EBITDA with recourse + projects div.	0.72	0.83
<b>Total Net Financial Debt</b>	<b>546,913</b>	<b>516,815</b>
<i>With recourse</i>	120,791	119,392
<i>Without recourse</i>	426,122	397,423
EBITDA	302,052	271,769
Ratio of Total Net Financial Debt/ EBITDA	1.81	1.90

<sup>3</sup> EBITDA with recourse is Group EBITDA excluding non-recourse EBITDA (EBITDA corresponding to investment projects financed by debt secured by such projects)

<sup>4</sup> EBITDA without recourse is EBITDA corresponding to investment projects financed by debt secured by such projects

	2022	2021
<b>Net Financial Debt with recourse</b>	<b>120,791</b>	<b>119,392</b>
<i>(Net Financial Debt in Note 16 of the Annual Accounts of Elecnor, S.A. and Subsidiaries)</i>		
EBITDA	302,052	271,769
<i>EBITDA without recourse (from projects financed via funding without recourse)</i>	<i>164,391</i>	<i>133,485</i>
<i>EBITDA with recourse</i>	<i>137,661</i>	<i>138,284</i>
Dividends from projects financed via funding without recourse	73,495	43,931
Reversal of the effect on EBITDA with recourse of the application of IFRS 16	-17,962	-17,001
<b>EBITDA with recourse + Dividends from projects without recourse net of the effect of IFRS 16</b>	<b>193,194</b>	<b>165,214</b>
Indebtedness ratio = Net financial debt with recourse/(EBITDA with recourse + Dividends from projects)	<b>0.63</b>	<b>0.72</b>

Note: the purpose of eliminating the effect of IFRS 16 on Leases is to offset the impact of this standard —the impact increases the figures of EBITDA and Debt— and to comply with the method of calculating this figure contained in the financing contracts.

#### Calculation of Total Net Financial Debt

	2022	2021
+ Financial liabilities from issuing bonds and other marketable securities	175,951	134,581
+ Financial liabilities on loans and borrowings	779,682	789,598
+ Derivative financial instruments (non-current liabilities and current liabilities in the Consolidated Statement of Financial Position)	54,553	101,272
- Current investments in related companies	(761)	(323)
- Derivative financial instruments	(3,905)	(6,454)
- Cash and cash equivalents	(372,525)	(388,105)
- Other current financial investments	(12,076)	(11,214)
- Derivative financial instruments (of Non-current assets)	(9,639)	(371)
- Debt service reserve account within "Other cash equivalents" (Note 14 c)	(17,825)	(17,681)
+ Loans granted by public entities (Note 16)	3,801	4,622
+ Derivative financial instruments (current assets in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)	2,361	6,122
+ Derivative financial instruments (current assets in the Consolidated Statement of Financial Position) arising from energy price hedges (Note 17)	1,544	
+ Derivative financial instruments (non-current assets in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)		101
- Derivative financial instruments (non-current liabilities and current liabilities in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)	(5,552)	(10,723)
- Derivative financial instruments (non-current liabilities and current liabilities in the Consolidated Statement of Financial Position) arising from exchange rate hedges (Note 17)	(48,696)	(84,610)
<b>Total Net Financial Debt</b>	<b>546,913</b>	<b>516,815</b>
(increase on previous year's close)	5.8%	-0.4%

#### Details of the Group's workforce

##### Elecnor Group's workforce

At 31 December each year	2022	2021	Change
Domestic	11,210	11,103	1.0%
International	11,138	10,328	7.8%
	<b>22,348</b>	<b>21,431</b>	4.3%

This calculation does not include directors who are not on the Group's workforce.

## Other disclosures

### Elecnor (Services and Projects)

(thousands of euros)	2022	2021	Change (%)
Turnover	3,422,866	2,958,160	15.7%
EBITDA	168,928	165,838	1.9%
Profit before tax	105,913	114,957	-7.9%
Attributable net profit	77,459	77,119	0.4%

### Enerfín

(thousands of euros)	2022	2021	Change (%)
Turnover	220,412	166,593	32.3%
EBITDA	154,490	116,303	32.8%
Profit before tax	84,934	44,076	92.7%
Attributable net profit	44,124	23,336	89.1%

For a better understanding of the EBITDA that this business contributes to the group, the following table presents the main projects at the end of each year (see Note 32 of the Notes to the Annual Accounts of Elecnor, S.A. and subsidiaries for the year ended 31/12/22):

