This English version has been prepared by the Company, under its exclusive responsibility and shall not be considered as the official or regulated financial information.

# Elecnor, S.A.

Independent auditor's report on the consolidated annual accounts at 31 December 2023



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

# Independent auditor's report on the consolidated annual accounts

To the shareholders of Elecnor, S.A.

#### Report on the consolidated annual accounts

#### **Opinion**

We have audited the consolidated annual accounts of Elecnor, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2023, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

#### **Basis for opinion**

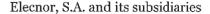
We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





#### Key audit matters

#### How our audit addressed the key audit matters

Revenue recognition on a percentage of completion basis

The Group recognises revenues from the execution of projects and provision of services using the inputs method or the percentage of completion method, based on the costs incurred with respect to total expected costs.

When applying the percentage of completion method, the Group uses significant estimates using relevant judgements relating to the total costs required to perform the contract.

The Group has processes and controls in place to ensure that contracts are appropriately accounted for and supervised.

Information on revenues from the execution of projects and the provision of services is included in notes 3.s and 23 to the notes to the accompanying consolidated annual accounts for 2023.

Given the relevance of the estimates used in recognising these revenues and their quantitative significance, this has been considered a key audit matter.

Our audit work was based on understanding the design and controls underpinning revenue recognition. We carried out procedures which consist of, inter alia, testing the design, implementation and operational efficiency of certain relevant controls that mitigate the risks associated with the process for recognising revenues from contracts.

On the other hand, we selected a sample of projects taking into account quantitative and qualitative factors, with respect to either the total selling price of the contract or the amount of revenue or margins recognised in the year, among other factors.

For other projects, we carried out a selection based on unpredictability.

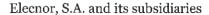
For the projects selected, we obtained the contacts and read them and gained an understanding of the most relevant clauses, and their implications, as well as the budgets and project completion monitoring reports.

Additionally, we carried out the following procedures focused on the principal matters:

- Analysis of the evolution of project margins with respect to changes in the selling price and costs.
- Evaluation of the consistency of the estimates made by management in the previous year with real contract data in 2023.
- Recalculation of the level of completion of the projects and comparison with the calculations performed by the Group.
- Obtaining documentary evidence of the costs incurred, agreements for settlement and final project closure or other agreements affecting the project cost or selling price.

Similarly, we obtained external evidence of invoicing to certain significant customers and circularised others due to unpredictability.

The results of the procedures performed have enabled the audit objectives for which they were designed to be reasonably attained.





#### Other matters

On 24 February 2023, other auditors issued their audit report on the consolidated annual accounts for the 2022 financial year in which a favorable opinion was expressed.

#### Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2023 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

- a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.
- b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2023 financial year, and its content and presentation are in accordance with applicable regulations.

#### Responsibility of the directors and the audit commission for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit commission is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.



#### Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

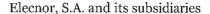
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts,
  whether due to fraud or error, design and perform audit procedures responsive to those risks,
  and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one
  resulting from error, as fraud may involve collusion, forgery, intentional omissions,
  misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for the purpose of expressing an
  opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.
- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the
  entities or business activities within the Group to express an opinion on the consolidated annual
  accounts. We are responsible for the direction, supervision and performance of the group audit.
  We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit commission with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





From the matters communicated with the Parent company's audit commission, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

#### Report on other legal and regulatory requirements

#### European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Elecnor, S.A. and its subsidiaries for the 2023 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of Elecnor, S.A. are responsible for presenting the annual financial report for 2023 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

#### Report to the audit commission of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit commission of the Parent company dated 27 February 2024.

#### **Appointment period**

The General Ordinary Shareholders' Meeting held on 18 May 2022 appointed us as auditors of the Group for a period of three years, as from the year ended 31 December 2023.

#### Services provided

provided to the Group for services other than the audit of the accounts are disclosed in note 29 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Goretty Álvarez González (20208)

28 February 2024



**Consolidated Annual Accounts at 31 December 2023** 

**Consolidated Director's Report for 2023** 

(With Independent Auditor's Report Thereon)

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

### **Consolidated Balance Sheet at 31 December 2023**

(Thousands of Euros)

Assets	31 December 2023	31 December 2022
Non-current assets:		
Property, plant and equipment (Note 10)	248,474	901,088
Right-of-use assets (Note 11)	46,685	80,327
Intangible assets-		
Goodwill (Note 8)	17,242	27,688
Other intangible assets (Note 9)	18,332	16,383
	35,574	44,071
Equity-accounted investees (Note 12)	598,925	628,150
Non-current financial assets (Note 13)		
Other financial assets	12,459	38,279
Derivative financial instruments (Note 17)	170	9,639
Deferred tax assets (Note 20)	12,629	47,918
Total non-current assets	84,673 1,026,960	100,364 1,801,918
Total non-current assets	1,026,960	1,801,918
Current assets:		
Inventories (Note 3.n)	8,648	10,308
Customer contract assets (Note 23)	464,143	393,954
Trade and other receivables (Note 14.a)	990,567	855,689
Trade receivables from related companies (Note 28)	23,113	19,341
Public entities, receivable	46,836	49,727
Current income tax assets	21,030	16,259
Other receivables	37,343	24,571
Current investments in related companies	318	761
Other current financial investments	19,531	12,076
Derivative financial instruments (Note 17)	2,136	3,905
Other current assets	12,155	13,938
Cash and cash equivalents (Note 14.b)	317,019	372,525
Non-current assets held for sale (Note 7)	1,105,994	2,976
Total current assets	3,048,833	1,776,030
Total assets	4,075,793	3,577,948

#### **Consolidated Balance Sheet at 31 December 2023**

(Thousands of Euros)

Equity and Liabilities	31 December 2023	31 December 2022
Equity (Note 15):		
Equity attributable to equity holders of the Parent-		
Capital	8,700	8,700
Own shares (Note 15)	(23,422)	(22,430)
Other reserves	1,067,823	993,509
Translation differences (Note 15)	(249,111)	(251,254)
Valuation adjustments to equity (Note 15)	(1,878)	(17,783)
Profit/loss for the year attributable to the Parent	110,058	102,813
Interim dividend paid in the year (Note 5)	(5,718)	(5,446)
	906,452	808,109
Non-controlling interests (Note 15)	19,107	26,046
Total equity	925,559	834,155
Non-current liabilities:		
Official grants (Note 3.p)	2,015	4,642
Provisions for liabilities and charges (Note 18)	66,977	53,993
Financial liabilities for the issuance of bonds and other marketable securities (Note 16)	29,672	50,793
Financial liabilities on loans and borrowings (Note 16)	315,184	726,902
Derivative financial instruments (Notes 16 & 17)	_	17,128
Lease liabilities (Note 11)	33,946	69,065
Other non-current liabilities	1,703	5,348
Deferred tax liabilities (Note 20)	30,069	46,646
Total non-current liabilities	479,566	974,517
Current liabilities:		
Provisions for liabilities and charges (Note 18)	86,269	80,807
Financial liabilities for the issuance of bonds and other marketable	00/200	00,007
securities (Note 16)	238,818	125,158
Financial liabilities on loans and borrowings (Note 16)	35,642	52,780
Derivative financial instruments (Notes 16 and 17)	646	37,425
Lease liabilities (Note 11)	15,174	18,929
Trade payables to associates and related companies (Note 28) Trade and other payables-	38	7
Trade payables for purchases or services	763,352	762,822
Advances from customers (Note 19)	205,903	172,927
, and an out of the control of the c	969,255	935,749
	•	
Customer contract liabilities (Note 23)	412,803	276,032
Current income tax liabilities	48,894	59,251
Other payables-	66.005	60.636
Public entities, payable Other current liabilities (Note 10 and 22)	66,985	60,626
Other current liabilities (Note 10 and 23)	91,280 <b>158,265</b>	122,512 <b>183,138</b>
	130,203	103,138
Non-current liabilities held for sale (Note 7)	704,864	_
Total current liabilities	2,670,668	1,769,276
Total liabilities and equity	4,075,793	3,577,948
ו סנמו וומטווונוכים מווע כקעונץ	7,013,133	3,311,340

# Consolidated Income Statement for the year ended 31 December 2023

(Thousands of Euros)

	2023	2022 (*)
Continuing operations:		
Net turnover (Note 23)	3,792,906	3,393,260
Changes in inventories of finished goods and work in progress	(428)	374
Self-constructed assets (Note 3.g)	89,303	28,081
Materials consumed (Note 23)	(2,132,882)	(1,810,534)
Other operating income (Notes 3.p and 23)	57,584	41,407
Personnel expenses (Note 23)	(1,046,083)	(974,586)
Other operating expenses (Note 23)	(601,147) (83,717)	(565,951) (51,503)
Expense for amortisation, depreciation, impairment and charges to provisions (Note	(03,/1/)	(51,503)
Net profit/loss on the sale of non-current assets and subsidiaries (Notes 2.f and 10)	29,090	12,848
Profit/loss from equity-accounted investees (Note 12)	16,519	22,665
Operating income	121,145	96,061
Finance income (Note 23)	11,902	4,935
Finance expenses (Note 23)	(27,732)	(19,263)
Translation differences	(7,554)	(1,579)
Profit/loss before taxes	97,761	80,154
Income tax (Note 21)	(27,284)	(22,062)
Profit/loss from continuing operations	70,477	58,092
Profit/loss from discontinued operations (Note 7)	47,349	57,815
Profit/loss for the year	117,826	115,907
Profit/loss from continuing operations attributable to non-controlling interests	(4)	(4)
Profit/loss from discontinued operations attributable to non-controlling interests	7,772	13,098
Profit/loss attributable to non-controlling interests	7,768	13,094
Profit/loss from continuing operations attributable to shareholders of the Parent	70,481	58,096
Profit/loss from discontinued operations attributable to shareholders of the Parent	39,577	44,717
Profit/loss for the year attributable to the shareholders of the Parent	110,058	102,813
Earnings per share from continuing operations (in Euros) (Note 30)		
Basic	0.83	0.69
Diluted	0.83	0.69
Earnings per share (in Euros) (Note 30)		
Basic	1.30	1.21
Diluted	1.30	1.21

<sup>(\*)</sup> Restated figures, see Note 7.

# Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

(Thousands of Euros)

	Ī		
	Notes to Annual	2023	2022
CONSOLIDATED PROFIT/LOSS OF THE INCOME STATEMENT		117,826	115,907
Other comprehensive income:			
Items that will not be reclassified to profit or loss		_	_
Items to be reclassified to profit or loss			
- Cash flow hedges	15.b	37,585	54,876
- Translation differences of financial statements for businesses abroad	15.f	4,992	24,355
- Share of other comprehensive income of equity-accounted investees	12	(5,498)	62,610
- Tax effect	15.b	(9,730)	(14,255)
Other comprehensive income for the year, net of tax		27,349	127,586
other comprehensive income for the year, net or tax		27,010	117,000
Total comprehensive income attributable to:		145,175	243,493
a) Equity holders of the Parent		136,439	228,963
Continuing operations		59,378	136,258
Discontinued operations		77,061	92,705
b) Non-controlling interests		8,736	14,530

# Consolidated Statement of Changes in Equity for the year ended 31 December 2023

(Thousands of Euros)

	F	F	Ī	Ī	Ī	Ī	ſ	_	F
				Interim					
				dividend			Net	Non-	
		Accumulate		paid in the	Cash flow	Translation	profit/loss	controlling	
	Capital	d reserves	Own shares	year	hedge	differences	for the year	interests	Total Equity
Balances at 31 December 2021	8,700	937,156	(22,110)	(5,187)	(73,326)	(321,856)	85,883	24,405	633,665
Application of IAS 12 - Amendment (Note 2.b)	_	900	_	_	_	_	_	_	900
Balance at 1 January 2022	8,700	938,056	(22,110)	(5,187)	(73,326)	(321,856)	85,883	24,405	634,565
Total recognised income and expense for 2022	_	_	_	_	55,543	70,602	102,813	14,535	243,493
Distribution of profit/loss:									
Reserves	_	76,687	_	_	_	_	(76,687)	_	_
Supplementary dividend (Note 5)	_	(21,554)	_	_	_	_	(4,009)	(10,165)	(35,728)
2020 interim dividend	_	_	_	5,187	_	_	(5,187)	_	_
Movement of own shares (Note 15)	_	308	(320)	_	_	_	_	_	(12)
Interim dividend paid in the year 2021 (Note 5)	_	_	_	(5,446)	_	_	_	_	(5,446)
Return of funds	_	_	_	_	_	_	_	(2,816)	(2,816)
Other	_	12	_	_	_	_	_	87	99
Balances at 31 December 2022	8,700	993,509	(22,430)	(5,446)	(17,783)	(251,254)	102,813	26,046	834,155
Total recognised income and expense for 2023	_	_	_		15,905	10,476	110,058	8,736	145,175
Distribution of profit/loss:									
Reserves	_	66,001	_	_	_	_	(66,001)		_
Supplementary dividend (Note 5)	_	_	_	_	_	_	(31,366)	(4,978)	(36,344)
2021 interim dividend	_	_	_	5,446	_	_	(5,446)	_	_
Movement of own shares (Note 15)	_	1,366	(992)	_	_	_	_		374
Interim dividend paid in the year 2022 (Note 5)	_	_	_	(5,718)	_	_	_	_	(5,718)
Return of funds	_	_	_	_	_	_	_	(2,299)	(2,299)
Changes in the consolidation scope (Note 2.f)	_	6,845	_	_	_	(8,333)	_	(8,396)	(9,884)
Other	_	102	_	_	_	_	_	(2)	100
Balances at 31 December 2023	8,700	1,067,823	(23,422)	(5,718)	(1,878)	(249,111)	110,058	19,107	925,559

#### Consolidated Statement of Cash Flows for the year

#### ended 31 December 2023

(Thousands of Euros)

(Thousands of Euros)	1	
	2023	2022 (*)
Cash flows from operating activities:		
Consolidated profit/loss for the year from continuing and discontinued operations  Adjustments for:	117,826	115,907
Amortisation/depreciation (Note 23)	70,942	62,791
Impairment and net profit/loss from disposals of property, plant and equipment and intangible assets	(1,668)	(3,501)
	12,760	(10,395)
Changes in provisions for liabilities and charges and other provisions (Note 23)	(231)	(220)
Capital grants taken to income	(16,519)	(22,665)
Share in (profit)/loss for the year of equity-accounted investees (Note 12)	(==,===,	(==,===,
Impairment and net profit/loss from disposals of financial instruments and other fixed assets (Note 2.f)	(27,385)	(10,240)
Finance income and expenses (Note 23)	15,830	14,328
Translation differences	7,553	1,580
Other income and expenses	(44,345)	(53,952)
Corporate Income Tax	27,284	22,062
Funds generated from operations	162,047	115,695
Changes in working capital:		
Trade and other receivables	(241,818)	(56,359)
Inventories	1,660	755
Trade and other payables	231,817	58,959
Changes in other current assets and liabilities	(11,933)	20,055
Income tax paid	(53,280)	(25,500)
Cash generated by operating activities of discontinued operations (Note 7)	117,510	113,269
Net cash flows from (used in) operating activities (I)	206,003	226,874
Cash flows from (used in) investment activities:		
Payments for acquisition of Group companies (Note 8)	(2,107)	_
Payments for acquisition of intangible assets (Note 9)	(8,987)	(6,555)
Payments for acquisition of financial assets	(9,856)	(4,487)
Payments for acquisition of property, plant and equipment (Note 10)	(85,506)	(76,526)
Payments for contributions to associates (Note 12)	(1,027)	_
Dividends received from associates (Note 12)	_	728
Interest received	11,901	4,935
Proceeds from disposal of Group companies, associates and jointly-controlled entities (Notes 2.f)		
December 11 to 12 to 13 to 14 to 15	79,595	9,102
Proceeds from the sale of intangible assets and property, plant and equipment (Notes 9 and 10)		
Proceeds from disposal of financial assets, net	2,967	3,592
rroceeds from disposal of financial assets, field	-	5,236
Cash generated by investment activities of discontinued operations (Note 7)	(255,039)	(64,573)
Net cash flows from (used in) investment activities (II)	(268,059)	(128,548
Cash flows from (used in) financing activities:		
Cash inflows from financial debt and other non-current borrowings (Note 16)	1,494,251	1,183,074
Interest paid	(24,139)	(16,537)
Repayment of financial debt and other non-current borrowings (Note 16)	(1,384,559)	(1,186,078)
Payments from lease liabilities (Note 11)	(18,574)	(14,164)
Dividends paid (Note 5)	(37,084)	(31,010)
Cash inflows due to disposal of own shares (Note 15)	4,260	2,479
Cash outflows due to purchase of own shares (Note 15)	(3,886)	(2,491)
Cash generated by financing activities of discontinued operations (Note 7)	43,433	(49,179)
Net cash flows from (used in) financing activities (III)	73,702	(113,906
Net increase in cash and cash equivalents (I+II+III)	11,646	(15,580)
Cash and cash equivalents at beginning of year	372,525	388,105
Cash and cash equivalents at beginning or year  Cash and cash equivalents at year end	317,019	372,525
Cash and cash equivalents at year end  Cash and cash equivalents classified as Discontinued Operations (Note 7)	67,152	

<sup>(\*)</sup> Restated figures, see Note 7.

Notes to the consolidated annual accounts

### 1. Nature, Activities and Composition of the Group

Elecnor, S.A. (hereinafter, the Parent), was incorporated for an indefinite period in Spain on 6 June 1958 and its registered office and domicile for tax purposes is located at Calle Marqués de Mondéjar 33, Madrid (28028).

The Parent's statutory activity, according to its bylaws, is:

- Wide-ranging commercial activity in connection with the engineering, design, construction, erection, repair, maintenance and upkeep of all manner of construction projects and installation work in the broadest sense, i.e. the entire execution thereof with or without the supply of materials, on its own account or through third parties, on an exclusive basis or through associations of any kind.
- The making, marketing, construction of the associated works and sale of reinforced concrete and pre-stressed prefabricated items and products made of compound materials, as well as any construction and industry-related products.
- The provision of public and private services in relation to the collection of all types of
  waste; sweeping and cleaning of streets; transfer and transport of waste to the place of
  end disposal; the end disposal of such waste, recycling, treatment and deposit of public,
  private, industrial, hospital and pathological waste; cleaning, maintenance and upkeep of
  sewers; and, in general, urban water treatment services and all other ancillary services
  related directly or indirectly to the aforementioned services in their broadest sense.
- The design, research, development, construction, operation, maintenance and marketing of waste treatment, recovery and elimination facilities, and the purchase and sale of the by-products originating from these treatments.
- The design, research, development, construction, operation, maintenance and marketing of plants and facilities for the treatment of water, wastewater and waste, the recovery and elimination of waste, and the purchase and sale of the by-products originating from these treatments.
- The use, transformation and marketing of water of all types.

The aforementioned business activities can also be fully or partially carried out indirectly by the Parent through investments in other companies with a similar statutory activity. In this regard, the management of the business group formed by stakes held in the share capital that go to make up the said group also constitutes part of the Company corporate purpose, as does the provision of assistance and support services to investee companies, to which end it may provide them with the guarantees and bonds that are considered appropriate. The Elecnor Group may not carry out any business activity for which specific conditions or limitations are imposed by law, unless it fully meets such conditions.

The subsidiaries basically engage in business activities comprising the aforementioned statutory activity, and in the operation of wind energy generation facilities, the provision of aeronautical and aerospace software research, advisory and development services and the manufacture and distribution of solar panels and solar PV plants.

The General Shareholders' Meeting of 23 June 2021 approved the spin-off of the Services and Projects Business by the Parent Elecnor, S.A. to Elecnor Servicios y Proyectos, S.A.U., taking effect for accounting purposes from 1 January 2021. This transaction is described in the 2021 annual accounts of Elecnor, S.A. and had no impact on the consolidated financial statements of the Elecnor Group for 2021.

The Parent's bylaws and other related public information may be viewed on the Group's corporate website www.elecnor.com/home-en and at its registered office.

Notes to the consolidated annual accounts

Elecnor, S.A. is the Parent of a Group comprising subsidiaries that focus on a range of activities and that, together with it, form the Elecnor Group (hereinafter, the "Group" or the "Elecnor Group"). Moreover, the Group has investments in associates and joint ventures and takes part in joint ventures with other operators.

Shares in Elecnor, S.A. are traded in the Madrid and Bilbao stock exchanges.

Appendix I includes information on equity-accounted subsidiaries, associates and jointly-controlled entities included in the Elecnor Group's consolidation scope.

### 2. Basis of presentation

# a) Basis of presentation and regulatory financial reporting framework applicable to the Group

The accompanying consolidated annual accounts have been prepared on the basis of the accounting records of Elecnor, S.A. and of the consolidated companies. The Consolidated Annual Accounts for 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other applicable provisions in the financial reporting framework, to give a true and fair view of the consolidated equity and consolidated financial position of Elecnor, S.A. and subsidiaries at 31 December 2023 and consolidated results of operations, consolidated cash flows and changes in consolidated equity of the Group for the year then ended.

