

## ANNUAL REPORT 2023

### APPOINTMENTS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

#### I. **Introduction**

The Appointments, Remunerations and Sustainability Committee of Elecnor, S.A. (the "Company") has prepared this report, in full accordance with the applicable laws and regulations and the recommendations of the Good Governance Code of Listed Companies ("GGC"), including as well the information required by the CNMV Technical Guide 1/2019 on Nomination and Remuneration Committees.

The powers, composition and operating rules of the Company's Appointments, Remunerations and Sustainability Committee, a permanent committee for supervision and advice to the Board of Directors, are essentially regulated in articles 15 ter of the Bylaws and 14 of the Regulations of the Board of Directors, as well as in the Regulations of the Appointments, Remunerations and Sustainability Committee of the Company, which are periodically updated in accordance with legal modifications and recommendations on corporate governance.

In compliance with Recommendation 6 of the GGC, this report will be available to shareholders, investors and other interested persons on the Company website ([www.grupoelecnor.com](http://www.grupoelecnor.com)) as from the call of the next Ordinary Annual General Shareholders' Meeting.

#### II. **Composition**

During the 2023 financial year, due to their reappointment as directors of the Company for a term of four years, by resolution adopted by the General Shareholders' Meeting held on 17 May 2023, the Board of Directors, on the same date, agreed to re-elect Ms. Isabel Dutilh Carvajal and Mr. Emilio Ybarra Aznar as members of the Appointments, Remunerations and Sustainability Committee.

In accordance with the re-elections carried out, the Committee has not changed its composition during the year 2023, being the following:

<b>DIRECTOR</b>	<b>POSITION</b>	<b>CATEGORY</b>	<b>APPOINTMENT</b>
Mr. Emilio Ybarra Aznar	Chairman	Independent	17/06/2015
Mr. Jaime Real de Asúa Arteche	Secretary	Proprietary	19/01/2011
Mr. Miguel Cervera Earle	Member	Proprietary	24/03/2021
Ms. Isabel Dutilh Carvajal	Member	Independent	17/06/2015

The members of the Appointments, Remunerations and Sustainability Committee have the accurate knowledge, skills and experience to the functions assigned to it and the sector of activity to which the Company belongs.

More detailed information on the members of the Committee and their professional backgrounds is available to shareholders and other persons interested in the Company on the corporate website.

### **III. Meetings**

The Committee met eleven times during 2023, with 100% attendance at all of the meetings, one of them having been held in writing and without a session.

Also, when considered appropriate, the Committee has requested the presence of the Chief Executive Officer and other executives, in all cases at the invitation of the Committee Chair and in relation to the specific points on the agenda for which they were invited to attend: Specifically, some of the Committee meetings have been attended by the Head of Corporate Development, the Head of HR, the Coordinator of the Sustainability Committee and the General Counsel and Secretary of the Board.

During this exercise, the participation of external advisors has not been necessary.

In all cases, the minutes of the Committee meetings record the entrances and departures of the different guests at the meeting.

### **IV. Areas of responsibility of the Committee and activities carried on during 2023**

There follows a description of the most important actions taken during 2023 in relation to the duties ascribed to the Committee by article 5 of its Regulations and how the Committee has discharged those duties in practice:

- **In relation to the composition del Board of Directors and of its Committees**

The Committee examined the category of each directorship and concluded that the current mix of categories is fully suited to the circumstances.

Every year the Committee engages in continuous analysis and study of the structure, composition and work of the Board of Directors, in order to continue advancing in the adaptation of that structure to governance best practices and recommendations. In this sense, the Committee considers that the current composition of the Board of Directors is appropriate for the best exercise of its functions, and reflects the appropriate balance of suitability and diversity requirements of the members of the Board, particularly in terms of training, professional experiences, skills, experience in the sector to which the Company belongs and knowledge of the Company and its Group, personal and professional origins, among others. In any case, and in order to comply with the recommendations of the Good Governance Code, the incorporation of another independent director to this Commission is being considered.

All of this is reflected in the Directors' capabilities matrix that defines the skills and knowledge, analyzing possible areas to improve .

Likewise, the Appointments, Remunerations and Sustainability Committee has carried out an analysis of the Preliminary Draft of the Organic Law on equal representation of women

and men in decision-making bodies, highlighting the main aspects of it and its possible impact on the composition of the administration bodies.