Year-end 2022:	EBITDA	GROSS DEBT	CASH	NET DEBT	INSTALLED CAPACITY (MW)	GENERATION (GWh)	LOAD FACTOR	% SHAREHOLDING	Date of entry into operation
<b>National Projects:</b>									
Eólica Montes de Cierzo, S.L.	15,529	--	1,607	1,607	60	114	21.5%	100.00%	2001
Eólica Páramo de Poza, S.A.	14,825	--	1,067	1,067	101	127	14.5%	70.00%	2002
Parque Eólico Malpica, S.A.	9,370	--	469	469	16	64	44.6%	95.55%	2004
Aerogeneradores del Sur. S.A.	20,911	(3,671)	2,694	(977)	54	139	29.3%	100.00%	2005
Galicia Vento, S.L.	44,160	(8,565)	7,482	(1,083)	128	305	27.2%	90.60%	1997- Repowered 2017
Parque Eólico Cofrentes, S.L.U.	8,853	(57,950)	6,741	(51,209)	50	131	30.1%	100.00%	2020
Renovables del Cierzo, S.L.U.	(20)	(52,000)	2,395	(49,605)	139			100.00%	
Energy price hedges (*)	(46,235)	(21,579)	1,544	(20,035)					
<b>Brazil projects:</b>									
Ventos do Sul, S.A.	31,155	(30,513)	9,313	(21,200)	150	335	25.5%	80.00%	2006
Parques Eólicos Palmares. S.A.	6,465	(11,038)	3,676	(7,362)	58	149	29.6%	80.00%	2010/2011/2012
Ventos da Lagoa, S.A.	5,484	(11,787)	2,218	(9,569)	58	148	29.4%	80.00%	2012
Ventos Do Litoral Energia, S.A.	4,692	(11,757)	3,829	(7,928)	58	140	27.7%	80.00%	2013
Ventos dos Índios Energia, S.A.	2,854	(15,205)	3,026	(12,179)	53	138	29.7%	80.00%	2014
Ventos do São Fernando I Energia	3,072	(46,014)	3,140	(42,874)	76	245	36.7%	100.00%	Oct 2020
Ventos de São Fernando II Energia	6,379	(39,524)	4,062	(35,462)	73	219	34.4%	100.00%	Nov 2020
Ventos de São Fernando III Energia	1,878	(15,031)	4,513	(10,518)	24	69	32.3%	100.00%	Nov 2020
Ventos do São Fernando IV Energia. S.A.	2,879	(45,692)	5,435	(40,257)	83	236	32.4%	100.00%	Feb 2021
<b>Canada Projects:</b>									
Éoliennes de L'Érable, SEC.	25,630	(124,775)	6,645	(118,130)	100	320	36.5%	51.00%	2013
Structure	(161)	--	2,579	2,579		-	-	-	
Developments and other investees*	(3,230)	--	7,749	7,749	271				
<b>Total</b>	<b>154,490</b>					<b>2,879</b>			

Year-end 2021:

	EBITDA	GROSS DEBT	CASH	NET DEBT	INSTALLED CAPACITY (MW)	GENERATION (GWh)	LOAD FACTOR	% SHAREHOLDING	Date of entry into operation
<b>National Projects:</b>									
Eólica Montes de Cierzo, S.L.	9,026	--	718	718	60	121	22.8%	100.00%	2001
Eólica Páramo de Poza, S.A.	9,369	--	1,975	1,975	101	131	14.9%	70.00%	2002
Aerogeneradores del Sur, S.A.	10,847	(7,386)	7,471	85	54	119	25.0%	100.00%	2004
Galicia Vento, S.L.	27,663	(17,235)	15,830	(1,405)	128	314	28.0%	91.00%	2005
Parque Eólico Malpica, S.A.	5,454	(6,939)	4,584	(2,355)	16	65	45.1%	96.00%	1997- Repowered 2017
Parque Eólico Cofrentes, S.L.U.	6,782	(52,093)	5,033	(47,060)	50	144	32.9%	100.00%	2020
Cobertura de precio de energía contratada por Enerfín Sociedad de Energía. S.L.	(37,558)	(65,987)	18,494	(47,493)					
<b>Brazil projects:</b>									
Ventos do Sul, S.A.	24,483	(34,607)	7,314	(27,293)	150	368	28.0%	80.00%	2006
Parques Eólicos Palmares, S.A.	5,509	(11,403)	2,912	(8,491)	58	161	32.1%	80.00%	2010/2011/2012
Ventos da Lagoa, S.A.	4,836	(12,117)	4,245	(7,872)	58	161	32.0%	80.00%	2012
Ventos Do Litoral Energia, S.A.	4,441	(12,019)	4,123	(7,896)	58	155	30.8%	80.00%	2013
Ventos dos Índios Energia, S.A.	2,448	(15,021)	2,622	(12,399)	53	150	32.3%	80.00%	2014
Ventos do São Fernando I Energia	5,630	(42,326)	1,809	(40,517)	76	280	41.9%	100.00%	Oct 2020
Ventos de São Fernando II Energia	6,111	(37,421)	4,012	(33,409)	73	251	39.4%	100.00%	Nov 2020
Ventos de São Fernando III Energia	2,381	(12,580)	2,641	(9,939)	24	80	37.5%	100.00%	Nov 2020
Ventos do São Fernando IV Energia, S.A.	5,459	(40,624)	4,928	(35,696)	83	271	37.2%	100.00%	Feb 2021
<b>Canada Projects:</b>									
Éoliennes de L'Érable, SEC.	21,441	(133,662)	5,588	(128,074)	100	292	33.4%	51.00%	2013
Structure	2,894	--	14,230	14,230	--	-	-	-	
Developments and other investees*	(914)	--	4,264	4,264	213				
<b>Total</b>	<b>116,302</b>					<b>3,064.13</b>			