The Group adopted IFRS-EU on 1 January 2004 and applied IFRS 1, "First-time adoption of International Financial Reporting Standards".

The Directors of the Parent consider that the Consolidated Annual Accounts for 2023, authorised for issue on 28 February 2024, will be approved with no changes by the General Shareholders' Meeting.

The Elecnor Group's Consolidated Annual Accounts for 2022 were authorised for issue by the General Shareholders' Meeting of Elecnor, S.A. at their annual general meeting held on 17 May 2023.

These Consolidated Annual Accounts have been prepared on a going concern basis using the historical cost principle, except for financial assets and liabilities (including derivatives) at fair value through changes in profit and loss and assets held for sale (measured at fair value less costs of disposal).

Note that the balances from the Group's Argentine and Venezuelan companies were expressed at current cost before inclusion in the consolidated annual accounts of the Elecnor Group, as per IAS 29 "Financial Reporting in Hyperinflationary Economies", as these countries' economies are considered to be hyperinflationary (see section g).

The preparation of the Consolidated Annual Accounts in accordance with IFRS-EU imposes certain requirements on the process of applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the Consolidated Annual Accounts are disclosed in section d) of this Note.

The preparation of the Consolidated Annual Accounts in accordance with IFRS-EU imposes certain requirements on the process of applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the Consolidated Annual Accounts are disclosed in section d) of this Note.

#### b) Adoption of International Financial Reporting Standards (IFRS)

#### Standards applied for the first time

In 2023, the following standards and interpretations, which have already been adopted by the European Union and, where applicable, have been used by the Group to prepare the Consolidated Annual Accounts, have come into force and are mandatory for application in 2023:

**IFRS 17 "Insurance Contracts"**: IFRS 17 replaces IFRS 4 "Insurance Contracts", which permitted entities to use a wide variety of accounting practices for insurance contracts. The new standard fundamentally changes the accounting by all entities issuing insurance contracts and investment contracts that include distinct investment components. The IASB amended the standard in June 2020, introducing specific amendments and clarifications aimed at facilitating the new standard's implementation, although the core principles of the standard remained unchanged. The standard applies for annual periods beginning on or after 1 January 2023 and early adoption is permitted if IFRS 9 "Financial Instruments" is applied on or before the date of initial application of IFRS 17.

Given the Elecnor Group's activity, there are no contracts that could be affected by this regulation.

**IFRS 17 (Amendment) "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"**: The IASB has published an amendment to IFRS 17 that introduces narrow scope amendments to the transition requirements of IFRS 17 "Insurance Contracts" and does not affect any other requirements of IFRS 17. IFRS 17 and IFRS 9 "Financial Instruments" have different transition requirements. For some insurers, these differences could lead to significant accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of the two Standards. The amendment will help insurers to avoid these mismatches and thus improve the usefulness of comparative information for investors.

The amendment is effective for annual periods commencing on or after 1 January 2023.

In view of the Elecnor Group's activity, this amendment had no impact on the Group's Consolidated Annual Accounts.

**IAS 1 (Amendment) "Disclosure of Accounting Policies"**: IAS 1 has been amended to improve accounting policy disclosures so as to provide more useful information to investors and the other main users of financial statements. The effective date of these amendments is 1 January 2023.

This amendment has had no material impact on the Group's Consolidated Annual Accounts.

**IAS 8 (Amendment) "Definition of Accounting Estimates"**: IAS 8 has been amended to help entities to distinguish between changes to accounting policies and changes to accounting estimates. The effective date of these amendments is 1 January 2023.

This amendment has had no material impact on the Group's Consolidated Annual Accounts.

IAS 12 (Amendment) "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction": In certain circumstances under IAS 12, companies are exempt from recognising deferred taxes when they initially recognise assets or liabilities ("initial recognition exemption"). Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which both an asset and a liability are recognised upon initial recognition. The amendment clarifies that the exemption does not apply in these cases and that deferred taxes must therefore be recognised on such transactions.

The amendment is effective for years beginning on or after 1 January 2023, although early adoption is permitted.

This amendment has led to the recognition of deferred tax assets and deferred tax liabilities amounting to Euros 20,033 thousand and Euros 19,133 thousand and an impact of Euros 900 thousand on the opening balance of the Elecnor Group's retained earnings.

**IAS 12 (Amendment) "International Tax Reform: Pillar Two Model Rules"**: In October 2021, more than 130 countries, together accounting for more than 90% of global GDP, agreed to implement a minimum tax framework for multinational companies, known as "Pillar Two". In December 2021, the Organisation for Economic Co-operation and Development ("OECD") published the Pillar Two model rules for reforming international corporate taxation. The large multinational enterprises concerned must calculate their effective Global Anti-Base Erosion (GloBE) tax rate for each jurisdiction in which they operate. Such enterprises will be required to pay an additional tax on the difference between their effective GloBE tax rate per jurisdiction and the minimum rate of 15%.

In May 2023, the IASB issued narrow scope amendments to IAS 12. A temporary exception is granted from the requirement for an entity to recognise and disclose information about deferred tax assets and liabilities related to an enacted or substantively enacted tax law that implements the Pillar Two model rules issued by the OECD.

The amendments also introduce the following specific disclosure requirements for the entities concerned:

- 1. The fact that the temporary exception to the recognition and disclosure of deferred tax assets and liabilities related to income tax arising from Pillar Two has been applied;
- 2. Their current tax expenses (if any) related to income tax arising from Pillar Two; and
- 3. In the period in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, an entity is required to disclose known or reasonably estimated information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation.

On the one hand, the amendment to IAS 12 must be implemented immediately (subject to any local approval process) and retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", including the requirement to disclose the fact that the temporary exception has been applied, if relevant. Furthermore, disclosures relating to current tax expense and known or reasonably estimated Pillar Two income tax exposure are mandatory for annual periods beginning on or after 1 January 2023. However, no such disclosure is required in the Consolidated Annuals Accounts for any interim period ending on or before 31 December 2023.

At the date on which these Consolidated Annual Accounts were authorised for issue, the process of transposition of the Directive into Spanish law was still in progress. However, in line with the provisions of the Draft Bill submitted for public consultation, it is expected to take effect for tax periods beginning on or after 31 December 2023 and, therefore, as regards the Elecnor Group, from the next tax year beginning on 1 January 2024.

In the remaining jurisdictions of most relevance to the Group, the relevant legislation is still pending approval and it is uncertain at the date of preparation of these Consolidated Annual Accounts whether such legislation will be enacted and, if so, on what date the resulting legislation will take effect.

At the end of 2023, the Group is in the process of assessing its exposure to Pillar Two legislation. At the date of preparation, this assessment has been carried out as a preliminary exercise concerning the Group's exposure to Pillar Two on the basis of the consolidated figures of the Group in each of its constituent jurisdictions and the analysis of the potential application of the Transitional Safe Harbours envisaged by the OECD, which are also considered in the aforementioned Draft Bill.

As a result of this preliminary assessment, the effective tax rate in most of the jurisdictions in which the Elecnor Group operates, with the exception of a very small number of insignificant countries representing a small percentage of the Group's profit before tax, exceeds 15%. Accordingly, based on the analysis carried out, at the end of 2023, the Group does not anticipate substantial economic impacts from the Complementary Tax that would arise as a result of the application of Pillar Two, once the relevant legislation comes into force. This is notwithstanding

Notes to the consolidated annual accounts

the significant increase in the administrative burden of formally complying with these new tax rules.

The Group continues to monitor legislative developments in the jurisdictions where it is present, as well as to analyse the implications of the regulations, and is currently focused on the project to implement Pillar Two.

Lastly, it should be noted that for the purposes of the provisions of article 53 of the aforementioned Draft Bill, Appendix IV of these Consolidated Annual Accounts provides a breakdown and details of the value of the tax bases, deductions and assets and liabilities due to temporary differences among the Elecnor Group companies existing at 31 December 2023.

Standards, amendments and interpretations issued and not yet in force that allow for early adoption

**IFRS 16 (Amendment) "Lease Liability in a Sale and Leaseback":** IFRS 16 includes requirements on how to account for a sale and leaseback on the date the transaction takes place. However, it did not specify how to record the transaction after that date. This amendment explains how an entity should account for a sale and leaseback after the date of the transaction.

The effective date of this amendment is 1 January 2024, although early adoption is allowed.

These amendments are not expected to have any effect on the Group's Consolidated Annual Accounts in the future.

IAS 1 (Amendment) "Classification of liabilities as current or non-current" and IAS 1 (Amendment) "Non-Current Liabilities with Covenants": These amendments, which were adopted simultaneously by the European Union, clarify that liabilities are classified as current or non-current depending on the rights that exist at the end of the reporting period. Classification is not affected by the entity's expectations or events after the reporting date (for example, receipt of a waiver or breach of agreement). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability.

In addition, the amendment aims to improve disclosures when an entity's right to defer payment of a liability is subject to the fulfilment of conditions ("covenants") within twelve months after the reporting period.

This amendment is effective for periods beginning on or after 1 January 2024 and is applied retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Early adoption is permitted.

These amendments are not expected to have any effect on the Group's Consolidated Annual Accounts in the future.

Existing standards, amendments and interpretations that have not been adopted by the European Union

At the date on which these consolidated annual accounts were authorised for issue, the IASB and IFRS Interpretations Committee had published the standards, amendments and interpretations listed below, that are pending adoption by the European Union:

IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture": These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures, which will depend on whether the non-cash assets sold or contributed to an associate or joint venture constitute a "business". The investor must recognise the entire gain or loss when the non-monetary assets constitute a "business". If the assets do not qualify as a business, the investor recognises the gain or loss only to the extent of unrelated investors' interests. The amendments only apply when an investor sells or contributes assets to its associate or joint venture.

Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after 1 January 2016. However, at the end of 2015, the IASB decided to

postpone their effective date (without setting a new specific date), as it is planning a broader review that may ultimately simplify the way these transactions are accounted for, along with other aspects of accounting for associates and joint ventures.

These amendments are not expected to have any effect on the Group's Consolidated Annual Accounts in the future.

IAS 7 (Amendment) and IFRS 7 (Amendment) "Supplier Finance Arrangements (reverse factoring)": The IASB has amended IAS 7 and IFRS 7 to improve disclosures on supplier finance arrangements ("reverse factoring") and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendment responds to investor concerns that some companies' supplier finance arrangements are not sufficiently visible.

The amendment is effective for annual periods commencing on or after 1 January 2024. Early adoption of the amendment is allowed, but it is pending approval by the European Union.