- **In relation to the selection of directors and members of the executive management team**

The Appointments, Remunerations and Sustainability Committee performed a prior analysis of the needs of the Board of Directors, including the skills, knowledge and experience needed on the Board, all of which was taken into account when preparing the proposals and reports on appointments and re-appointments that the Committee brought before the Board of Directors.

Specifically, the Committee, at the request of the Board of Directors, has reported favourably on the proposed reappointment as director, with the category of proprietary, of Mr. Cristóbal González de Aguilar Alonso-Urquijo and has proposed the re-election of Ms. Isabel Dutilh Carvajal and Mr. Emilio Ybarra Aznar as independent directors; all of them for the statutory period of four years.

Furthermore, in relation to the members of the management team, the Appointments, Remunerations and Sustainability Committee has proposed the appointment of the new General Director of Finance and Internal Audit (CFO) of the Elecnor Group; and has issued a favourable report on the proposed appointment of a Director representing the Company on the Board of Directors of Celso Concesiones e Inversiones, S.L.

- **In relation to Committee and Board of Directors' offices**

Following his re-election as Director by the General Shareholders Meeting held on 17 May 2023 and as member of the Committee by the Board of Directors on the same date, the Appointments, Remuneration and Sustainability Committee has approved the re-appointment of Mr Emilio Ybarra Aznar as Chairman of the Committee.

in 2023, the Committee has reviewed and approved an update of the succession plan for the Chairmain of the Board of Directors, the CEO and the members of the management team.

- **In relation to the remuneration of directors and members of the executive management team**

The Committee has proposed the annual fixed and variable remuneration for the CEO, based on compliance with the established metrics, it has reported the proposal of the metrics applicable in 2023 in relation to the annual variable remuneration; and has prepared the Annual Report on Remuneration of Directors for the year 2022 that the Board of Directors submitted to the Ordinary General Meeting for its advisory vote, which was approved by a wide majority of the Meeting held on 17 May 2023.

Moreover, the Appointments, Remunerations and Sustainability Committee has analyzed the degree of compliance with the Strategic Plan 2020-2022 for the purposes of calculating the incentive derived from it, the distribution by groups of participants, as well as the corresponding individual allocation; and has approved the proposal for the long-

term incentive system associated with the Strategic Plan 2023-2025, for approval by the Board of Directors.

The Committee has likewise has analyzed various aspects related to the remuneration of employees and members of the management team, including its proposal for the short-term (annual) variable remuneration for the management team. It has also carried out a salary review of national structure personnel for the fiscal year 2023 and has proposed to the Board of Directors the approval of special incentives for certain employees.

- **In relation to the review of the Corporate Governance System and Sustainability**

The Appointments, Remunerations and Sustainability Committee has continued to take under its responsibility the supervision of actions associated with the promotion of sustainability and, in this sense, has supervised the work carried out by the different areas of the Company in relation to the materiality analysis included in the Non-Financial Information Statement as well as in the new Strategic Sustainability Plan for the years 2023-2025, which aims to identify the material ESG issues of the Elecnor Group.

Likewise, the Committee has analyzed the level of compliance with the Strategic Sustainability Plan 2020-2022 and has favourably reported to the Board of Directors on the new Strategic Sustainability Plan 2023-2025, for the preparation of which it have been taken into account the benchmarking carried out by the Company in relation to plans of some competitors and clients, the new regulatory requirements regarding sustainability and the material matters of the Elecnor Group. .

Furthermore, based on the information received through the General Secretariat and from other areas of the Company, on 11 December 2023, this Committee has issued a report in relation to the functions of supervision over the compliance with the Corporate Policies within its competence and of review of the Corporate Governance system that is attributed to the Committee by virtue of articles 14 of the Regulations of the Board of Directors and 5.1 of the internal Regulations of the Committee.

Said report analyzed, on the one hand, the Policy for the diversity of the Board of Directors and selection of Directors, the Directors' Remuneration Policy for fiscal years 2022, 2023, 2024 and 2025, as mentioned in the previous section, and the sustainability policies in environmental and social matters, and, on the other, the set of rules that make up the Company's Corporate Governance System, as well as the possible areas for improvement that it may present, reaching the conclusion that throughout the year 2023 all principles set out in the Policies have been fulfilled, without being necessary to modify any of the internal policies or regulations that have been analyzed.