**Celeo (100% subgroup)**

(thousands of euros)	2022	2021	Change (%)
Turnover	306,575	278,267	10.2%
EBITDA	241,783	191,790	26.1%
Profit before tax	104,070	59,916	73.7%
Attributable net profit	33,806	29,950	12.9%

For a better understanding of the EBITDA that this business contributes to the group, the following table presents the main projects at the end of each year (see Note 32 of the Notes to the Annual Accounts of Elecnor, S.A. and subsidiaries for the year ended 31/12/22):

GRUPO CELEO Concesiones e Inversiones	2022						
	EBITDA	Gross debt	Cash	Net debt	Km	MW	% shareholdin
<b>BRAZIL</b>							
Celeo Redes Transmissão de Energia, S.A.	24,657	60,357	1,491	58,866	--	--	51%
Lt Triângulo, S.A.	20,934	0	4,050	(4,050)	695	--	51%
Vila Do Conde Transmissora De Energia, S.A.	9,009	--	6,257	(6,257)	324	--	51%
Pedras Transmissora de Energia, S.A.	2,668	1,234	3,312	(2,078)	--	--	51%
Coqueiros Transmissora De Energia, S.A.	1,069	504	467	37	65	--	51%
Encruzo Novo Transmissora De Energia, S.A.	2,301	3,013	601	2,412	220	--	51%
Linha De Transmissão Corumbá, S.A.	5,062	5,898	1,215	4,683	279	--	51%
Integração Maranhense Transmissora de Energia, S.A.	6,026	9,433	5,963	3,470	365	--	26%
Caiuá Transmissora De Energia, S.A.	4,108	6,381	3,971	2,410	142	--	26%
Cantareira Transmissora de Energia, S.A.	21,838	85,645	20,066	65,579	342	--	26%
Serra De Ibiapa Transmissora de Energia, S.A. - SITE	16,894	154,685	18,522	136,163	366	--	51%
Brilhante Transmissora de Energia, S.A.	9,335	29,181	5,245	23,936	581	--	51%
Jaurú Transmissora de Energia, S.A.	11,697	23,565	5,965	17,600	940	--	34.0%
Cachoeira Paulista Transmissora de Energia, S.A.	11,939	43,932	19,605	24,327	181	--	25.5%
Parintins Amazonas Transmissora de Energia, S.A.	(28)	184,483	33,599	150,885	240	--	25.5%
Celeo São João Do Piauí FV I, S.A. (6)	8,614	69,685	4,437	65,248	--	180	51%
<b>CHILE</b>							
<b>Celeo Redes Operación Chile, S.A.</b>	42,767	505,434	27,312	478,122	--	--	51%
Alto Jahuel Transmisora de Energía, S.A.	21,581	(1,212)	7,374	(8,586)	256	--	51%
Charrúa Transmisora de Energía, S.A.	16,892	--	7,003	(7,003)	198	--	51%
CRC Transmisión, SPA	14,562	181,421	4,616	176,805	--	--	25.50%
Casablanca Transmisora de Energía, S.A.	771	1,491	3,231	(1,740)	110	--	25.50%
Mataquito Transmisora de Energía, S.A.	849	1,969	1,099	869	387	--	25.50%
Diego de Almagro Transmisora de Energía, S.A.	4,521	--	637	(637)	52	--	25.50%
Alfa Transmisora de Energía, S.A.	64,097	979,196	54,447	924,749	899	--	10.20%
Transquillota Electrica de Quillota Limitada	2,234	--	2,529	--	8	--	10.20%
<b>PERU</b>							
Puerto Maldonado Transmisora de Energía, S.A.C.	(186)	4,086	70	4,016	162	--	51%
<b>SPAIN</b>							
Celeo Fotovoltaico, S.L.U.	5,725	30,942	4,906	26,036	--	15	51%
Dioxipe Solar, S.L.	16,864	157,062	12,888	144,174	--	50	49.76%
Aries Solar Termoelectrica, S.L.	30,791	325,533	18,731	306,802	--	100	51%
Celeo Redes, S.L.	(81)	4,284	195	4,089	--	--	51%
<b>OTHER</b>	29,711	-	34,564	-	-	-	-
	<b>430,750</b>	<b>2,868,201</b>	<b>334,884</b>	<b>2,590,927</b>	<b>6,812</b>	<b>345</b>	