These amendments are not expected to have any effect on the Group's Consolidated Annual Accounts in the future.

IAS 21 (Amendment) "Lack of Exchangeability": The IASB has amended IAS 21 to add requirements so as to help entities determine whether a currency is exchangeable for another currency and the spot exchange rate to use when it is not. When a currency cannot be exchanged for another currency, it is necessary to estimate the spot exchange rate on a valuation date in order to determine the rate at which an orderly exchange transaction would take place on that date between market participants under the prevailing economic conditions. When an entity first applies the new requirements, it is not permitted to restate comparative information. Instead, the affected amounts are to be translated at spot exchange rates estimated at the date of initial application of the amendment, with an adjustment against reserves. The amendment is effective for annual periods commencing on or after 1 January 2025. Early adoption of the amendment is allowed, but it is pending approval by the European Union. This amendment is not expected to have any effect on the Group's Consolidated Annual Accounts in the future.

These amendments are not expected to have any effect on the Group's Consolidated Annual Accounts in the future.

#### c) Functional currency and presentation currency

The figures disclosed in the consolidated annual accounts are expressed in thousands of Euros, rounded to the nearest thousand, the Parent's functional and presentation currency.

# d) Material accounting estimates and significant assumptions and judgements in applying accounting policies

The information in these Consolidated Annual Accounts is the responsibility of the Board of Directors of Elecnor, S.A.

The preparation of consolidated annual accounts in accordance with IFRS-EU requires the application of significant accounting estimates and making judgements, estimates and assumptions in the process of applying the Group's accounting policies. In this connection, there follows a detailed summary of the aspects that have involved the greatest degree of judgement, complexity or in which the assumptions and estimates are not significant for preparing the consolidated annual accounts.

#### Significant accounting estimates and assumptions

- The impairment analysis of receivables deriving from third party transactions includes the estimate of future receivables arising from the situation of each customer, each country and the economy in general (Note 14).
- The Group performs a significant portion of its activities in construction contracts with customers. This method is based on performing estimates in relation to the stage of

completion of projects. Depending on the method used to determine project progress, significant estimates correspond to costs pending incurring in each contract. Furthermore, the Group recognises provisions for negative margins when the estimate of total costs exceeds estimated income from contracts. These estimates are subject to changes based on new information regarding the stages of completion.

The calculation of provisions for litigation and inspections is subject to considerable
uncertainty. If it is likely that there will be an obligation at the end of the year that will
imply an outflow of resources, a provision is recognised if the amount can be reliably
estimated. Legal processes usually imply complex legal matters and are subject to
considerable uncertainty. The Group relies on third-party advice to estimate the
probability of the outcome of litigation and inspections.

Moreover, although the estimates performed by the Parent's Directors were calculated based on the best information available at 31 December 2023, it is possible that future events might oblige their modification in the next few years. The effect on the consolidated annual accounts of modifications that, in the event, may derive from adjustments over the next few years would be recognised prospectively.

#### Significant judgements in applying accounting policies

Since 17 December 2019, the Elecnor Group has, along with the investment fund APG, jointly controlled the subgroup Celeo Concesiones e Inversiones, and since that date it has held a 51% shareholding, compared with a previous shareholding of 100%.

The material judgements that led to the Elecnor Group's conclusion regarding the loss of the controlling interest it hitherto held in Celeo Concesiones e Inversiones, S.L., and which are upheld on the date on which these consolidated annual accounts were authorised for issue, are as follows:

- The equitable composition of the Board of Directors and the General Shareholders' Meeting with homogeneous rights.
- The decisions adopted by the General Shareholders' Meeting must be approved by a reinforced majority of at least 75%, with only the following matters requiring a simple majority:
  - Modification of the Corporate Bylaws when such modification is required by law, provided such modification does not contravene the provisions of the shareholders' agreement.
  - Appropriation of profit/loss in order to build the Legal Reserve required by law.
- The control and functional dependence of the management of Celeo Concesiones e Inversiones, S.L., which handles the material aspects of the business and which ceases to depend on the Elecnor Group to instead report directly to the Board of Directors of Celeo Concesiones e Inversiones, S.L.
- The existence of a neutral arbitration system in the event of a dispute. In the event of any dispute between the two shareholders, a mediator will be called in to resolve it, and if this were not sufficient an arbitration process will take place, involving three arbitrators, with the shareholders each appointing one arbitrator and a third appointed by agreement of the other two arbitrators.

#### e) Comparative information

In 2023, the Group reclassified the net assets of the Enerfín subgroup as the conditions required by IFRS 5 for the classification of this subgroup as "Non-current assets and liabilities held for sale" were met (Note 7). This reclassification has had the following implications for the Consolidated Annual Accounts:

• The profit after tax of the subgroup, being a complete business segment, has been classified under "Profit/loss from discontinued operations" in the consolidated income

statement for 2023 in accordance with current accounting principles. In addition, comparative information for the year 2022 has been restated for comparative purposes (Note 7).

- The movements presented in these notes to the consolidated annual accounts include the net assets at 31 August 2023 as a transfer to discontinued operations. A breakdown of assets and liabilities transferred to discontinued operations is provided in Note 7.
- In the consolidated statement of cash flows, the Group has included the cash flows generated by the operating, investing and financing activities of the discontinued operation in 2023 separately. In addition, comparative information for the year 2022 has been restated for comparative purposes. Details of cash flows from discontinued operations are included in Note 7.

Furthermore, and as a result of the entry into force of IAS 12 (Amendment) "Deferred Tax related to Assets and Liabilities arising from a Single Transaction", the Elecnor Group recognised deferred tax assets and deferred tax liabilities amounting to Euros 20,033 thousand and Euros 19,133 thousand and impact of Euros 900 thousand on the opening balance of retained earnings (Note 20).

#### f) Changes to the consolidation scope

The most significant changes in the scope of consolidation in 2023 were as follows:

- In 2023, the most significant corporate transaction is the disposal of the 50% stake in the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. in a joint sale with Enagas, owner of the remaining 50%. The transaction resulted in a capital gain of Euros 21,519 thousand, recognised under "Net profit/loss on the sale of non-current assets and subsidiaries" in the consolidated income statement for the year 2023 (see Note 12).
- Also in 2023, the Group increased by 10% its stake in the subsidiaries Parques Eólicos Palmares, S.A., Ventos dos Índios Energia, S.A., Ventos da Lagoa, S.A., and Ventos do Litoral Energia, S.A., for a total amount of Euros 9.9 million. This led to a decrease of the same amount under various consolidated equity headings. The Group's ownership interest in these subsidiaries thus increased from 80% to 90% at 31 December 2023.
- On 28 September 2023 the Elecnor Group formalised the sale of the subsidiary Eresma Solar, S.L.U., recorded at 31 December 2022 as non-current assets held for sale under the agreement entered into in 2020. The Group completed the transaction for a sale value of Euros 9,055 thousand, recording the associated gain under "Net profit/loss on the sale of non-current assets and subsidiaries" in the consolidated income statement for 2023 (Note 7).

The most significant change in the consolidation scope in 2022 was:

• On 17 February 2022 the Elecnor Group formalised the sale of the subsidiary Stonewood Desarrollos, S.L.U., recorded at 31 December 2021 as non-current assets held for sale under the agreement entered into in 2021. The Group completed the transaction for a sale value of Euros 13,986 thousand, recording the associated gain under "Net profit/loss on the sale of non-current assets and subsidiaries "in the consolidated income statement for 2022.

#### g) Entities located in countries with high rates of inflation

In light of the economic situation in Venezuela and Argentina, and according to the definition of a hyperinflationary economy laid down by IAS 29, these countries have been considered as hyperinflationary since 2009 and 2018, respectively, a situation that persists at the end of 2023.

The Elecnor Group holds one investment in Venezuela and another in Argentina, with outstanding balances at 31 December 2023 and 2022, and the volume of transactions during 2023 and 2022 is non-material.

In 2023 and 2022, the Group has recognised the relevant impact considering the hyperinflationary economic situation in both countries, which has been non-material for the purposes of the Elecnor Group.

The rest of the functional currencies of the consolidated companies and associates located abroad are not those of a highly inflationary economy as defined by IFRS. Accordingly, at the end of 2023 and 2022 it was not necessary to adjust the financial statements of any other consolidated entity or associate in order to correct for the effects of inflation.

#### h) Regulation of electricity generation activities

The electricity generation business of the Spanish subsidiaries of the Enerfín subgroup classified as held for sale is regulated by Electricity Sector Law 24/2013 of 26 December 2013, which repeals Law 54/1997 of 27 November 1997, and by the subsequent implementing regulations.

On 28 December 2012, Law 15/2012 of 27 December 2012 on Tax Measures for Energy Sustainability was published, introducing a 7% levy on the total amount payable to the taxpayer for production and incorporation into the electricity system.

Additionally, this Law amended Law 54/1997, whereby the electricity attributable to the use of fuels at a generation facility that uses any non-consumable renewable energy as a primary energy source will not qualify for the feed-in tariff system, which could affect the Group's solar thermal plants under operation.

Royal Decree-Law 9/2013 of 12 July, adopting urgent measures to ensure the financial stability of the electricity system, was approved on 13 July 2013:

The government will be responsible for approving a new legal and economic regime for existing facilities that generate electricity using renewable energy sources, cogeneration and waste. This regime will be based on facilities receiving revenues for their participation in the market, plus additional remuneration, where necessary, to cover the investment costs that cannot be recovered by an efficient, well-managed company in the market.

On 10 June 2014, RD 403/2014 of 6 June 2014 was published, regulating the activity of electricity production from renewable energy sources, cogeneration and waste; and on 21 June 2014, Order IET/1045/2014 of 16 June was published, approving the parameters for the remuneration of the abovementioned facilities.

In line with the above, and considering that the government's aim is to reduce feed-in tariffs for the renewables sector, the Elecnor Group has re-estimated the future cash flows of all assets subject to this legislation, as it considers that there could be indications of impairment thereon.

The parameters Order IET/1045/2014 was updated for the period 2017–2019 by Order ETU/130/2017 of 17 February and for the period 2020-2022 by Order TED/171/2020 of 24 February.

On 23 July 2020, Order TED/668/2020 entered into force, revising the investment remuneration for 2018 and 2019, since the 7% tax exemption during the last quarter of 2018 and the first quarter of 2019 (RD-Law 15/2018 of 5 October) was not taken into consideration by the Government when calculating the remuneration parameters.