Regarding the Corporate Governance System, and after its review, the Committee has considered it appropriate to propose to the Board of Directors the update of the Policy on communication of information, contacts and engagement with Shareholders, Institutional Investors, Asset Managers, Financial Intermediaries, Proxy Advisors and other Stakeholders, based on the implications for the Company of the Code of good practices for institutional investors, asset managers and voting advisors approved by the CNMV on 22 February 22, 2023. The modification of said policy was approved unanimously by the Board of Directors on 13 December 2023.

In addition, the Committee has analyzed and validated the modification of the Integrated Policy on Environmental Management, Quality, Health and Safety, Energy Management, R&D&i Management, Information Security and Risk Management, reporting favourably to the Board of Directors for approval, and has monitored the different corporate governance regulations and the possible actions to be carried out in 2024.

On the other hand, the Committee has reviewed and approved, in the areas of its competence, the content of the Non-Financial Information Statement corresponding to the fiscal year 2022, as well as the Annual Corporate Governance Report corresponding to the aforementioned financial year, analyzing especially the degree of monitoring of corporate governance recommendations.

Finally, the Appointments, Remunerations and Sustainability Committee has received periodic information on different issues related to corporate governance and sustainability. In particular, it has reviewed the CNMV's analysis of the Annual Corporate Governance Reports, the Annual Reports on Directors' Remuneration and the Non-Financial Information Statements of listed companies.

- **Other duties**

The Committee has analyzed various aspects related to the Human Resources area, such as the preparation of a positions map, the evolution of the workforce, the different remuneration levels, the procedure for evaluating performance for all personnel included in the positions map, the recruitment and retention of talent, the reinforcement of identity and others.

In addition, in relation to the self-assessment of the Board, in 2023 the Committee reviewed the models for the evaluation of the Board of Directors, the Chairman, the CEO, and the Secretary, as well as of the Board Committees, and conducted an assessment of the Committee itself. This process, which aims to detect strengths and points for improvement and in which areas such as the dynamics of the meetings, the monitoring of the topics discussed, the composition of the Commission, the training of its members, etc. are evaluated, ended very positively in 2022, concluding that the Commission operates with high standards and high professionalism and the applicable composition and operational requirements have been satisfactorily met.

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Likewise, the level of compliance with the action plan for 2022 has been analyzed and a proposal for an Action Plan for 2023 has been prepared, with the following highlights:

- analysis of periodic information on the market and competition;
- advance the Council's capabilities matrix and raise awareness of the risk map, improving the monitoring of key risks (Kpis);
- greater depth in the debate on the Group's medium and long-term strategy;
- assessment of the adequacy of the composition of the Board and its Committees taking into account the recommendations of the Good Governance Code and future regulations on parity; and
- continuous improvement in making available the information to be discussed in the sessions of the Board and its Committees.

Moreover, the Committee has reviewed the questionnaire sent to all directors in relation to evaluations for 2023.

In relation to its own operation, the Committee has formulated the report on the activities of the Committee corresponding to the fiscal year 2022 for examination and approval by the Board of Directors, as well as a Work Plan and a calendar of meetings for 2024.

## **V. Conclusions**

The composition of the Committee has been adapted to the applicable legal provisions; its members have the expertise of relevance to the Committee's areas of responsibility and to the sector in which the Company operates, and half of the Committee members are independent directors.

The Committee met more often than required under article 6 of its Regulations and whenever warranted having regard to the matters to be addressed.

All of the Committee meetings were attended by 100% of its members. Prior to the meetings the Members were provided with the necessary information on the different points on the Agenda so that they could engage in informed deliberations and decisionmaking.

The Committee discharged all of the duties ascribed to it by the applicable laws and regulations, as well as those set out in the Company Bylaws, the Regulations of the Board of Directors and the Regulations of the Appointments, Remunerations and Sustainability Committee, and carried out actions pursuant to the GGC recommendations and to CNMV Technical Guide 1/2019 on Nomination and Remuneration Committees.

Lastly, the Committee has reported all its activities to the Board of Directors and delivered the minutes of its meetings, with the relevant annexed documents, to all of the directors.

In view of the foregoing, the Committee concludes that it has complied with the rules foreseen in the law and in the Corporate Policies in relation to its composition, frequency of meetings and on the attendance and informed participation of its members, and addressed the matters within its competence satisfactorily during 2023.

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This report was issued by the Appointments, Remunerations and Sustainability Committee on 22 January 2024, and was presented for examination by the Board of Directors and approved by the Board at its meeting of 28 February 2024.