GRUPO CELEO Concesiones e Inversiones	2021						
	EBITDA	Gross debt	Cash	Net debt	Km	MW	% shareholdin
<b>BRAZIL</b>							
Celeo Redes Transmissão de Energia, S.A.	6,081	61,349	6,179	55,171	--	--	51%
Lt Triângulo, S.A.	15,167	--	7,875	--	695	--	51%
Vila Do Conde Transmissora De Energia, S.A.	8,456	--	8,891	--	324	--	51%
Pedras Transmissora de Energia, S.A.	2,160	2,260	2,849	(589)	--	--	51%
Coqueiros Transmissora De Energia, S.A.	914	729	217	512	65	--	51%
Encruzo Novo Transmissora De Energia, S.A.	1,991	3,313	1,025	2,288	220	--	51%
Linha De Transmissão Corumbá, S.A.	3,272	6,662	2,207	4,455	279	--	51%
Integração Maranhense Transmissora de Energia. S.A.	4,954	10,431	2,615	7,816	365	--	26%
Caiuá Transmissora De Energia, S.A.	3,068	6,813	969	5,844	142	--	26%
Cantareira Transmissora de Energia, S.A.	17,033	80,597	8,297	72,300	342	--	26%
Serra De Ibiapa Transmissora de Energia, S.A. - SITE	10,533	127,062	11,596	115,466	366	--	51%
Celeo São João Do Piauí FV I, S.A. (6)	12,219	57,766	23,288	34,478	--	180	51%
Brilhante Transmissora de Energia, S.A.	5,902	27,163	4,902	22,262	581	--	51.0%
Brilhante II Transmissora De Energia, S.A.	687	--	--	--	--	--	51.0%
Jaurú Transmissora de Energia, S.A.	8,497	24,163	4,133	20,031	940	--	34.0%
Cachoeira Paulista Transmissora de Energia, S.A.	7,883	40,232	16,788	23,445	181	--	25.5%
Parintins Amazonas Transmissora de Energia, S.A.	(95)	87,714	36,282	51,433	240	--	25.5%
<b>CHILE</b>							
Celeo Redes Operación Chile, S.A.	22,706	468,886	17,774	451,111	--	--	51%
Alto Jahuel Transmisora de Energía, S.A.	22,895	--	10,542	--	256	--	51%
Charrúa Transmisora de Energía, S.A.	14,763	--	5,175	--	198	--	51%
CRC Transmisión, SPA	9,122	151,868	21,284	130,584	--	--	25.50%
Casablanca Transmisora de Energía, S.A.	(270)	4,076	7,833	(3,757)	110	--	25.50%
Mataquito Transmisora de Energía, S.A.	(288)	5,209	9,796	(4,587)	387	--	25.50%
Diego de Almagro Transmisora de Energía, S.A.	4,268	--	944	--	52	--	25.50%
Alfa Transmisora de Energía, S.A.	29,964	973,281	72,557	900,723	899	--	10.20%
<b>PERU</b>							
Puerto Maldonado Transmisora de Energía, S.A.C.	(44)	860	1,995	(1,134)	162	--	51%
<b>SPAIN</b>							
Celeo Fotovoltaico, S.L.U.	4,734	32,400	2,203	30,197	--	15	51%
Dioxipe Solar, S.L.	16,162	196,123	6,015	190,109	--	50	49.76%
Aries Solar Termoelectrica, S.L.	36,583	373,603	18,473	355,130	--	100	51%
Celeo Redes, S.L.	(102)	4,273	23	4,250	--	--	51%
<b>OTHER</b>							
	30,667	-	-	-	-	-	-
	<b>299,984</b>	<b>2,746,833</b>	<b>312,726</b>	<b>2,467,537</b>	<b>6,804</b>	<b>345</b>	