On 15 September 2021, Royal Decree-Law 17/2021 was published, on urgent measures to curtail the impact of the escalation of natural gas prices in the retail gas and electricity markets, including the following:

- From 16 September 2021 to 31 March 2022, the remuneration of the electricity production activity of non-greenhouse-gas-emitting facilities is reduced, excluding facilities in non-peninsular territories, those with an installed capacity equal to or less than 10 MW, and those that have a recognised remuneration framework of those regulated in Law 24/2013, of 26 December, on the Electricity Sector. The reduction is proportional to the higher revenue obtained as a result of the increased natural gas price.
- The exemption from the 7% tax on the value of electrical power for electricity production facilities is extended until 31 December 2021 (this exemption was initially planned for the

Q3 2021, according to RD-Law of 24 June). In any event, in wind farms that receive specific remuneration (in accordance with RD-Law 9/2013, of 12 July), the CNMC will subsequently subtract the amounts not paid as a result of the application of these Royal Decrees.

Royal Decree-Law 23/2021 on urgent energy measures to protect consumers and introduce transparency in the wholesale and retail electricity and natural gas markets was published on 27 October 2021.

It establishes that electricity produced by generation facilities that is covered by a forward instrument signed prior to the entry into force of the RD, provided that the price of said cover is fixed, is excluded from the reduction mechanism.

Similarly, it clarifies that energy covered by a forward instrument signed after the entry into force of the Royal Decree, provided that the price of said cover is fixed and the period of application of the instrument is equal to or greater than one year, is excluded from the reduction mechanism.

On 22 December 2021, Royal Decree-Law 29/2021 was published, adopting urgent measures in the energy sector to foster electric mobility, self-consumption and the deployment of renewable energies. It extends until 31 March 2022 the exemption from the 7% tax on generation.

On 29 March, Royal Decree Law 6/2022 was published, thereby approving the update of the remuneration scheme of electric power generation based on renewable energy sources, high-efficiency co-generation and waste. The remuneration for investment in farms subject to that scheme was updated, effective from 1 January 2022. The effect of this update was taken into account at the end of the previous year. Moreover, the validity of the remuneration reduction mechanism due to gas prices is extended (which ended on 31 March 2022), and it is established that the cost of the financing mechanism for the social tariff and for the supply of consumers at risk of social exclusion will be assumed by generators and marketers.

Royal Decree-Law 10/2022 was published on 14 May 2022, laying down a temporary mechanism to adjust the costs incurred by marginal fossil fuel technologies (combined cycle, coal-fired and cogeneration plants) in order to reduce the price of electricity on the wholesale market. According thereto, the abovementioned technologies had to bid in all markets, internalising the amount of the adjustment in their bids, and these amounts are funded by the consumers who benefit from said reduced electricity price. This adjustment mechanism took effect on 14 June (as stated in Order TED/517/2022, approved by the European Union), and it finalised on 31 May 2023.

RD-Law 11/2022 was published on 25 June 2022, adopting and extending specific measures in order to respond to the economic and social consequences of the war in Ukraine, to address situations of social and economic vulnerability, and for the economic and social recovery of the island of La Palma. This Royal Decree extends 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% from 1 July 2022 to 31 December 2022. Subsequently, on 18 October, Royal Decree-Law 18/2022 was published, prolonging until 31/12/2023 the mechanism to reduce high gas prices, and on 27 December the government approved Royal Decree-Law 20/2022, on measures in response to the economic and social consequences of the war in Ukraine, prolonging until 31/12/2023 the 7% generation tax exemption.

On 6 October 2022 the EU adopted Regulation 2022/1854, which provides for emergency intervention to address the effects of high energy prices. The Regulation sets a cap of €180/MWh produced on market revenues for inframarginal technologies (wind, solar, hydropower without reservoirs, nuclear, etc.), excluding demonstration and storage projects. Furthermore, it was established that States may apply public intervention in setting prices for the supply of electricity to SMEs, exceptionally and temporarily allowing prices below cost. This Regulation came into force on 8 October 2022. The articles concerning the market revenue cap apply from 1 December 2022 until 30 June 2023. Pricing for SMEs will apply until 31 December 2023.

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

On 28 March 2023, RD-Law 3/2023 was published, extending until 31 December 2023 the mechanism for adjusting the costs incurred by marginal fossil fuel technologies, approved in RD-Law 10/2022 of 13 May.

On 30 June 2023, Order TED/741/2023 was approved, establishing the remuneration parameters for RECORE facilities for the 2023-2025 period.

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), these agreements having been signed within the framework implemented by the Federal Government and through private auction. In addition, the first 100% 'de-contracted' project was launched in Brazil (24.2 MW), which means that energy will be sell in the free market. With regard to the Canada farm, it has a 20-year sale-purchase agreement with Hydro-Québec.

The Directors do not consider that any other renewable energy-related regulation has been enacted that could significantly affect the Consolidated Annual Accounts at 31 December 2023.

# 3. Accounting principles

#### a) Subsidiaries

Subsidiaries are entities over which the Company exercises control, either directly or indirectly through subsidiaries. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company has power over a subsidiary when it has existing substantive rights that give it the ability to direct the relevant activities. The Company is exposed, or has rights, to variable returns from its involvement with the subsidiary when its returns from its involvement have the potential to vary as a result of the subsidiary's performance.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from their acquisition date, which is the date control commences. Subsidiaries are excluded from the consolidated Group from the date on which this control is lost.

Transactions and balances with Group companies and unrealised profit or loss were eliminated in the consolidation process. However, unrealised losses were considered to be an indicator of the impairment of the assets transferred.

The accounting policies of subsidiaries were adapted to the Group's accounting policies, for transactions and other events that are similar and took place in comparable circumstances.

The annual accounts or financial statements of subsidiaries used in the consolidation process refer to the same presentation date and the same period as those of the Parent.

Non-controlling interests in the net assets of subsidiaries are recognised in equity separately from the Parent's equity. Non-controlling interests' share in consolidated profit or loss for the year (and in consolidated total comprehensive income for the year) is disclosed separately in the consolidated income statement.

Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, i.e. any difference is recognised directly in equity.

In the reduction of the shareholding in a subsidiary that implies a loss of control thereof, the Group recognises profit/loss due to the difference between the consideration received plus the fair value of any investment retained in the company plus the carrying amount of the non-controlling interests and the value of the consolidated net assets. Other comprehensive income relating to the subsidiary is reclassified to profit/loss or reserves depending on its nature. Consolidated net assets include goodwill inasmuch as the divested entity constitutes a business. If the divested entity constitutes a business which belonged to a cash-generating unit or a group of cash-generating units to which goodwill had been assigned, then the goodwill is assigned to the part divested and the part maintained in accordance with the fair value and recoverable amount, respectively.

The fair value of the investment maintained constitutes the acquisition cost for the purposes of subsequent measurement in accordance with its classification.

The financial statements used in the consolidation process are, in all cases, those for the yearly period ending on 31 December of each year. A breakdown of the identification details of the subsidiaries is given in Appendix I attached herein.

#### Changes in ownership interests in subsidiaries without change of control

The Group accounts for transactions with non-controlling interests that do not result in a loss of control as transactions with the Group's equity owners. On purchase of non-controlling interests, the difference between the fair value of the consideration paid and the corresponding proportion acquired of the carrying amount of the subsidiary's net assets is recognised in equity. Gains or losses on disposal of non-controlling interests are also recognised in equity.

#### b) Associates

Associates are entities over which the Company, either directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Group or other entities, are considered when assessing whether an entity has significant influence.

Investments in associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. However, if on the acquisition date all or part of the investment fulfils the conditions to be classified as non-current assets or disposal groups of items held for sale, it is recognised at fair value, less the costs of divestment or disposal by another means.

Investments in associates are initially recognised at acquisition cost, also including any cost directly attributable to the acquisition and any contingent asset or liability consideration that depends on future events or the failure to fulfil certain conditions.

The excess between the cost of the investment and the percentage corresponding to the Group in fair values of identifiable net assets is registered as goodwill and included in the carrying amount of the investment. Any shortfall, having measured the amounts of the cost of the investment and the identification and measurement of the net assets of the associate, is recognised as income when determining the investors interest in the associate's profit and loss in the year in which it is acquired.

If the investment is the result of a loss of control of a subsidiary that did not constitute a business, the cost of the investment is the fair value, net of the derecognitions deriving from the loss of control.

The accounting policies of associates were harmonised in time and valuation terms in line with those used at subsidiaries.

The Group's share of the profit or loss of an associate from the date of acquisition is recognised as an increase or decrease in the value of the investments, with a credit or debit to "Profit/loss from equity-accounted investees" in the consolidated income statement. The Group's share of other comprehensive income of associates from the date of acquisition is recognised as an increase or decrease in the value of the investments in associates with a balancing entry, based on the nature of the investment, in other comprehensive income in the consolidated statement of comprehensive income. The distribution of dividends is recognised as a decrease in the value of the investment. The Group's share of profit or loss, including impairment losses recognised by the associates, is calculated based on income and expenses arising from application of the acquisition method.

The Group's share in the profit and loss of associates and in changes to net equity is determined based on the ownership interest at the end of each year, not taking into account the potential exercise or conversion of potential voting rights. Nevertheless, the Group's interest is determined considering the eventual exercise of potential voting rights and other derivative financial instruments which substantially provide current access to the economic benefits associated with

the ownership interests, in other words, the right to participate in future dividends and changes in the value of associates.

Losses of an associate attributable to the Group are limited to the extent of its net investment, except where the Group has legal or constructive obligations or when payments have been made on behalf of the associate. For the purpose of recognising impairment losses in associates, net investments are considered as the carrying amount of the investment after applying the equity method plus any other item which in substance forms part of the investment in the associate. The excess of the losses over the equity instrument investment is applied to the remaining items in reverse order of settlement. Subsequent profits obtained by associates for which impairment losses are limited to the value of the investment are recognised to the extent that they exceed previously unrecognised losses.

If the Group's share of losses in an associate equals or exceeds its investment in the associate, it does not recognise its share of any further losses. The investment in the associate is the carrying amount of the investment determined using the equity method, plus any other non-current portion that, in substance, forms part of the Group's net investment in the associate.

Profit and loss not realised in transactions between the Group and associates are only recognised insofar as they correspond to the holdings of other unrelated investors. The exception in the application of this criterion is the recognition of unrealised losses that constitute evidence of the impairment of the transferred asset. Nevertheless, profit and loss deriving from transactions between the Group and associates involving net assets that constitute a business are recognised in their entirety.

In the reduction of a shareholding in an associate that does not imply a significant loss of influence or when the Group loses the joint control of a joint venture and maintains a significant influence, the Group recognises the result as the difference between the consideration received and the proportionate part of the carrying amount of the divested shareholding. Other comprehensive income corresponding to the proportionate part of the divested associate is reclassified to profit/loss or reserves as though the associate had directly sold the assets and liabilities linked to it. If the transaction implies a loss, the Group tests the impairment in the residual value maintained.

#### **Impairment**

Once the equity method has been applied, the Group assesses whether or not there is objective evidence of an impairment in the net investment in the associate.

Calculation of impairment is determined as a result of the comparison between the carrying amount linked to the net investment in the associate and its recoverable amount, understood as the higher between value in use and fair value less the costs to sell or otherwise dispose of the item. In this connection, value in use is calculated as a function of the Group's interest in the current value of estimated cash flows in ordinary activities and the amounts potentially resulting from the final disposal of the associate.

The recoverable amount of the investment in an associate is assessed in relation to each associate, unless it does not constitute a cash-generating unit (CGU).

#### c) Joint arrangements

Joint arrangements are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions about the relevant activities require the unanimous consent of the Group and the remaining venturers or operators. The existence of joint control is assessed considering the definition of control over subsidiaries.

- Joint ventures: investments in joint ventures are accounted for using the equity method described in the letter above.
- Joint operations: for joint operations, the Group recognises the assets, including its share
  of any assets held jointly, the liabilities, including its share of any liabilities incurred
  jointly with the other operators, the revenue from the sale of its share of the output

arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and the expenses, including its share of any expenses incurred jointly, in the consolidated annual accounts.

The Group has joint control in various Temporary Business Associations since it has contractual agreements that require the consent of the shareholders to make decisions on important activities. The Group has classified the investments as joint operations since the shareholders have rights on the assets and obligations on the liabilities. Said right are principal and not subsidiary. In addition, the Group includes in this category certain foreign entities considered to be a similar vehicle to a UTE (various kinds of joint ventures), through which it carries out part of its business activities.

#### d) Foreign currency transactions and balances

#### Foreign currency transactions, balances and cash flows

Transactions in foreign currency are translated into the functional currency at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated into Euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date. Non-monetary assets measured at fair value have been translated into Euros at the exchange rate at the date that the fair value was determined.

#### Translation of foreign operations

The Group has applied the exemption permitted by IFRS 1, First-time Adoption of International Financial Reporting Standards, relating to accumulated translation differences. Consequently, translation differences recognised in the consolidated annual accounts generated prior to 1 January 2004 are recognised in retained earnings. As of that date, foreign operations whose functional currency is not the currency of a hyperinflationary economy have been translated into Euros as follows:

- Assets and liabilities, including goodwill and net asset adjustments derived from the
  acquisition of the operations, including comparative amounts, are translated at the
  closing rate at the reporting date.
- Income and expenses, including comparative amounts, are translated at the exchange rates prevailing at each transaction date.
- All resulting translation differences are recognised as translation differences in other comprehensive income.

These criteria are also applicable to the translation of the financial statements of equity-accounted companies, with translation differences attributable to the Group recognised in other comprehensive income.

The translation differences recognised in other comprehensive income are recognised as an adjustment in profit/loss on the sale, based on the criteria set forth in the sections on subsidiaries and associates.

#### Foreign operations in hyperinflationary economies

The financial statements of Group companies whose functional currency is the currency of a hyperinflationary economy are restated in terms of the measuring unit at the reporting date.

The results and financial position of the Group's foreign operations whose functional currency is the currency of a hyperinflationary economy are translated into Euros as follows:

Assets and liabilities, including goodwill and net asset adjustments derived from the
acquisition of the operations, equity items, income and expenses, and cash flows are
translated at the closing exchange rate at the most recent reporting date.

Comparative amounts are those that were included in the prior year consolidated annual
accounts and are not adjusted for subsequent changes in the price level or in exchange
rates. The effect of the adjustment on the prior year's balances is recognised in reserves
in consolidated net equity.

None of the functional currencies of the consolidated companies and associates located abroad are those of a hyperinflationary economy as defined by IFRS, except in the cases of Venezuela and Argentina (see section g of Note 2).

# e) Non-current assets (or disposal groups) held for sale and discontinued operations

A discontinued operation is a component of the Group that has been disposed of or classified as held for sale and represents a separate line of business or geographical area. The profit/loss from discontinued operations are presented separately in the income statement.

Non-current assets or disposal groups whose carrying amount will be recovered primarily through a sale transaction, rather than through continuing use, are classified as non-current assets held for sale. To classify non-current assets or disposal groups as held for sale, they must be available in their current state for disposal, subject only to the usual and widely accepted terms of sale transactions, and the transaction must also be considered to be highly probable.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the carrying amount and fair value less the costs of disposal and are not amortised or depreciated.

The Group classifies on the acquisition date a non-current asset or disposal group of items, including subsidiaries, and all or part of the investment in associates or joint ventures acquired solely for the purpose of their subsequent disposal or exchange, as held for sale, if the planned transaction is expected to take place in the following year and the sale fulfils the requirements to be considered highly probable within a short period after the acquisition. At the time of the initial recognition of this kind of assets, their initial measurement is determined by the value that would have been recognised if they had not been classified as available for sale and their fair value less costs to sell or otherwise dispose of the assets.

The Company measures non-current assets that cease to be classified as held-for-sale or that cease to be part of a disposable group of items, at the lower of their carrying amount prior to classification, less amortisation, depreciation or revaluation that would have been recognised had they not been classified as such and the recoverable value on the reclassification date. The valuation adjustments deriving from this reclassification are recognised in profit/loss from continuing activities or other comprehensive income. For these purposes, the Group deems a change in the plan that involves selling rather than distributing to shareholders or vice versa to be a continuation of the original plan, and recognises the impact of the valuation change in consolidated profit/loss.

The Group restates consolidated annual accounts for prior periods from the date of classification of a subsidiary, associate or joint venture as a disposal group or non-current asset held for sale as if it had never been classified as such. As a result, the assets and liabilities of subsidiaries are stated by nature and, where applicable, the Group recognises any depreciation or revaluation that would have been recognised had they not been classified as disposal groups held for sale. Associates or joint ventures are measured retrospectively using the equity method.

#### f) Intangible assets

#### Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's interest in the identifiable net assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. Goodwill related to acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment loss based on the criteria set out in section h) and is carried at cost less accumulated impairment losses, which may not be reversed

Notes to the consolidated annual accounts

in the future. Gains and losses on the sale of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, the goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which goodwill is controlled for internal management purposes.

Goodwill impairment reviews are performed annually or more frequently if events or changes in circumstances indicate a potential impairment loss. The carrying amount of the generating unit containing the goodwill is compared with the recoverable amount, which is the higher of value in use or fair value less costs to sell. Any impairment loss is recognised immediately as an expense.

#### Other intangible assets

Intangible assets are presented in the consolidated balance sheet at cost less amortisation and cumulative impairment losses.

Intangible assets are amortised on a straight-line basis over their useful lives.

#### **Impairment**

The Group measures and determines the intangible asset's impairment losses and reversals in accordance with the criteria set forth in section h).

#### g) Property, plant and equipment

#### Initial recognition

Property, plant and equipment is measured at cost, less cumulative depreciation and, in the event, cumulative impairment losses. However, prior to 1 January 2004, the Elecnor Group revalued certain items of property, plant and equipment as permitted by applicable legislation. In accordance with IFRS, the Elecnor Group treated the amount of these revaluations as part of the cost of these assets because it considered that the revaluations reflected the effect of inflation.

In relation to the wind power projects in which the Elecnor Group, through the Enerfín subgroup, has entered into long-term contracts for the sale of electricity (see Note 4). Until the last financial year, the Elecnor Group recognised the assets as property, plant and equipment as it retained all the risks and rewards of ownership of said assets and the duration of the sale contracts did not cover the whole economic life of the assets. In the current year they are classified under "Noncurrent assets held for sale" in the consolidated balance sheet (see Note 7).

The cost of property, plant and equipment includes the estimated decommissioning or removal costs, as well as the cost of restoring the location, provided these are obligations incurred as a consequence of its use and for purposes other than the production of inventories.

Capitalised costs include finance expenses on external financing accrued during the construction period on construction work exceeding one year.

Self-constructed property, plant and equipment is recognised at accumulated cost; i.e. external costs plus in-house costs, determined on the basis of warehouse materials consumed, and manufacturing costs calculated using hourly absorption rates similar to those used for the measurement of inventories. In 2023, Euros 89,303 thousand was recognised for this item (Euros 28,081 thousand in 2022), booked under "Self-constructed assets" in the consolidated income statement, mainly relating to wind and solar PV farms located in Spain, Canada, Brazil and Colombia.

#### Subsequent costs

Subsequent to the initial recognition of the asset, only those costs that will generate future economic benefits that may reasonably be described as probable, and whose amount can be

measured reliably, are capitalised. In this connection, the costs deriving from the daily upkeep of property, plant and equipment are recognised as they are incurred.

The replacement of items of property, plant and equipment that may potentially be capitalised implies reducing the carrying amount of the items replaced. In those cases in which the cost of the replaced items has not been independently depreciated and it is not feasible to determine their carrying amount, the replacement cost is used to indicate the cost of the items at the time of their acquisition or construction.

#### Depreciation

Property, plant and equipment is depreciated by distributing the depreciable amount using the straight-line method over its useful life.

Depreciation of property, plant and equipment is determined by applying the following criteria:

	Years of useful life		
	2023	2022	
Buildings	33-50	33-50	
Technical installations and machinery (*)	20-30	20-30	
Hand and machine tools	3-10	3-10	
Furniture and fixtures	3-10	3-10	
Information technology equipment	3-5	3-5	
Motor vehicles	2-10	2-10	
Other property, plant and equipment	3-10	3-10	

<sup>(\*)</sup> Includes machinery and facilities used in wind projects, basically wind turbines.

The Group reviews the residual value, useful life and depreciation method of property, plant and equipment at the end of each financial year. Any changes to the initially established criteria are recognised as a change in estimate.

#### **Impairment**

The Group measures and determines the property, plant and equipment's impairment losses and reversals in accordance with the criteria set forth in section h).

# h) Impairment of non-financial assets carried at amortised or depreciated cost

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount.

Likewise, regardless of the existence of any indication of impairment, the Group reviews, at least once a year, the potential impairment that might affect goodwill and intangible assets with an indefinite useful life.

The recoverable amount of the assets is the higher amount between fair value less costs to sell and value in use.

The asset's value in use is calculated as a function of the estimated future cash flows deriving from the use of the asset, the expectation about possible changes in timing of those cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows expected to derive from the asset.

Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference with a charge to "Amortisation and depreciation, impairment and charges to provisions" in the accompanying consolidated income statement.

At each closing date, the Group tests for any signs that the impairment loss recognised in previous years no longer exists or may have diminished. Impairment losses corresponding to goodwill are not reversible. Impairment losses from the rest of assets are only reversed if there has been a change in the estimates used to determine the asset's recoverable amount.

#### i) Leases

#### Identification of a lease

At inception of a contract, the Group assesses whether the contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The period in which a Group uses an asset includes consecutive and non-consecutive periods. The Group only reassesses the conditions when there is a modification to the contract.

#### Lessee accounting

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group considers all components as a single lease component.

The Group has opted not to apply the accounting policies shown below for short-term leases and those whose underlying asset has a value of less than Euros 5 thousand, which correspond primarily to machinery leases for use in construction works, since the estimated duration of the leases is less than or around one year, as such machinery tends to be leased for the duration of the project for which it has been leased. At 31 December 2023 and following the classification of the Enerfín subgroup as a non-current asset held for sale, the heading "Right-of-use assets" corresponds mainly to leases of premises. In 2022, it primarily referred to leases of premises and of plots of land on which wind farms are located.

The Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

At the lease commencement date the Group recognises a right-of-use asset and a lease liability. The right-of-use asset comprises the amount of the lease liability, any lease payment made at or before the commencement date, less any lease incentives received, any initial direct costs incurred and an estimate of the decommissioning or restoration costs to be incurred, as indicated in the accounting policy on provisions.

The Group measures the lease liability at the current value of the lease payments that are pending payment at the commencement date. The Group discounts lease payments at the appropriate incremental borrowing rate, unless it can readily determine the lessor's implicit interest rate. In this regard, for the initial measurement of the lease liability the incremental borrowing rate was used, representing the interest rate that a lessee would have to pay for borrowing over a similar period, with a similar guarantee, the necessary funds to obtain an asset of a value similar to that of the right-of-use asset in a similar economic context. The Group uses different discount rates for each country and depending upon the remaining lease terms, the applied discount rates being between 2.95% and 6.85% for leases in Spain, in accordance with the duration of the contracts, as this is where most of the leases subject to this standard are located.

The Group measures right-of-use assets at cost, less any accumulated depreciation and impairment, adjusted for any re-measurement of the lease liability.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciates the right-of-use asset as indicated in the property, plant and equipment section from the commencement date to the end of the useful life of the underlying asset.

Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group measures lease liabilities by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any lease modifications or to reflect revised insubstance lease payments.

The Group recognises the amount of remeasurement of the liability, where applicable, as an adjustment to the right-of-use asset until this is reduced to zero and subsequently in profit or loss.

The Group remeasures lease liabilities by discounting the lease payments using a revised discount rate, if there is a change in the lease term or a change in assessment of a purchase option of the underlying asset.

The Group remeasures lease liabilities if there is a change in the estimated amounts payable of a residual value guarantee or a change in the index or rate used to determine the payments, including a change to reflect variations in market rental rates once there has been a review thereof.

#### j) Financial instruments

#### Recognition and classification of financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument in IAS 32 "Financial Instruments: Presentation".

The Group recognises financial instruments when it becomes a party to the contract or legal transaction, in accordance with the terms set out therein.

For measurement purposes, the Group classifies financial instruments in the categories of financial assets and liabilities at fair value through profit or loss, separating those initially designated from those held for trading or that measured at fair value through profit or loss, financial assets and liabilities at amortised cost and financial assets at fair value through other comprehensive income, separating equity instruments designated as such from the rest of financial assets. The Group classifies financial assets designated at fair value through profit or loss and equity instruments designated at fair value through other comprehensive income in accordance with the business model and nature of the contractual flows. The Group classifies financial liabilities as measured at amortised cost, except those designated at fair value through profit or loss and those held for trading.

The Group classifies a financial asset at amortised cost if it is held within the framework of a business model aimed at holding financial assets in order to obtain contractual cash flows and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the unpaid principal.

The Group classifies a financial asset at fair value through other comprehensive income if it is held within the framework of a business model aimed at obtaining contractual cash flows and selling financial assets and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the unpaid principal.

The business model is determined by key staff at the Group at a level reflecting the manner in which groups of assets are managed jointly to achieve the aim of a specific business. The Group's business model represents the manner in which it manages its financial assets to generate cash flows.

The financial assets within the framework of a business model aimed at holding assets to receive contractual cash flows are managed to generate cash flows in the form of contractual receipts during the life of the instruments. The Group manages the assets held on the portfolio so as to receive these specific contractual cash flows. To determine whether the cash flows are obtained

by receiving contractual cash flows from the financial assets, the Group considers the frequency, value and calendar of sales in previous years, the reasons for those sales and the expectations in relation to the future sales activity. Nevertheless, sales do not, of themselves, determine the business model and, accordingly, cannot be considered on their own. Instead, it is information on past sales and expectations of future sales that offers an indication of the way to achieve the Group's stated goal with regard to the management of financial assets and, more specifically, how the cash flows are obtained. The Group considers information on past sales in the context of the reasons for those sales and the conditions at that time as compared to current conditions. To this end, the Group considers that trade and other receivables that will be assigned to third parties and will not be derecognised are maintained in this business model.

Although the goal of the Group's business model is to hold financial assets in order to receive contractual cash flows, this does not mean that the Group holds all the instruments to maturity. Consequently, the Group's business model is to hold financial assets to receive contractual cash flows even when there have been or there are expected to be sales of these assets. The Group understands that this requirement is fulfilled provided the sales take place due to an increase in the credit risk of the financial assets. In the rest of cases, in individual and aggregate terms, sales may not be significant even if they are frequent or must be infrequent where they are significant.

The contractual cash flows that are solely payments of principal and interest on the unpaid principal are consistent with a basic loan agreement. In a basic loan agreement, the main items of interest are generally the consideration for the time value of money (TVM) and credit risk. Nevertheless, in an agreement of this kind, interest also includes consideration for other risks, such as liquidity and costs, like the administrative risks of a basic loan associated with maintaining the financial asset for a certain period. Moreover, interest may include a profit margin consistent with a basic loan agreement.

The Group designates a financial liability initially at fair value through profit or loss, if by doing so it eliminates or significantly reduces any inconsistency in the measurement or recognition that would otherwise emerge, if the measurement of the assets or liabilities or recognition of the profit/loss thereof were performed on different bases or a group of financial liabilities or of financial assets and financial liabilities is managed, and its performance assessed, on a fair value basis, in accordance with a documented investment strategy or risk management strategy, and information is provided internally concerning said group on the same basis to key staff from the Group's management.

The Group classifies the rest of financial liabilities, except financial guarantee contracts, commitments to grant a loan at a lower-than-market rate and financial liabilities resulting from a transfer of assets not fulfilling the requirements for derecognition from accounts or accounted for using the ongoing involvement approach, as financial liabilities at amortised cost.

#### Financial assets at fair value

An analysis of financial instruments measured at fair value at 31 December 2023 and 2022 subsequent to their initial recognition, classified into levels 1 to 3 based on the fair value measurement method, is as follows:

- Level 1: their fair value is obtained from directly observable quoted prices in active markets for an identical asset or liability.
- Level 2: their fair value is determined using market inputs, other than the quoted prices included in level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not quoted in an active market is determined using measurement techniques. The Elecnor Group uses a variety of methods such as estimated discounted cash flows and makes assumptions based on the market conditions existing at each balance sheet date. If all key figures required to calculate the fair value of an instrument are observable, the instrument is included in Level 2.

The instruments included in Level 2 correspond to derivative financial instruments (Note 17).

• Level 3: their fair value is determined using measurement techniques that include inputs for the assets and liabilities that are not directly observable market data.

	Fair value at 31 December 2023				
	Thousands of Euros				
	Level 1 Level 2 Level 3 T				
Non-current financial assets					
Derivative financial instruments (Note 17)	-	170	-	170	
Current financial assets					
Derivative financial instruments (Note 17)	-	2,136	-	2,136	
Non-current financial liabilities					
Derivative financial instruments (Note 17)	-	-	-	-	
Current financial liabilities					
Derivative financial instruments (Note 17)	-	(646)	-	(646)	
	-	1,660	-	1,660	

Following the discontinuation of the energy business, the Elecnor Group has derivative financial instruments of assets and liabilities classified under non-current assets and liabilities held for sale (see Note 7). All of them belong to Level 2.

	Fair value at 31 December 2022					
	Thousands of Euros					
	Level 1 Level 2 Level 3 Total					
Non-current financial assets						
Derivative financial instruments (Note 17)	-	9,639	-	9,639		
Current financial assets						
Derivative financial instruments (Note 17)	-	3,905	-	3,905		
Non-current financial liabilities						
Derivative financial instruments (Note 17)	-	(17,128)	-	(17,128)		
Current financial liabilities						
Derivative financial instruments (Note 17)	-	(37,425)	1	(37,425)		
	-	(41,009)	-	(41,009)		

There have been no transfers between levels during the 2023 and 2022 financial years.

#### Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs incurred, and are subsequently measured at amortised cost using the effective interest rate method.

#### **Impairment**

The management of the Elecnor Group applies the simplified approach permitted by IFRS 9, which requires expected losses to be recognised from the initial recognition of financial assets at risk (trade receivables and customer contract assets), irrespective of their maturity, and assesses whether there is a significant increase in credit risk.

When assessing whether there is a significant increase in credit risk, the Group considers all the reasonable and supportable prospective information, specifically:

• Internal and external credit risk ratings;

Notes to the consolidated annual accounts

- Current or expected adverse changes in the business, financial or economic conditions that might trigger a significant change in the borrower's ability to meet its obligations;
- Current or expected significant changes in the borrower's operating income;
- Significant increases in credit risk in other financial instruments of the same borrower;
- Significant changes in the value of the guarantee securing the obligation or as third-party quarantees or credit enhancements;

Similarly, to estimate the expected credit loss on these financial assets, the impairment percentage recorded in the income statement for the last five years of sales for each financial year is taken into account.

#### Interest and dividends

Interest is recognised by the Group using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of a financial instrument to the net carrying amount of that financial instrument based on the contractual terms of the instrument and not considering expected credit losses, except for financial assets acquired or originated with losses incurred.

Dividends from investments in equity instruments are recognised in profit or loss when the Group is entitled to receive them, it is likely to receive the economic benefits and the amount can be reliably estimated.

#### Derecognitions and modifications of financial liabilities

The Group derecognises a financial liability or a portion thereof when it has fulfilled the obligation contained in the liability or when it is legally released from the principal responsibility contained in the liability either pursuant to judicial proceedings or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial modifications to initially recognised liabilities are recognised as an extinguishment of the original financial liability and recognition of a new financial liability, provided the instruments have substantially different terms.

The Group considers that the terms are substantially different if the current value of the cash flow discounted under the new terms, including any fees paid net of any fees received, and using for the purpose of the discount the original effective interest rate, differs by at least 10 per cent from the current discounted value of the remaining cash flows of the original financial liability. Furthermore, the Group conducts a qualitative analysis in order to assess whether the conditions are substantially different.

If the exchange is recognised as the extinguishment of the original financial liability, the costs or fees are recognised in profit/loss. Otherwise, the modified flows are discounted at the original effective interest rate, recognising any difference with the previous carrying amount in profit and loss. Moreover, the costs or fees adjust the financial liability's carrying amount and are amortised using the amortised cost method during the remaining life of the modified liability.

The Group recognises the difference of the carrying amount of the financial liability or a part thereof cancelled or assigned to a third party and the consideration paid, including any assigned asset other than the cash or liability assumed in profit or loss.

The Group has arranged reverse factoring lines with various financial institutions to manage supplier payments. Since this transaction does not involve any type of financing for the Group, which pays on the date established with the supplier, liabilities whose settlement is managed by financial institutions are considered to be of a commercial nature and are therefore shown under the heading "Trade and other payables" in the consolidated balance sheet until they are settled, cancelled or expire.

At 31 December 2023 and 2022, the amount of outstanding reverse factoring transactions that have been fully recognised as trade payables amounts to Euros 232,053 thousand and Euros 256,152 thousand, respectively.

#### k) Hedge accounting

Derivative financial instruments are initially recognised based on the criteria set forth above for financial assets and liabilities. Derivative financial instruments that do not meet the hedge accounting criteria below are classified and measured as financial assets or liabilities at fair value through profit or loss. Derivative financial instruments that meet the criteria for hedge accounting are initially recognised at fair value, plus, in the event, the transaction costs that are directly attributable to their contracting, or less, in the event, the transaction costs that are directly attributable to their issuance. Notwithstanding transaction costs, they are subsequently recognised in profit or loss, to the extent that they do not form a part of the effective change in hedging.

At the inception of the hedge the Group formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. The documentation includes the identification of the hedging instrument, the item hedged, the nature of the hedged risk and the manner in which the Group measures the effectiveness of the hedge.

Accounting for hedge operations is only applicable when there is an economic relationship between the hedged item and the hedging instrument, credit risk does not exert a dominant effect on the value adjustments resulting from this economic relationship and the coverage ratio of the hedge relation is the same as the one resulting from the amount of the hedged item the Group actually uses to cover said amount of the hedged item. Nevertheless, that designation must not reflect an imbalance between the weightings of the hedged item and the hedging instrument such that a hedging ineffectiveness is generated, regardless of whether or not it is recognised, that might give rise to an accounting result contrary to the purpose of hedge accounting.

For cash flow hedges of forecast transactions or a component thereof, the Group assesses whether these transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit/loss.

At the start of the hedge relation and continuously the Group assesses whether the relationship prospectively fulfils the effectiveness requirements. The Group assesses effectiveness at each balance sheet date or when there are significant changes that affect effectiveness requirements.

The Group performs a qualitative assessment of effectiveness, provided the fundamental conditions of the instrument and the hedged item coincide. When the fundamental conditions do not coincide fully, the Group uses a hypothetical derivative with fundamental conditions equivalent to the hedged item to assess and measure ineffectiveness.

The Group only designates as hedged items assets, liabilities, firm commitments and highly probable planned transactions. The hedged item may be an individual item or a group of items.

The Group designates derivative financial instruments, essentially foreign currency forward contracts and options and interest rate swaps to hedge against the various risks.

#### Cash flow hedges

The Group recognises in other comprehensive income the gains or losses from fair value measurement of the hedge instrument corresponding to the part identified as effective hedge. The part of the hedge considered to be ineffective, and the part of the gain or loss or cash flow relating to the hedging instrument excluded from the assessment of hedge effectiveness are recognised as a charge or credit to finance expense or income.

In hedges of planned transactions that give rise to the recognition of a financial asset or liability, the associated gains or losses that were recognised in other comprehensive income are reclassified to profit and loss in the same year or years during which the asset acquired or liability assumed affects profit and loss and under the same heading of the consolidated income statement.

#### Discontinuation of hedge accounting

If the hedge relation ceases to fulfil the effectiveness requirements linked to the coverage ratio, but the risk management goal remains the same for said relationship, the Group adjusts the coverage ratio so as to continue to fulfil the hedge relation criteria (rebalancing). Rebalancing refers to the adjustments made to the amounts designated of the hedged item or the hedging instrument of an existing relationship in order to maintain the coverage ratio that fulfils the hedge effectiveness requirements. The Group accounts for rebalancing as a continuation of the hedge relation. On the rebalancing date, the Group determines the ineffectiveness of the relation and recognises any ineffectiveness in profit and loss.

The Group discontinues the hedge relation prospectively only when all or part of the hedge relation ceases to fulfil the eligibility requirements. This includes situations in which the hedge instrument expires or is sold, finalised or exercised. In this connection, the replacement or renewal of a hedge instrument is not an expiry or finalisation, provided that the operation is consistent with the Group's documented risk management goal.

In cash flow hedges, the cumulative amount in other comprehensive income is not taken to profit and loss until the planned transaction takes place. Notwithstanding the foregoing, the cumulative amounts in other comprehensive income are classified as finance income or expense as soon as the Group no longer expects the planned transaction to take place.

# l) Issuance and acquisition of equity instruments and recognition of dividends

The acquisition by the Group of equity instruments of the Parent is presented at acquisition cost separately as a reduction in equity in the consolidated balance sheet, regardless of the reason for the acquisition. No profit or loss was recognised in transactions with own equity instruments.

The subsequent amortisation of the Parent's instruments leads to a capital reduction in the nominal value of said shares and the positive or negative difference between the acquisition price and the nominal share price is charged or credited to reserves.

Dividends, whether in cash or in kind, are recognised as a reduction in net equity when they are approved by the General Shareholders' Meeting.

## m) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to Elecnor, S.A. by the weighted average number of ordinary shares outstanding in the year, excluding the average number of Elecnor, S.A. shares held.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding in the year, adjusted by the weighted average number of ordinary shares that would be issued on the conversion of all of the potential ordinary shares into ordinary shares of the company.

At 31 December 2023 and 2022, basic earnings per share are the same as diluted earnings per share, since there were no potential shares outstanding during the years then ended.

#### n) Inventories

This item of the consolidated balance sheet reflects the assets that the Elecnor Group:

- Has under production, construction or development for this purpose, except for construction in progress for which revenue is recognised as indicated in section s.1); or
- Expects to consume in the production process or in the rendering of services.

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Details of the Elecnor Group's inventories for 2023 and 2022 are as follows:

	Thousands	s of Euros
	31/12/2023	31/12/2022
Raw materials and other materials consumed	4,995	4,960
Goods for resale	3,227	2,798
Semi-finished and finished goods	426	2,550
	8,648	10,308

# o) Cash and cash equivalents

Cash and cash equivalents include cash on hand and sight bank deposits placed with credit institutions. This heading also includes other highly liquid short-term investments which can be readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Accordingly, this heading includes investments that are due within less than three months from their acquisition date.

The Group classifies cash flows corresponding to interest received and paid and dividends received and paid as financing and investment activities.

## p) Official grants from Public entities

Official grants from Public entities are recognised when there is reasonable certainty of compliance with the conditions associated with their being awarded and received.

#### Capital grants

Capital grants awarded in the form of monetary assets are recognised as a credit entry under "Non-current liabilities – Official grants", in the consolidated balance sheet and are allocated to other income as the related financial assets are amortised.

At 31 December 2023, the Elecnor Group had received capital grants amounting to Euros 2,015 thousand (Euros 4,642 thousand in 2022), which had not yet been recognised as income. Government capital grants recognised in 2023 amount to approximately Euros 231 thousand (Euros 221 thousand in 2022) and are recognised as other operating income in the accompanying consolidated income statement.

#### Operating grants

Operating grants are allocated to income in the year in which the related expenses are incurred, with a credit to the heading "Other operating income".

Other operating income in the consolidated income statements for 2023 and 2022 includes approximately Euros 4,117 thousand and Euros 3,613 thousand, respectively. Most operating grants received by the Elecnor Group in 2023 and 2022 related to the costs borne by Elecnor Servicios y Proyectos, S.L.U. and by Deimos Space, S.L.U. and its subsidiaries in carrying out their activities.

#### q) Provisions

The Group recognises provisions for the estimated amount required to settle its liabilities, whether legal or constructive, probable or certain, associated with contingencies, ongoing litigation or obligations, when such liabilities arise as a result of past events, and when it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Provisions are recognised when the liability or obligation arises (Note

18), with a charge to the relevant heading of the income statement based on the nature of the obligation, and for the present value thereof, when the effect of discounting the obligation is material.

The amounts recognised in the consolidated balance sheet correspond to the best estimate at year-end of the disbursements necessary to extinguish the present obligation, having taken into account the risks and uncertainties linked to the provision.

Provisions are reversed against profit and loss when it is not likely to be an outflow of resources to extinguish the obligation.

Contingent liabilities relating to possible obligations (dependent on the occurrence or non-occurrence of uncertain future events) or to present obligations that do not qualify for the recognition of a provision (because they are not probable or they cannot be measured reliably) are not recognised (see Notes 18 and 22).

#### Decommissioning provisions

The provisions to which this section refers are recognised based on the general criteria for recognising provisions and are booked as higher cost value of the items of property, plant and equipment to which they relate (see section g).

Changes in the provision deriving from changes in the amount, timing of disbursements or discount rate will increase or decrease the cost value of fixed assets up to the limit of their carrying amount, and the excess is recognised in profit/loss.

#### r) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring that involves the payment of termination benefits.

For termination benefits payable as a result of an employee's decision to accept an offer, the time when the Group can no longer withdraw the offer of termination benefits is the earlier of when the employee accepts the offer and when a restriction on the Group's ability to withdraw the offer takes effect.

In the case of involuntary termination benefits, the Group can no longer withdraw the offer when it has communicated to the affected employees or trade union representatives the plan; the actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made; the plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations and the expected completion date; the plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

## s) Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for goods delivered and services rendered as part of the company's usual activities, less discounts, VAT and other sales-related tax.

Income is recognised on an accruals basis, in other words, at the time of the actual flow of the goods and services they represent and irrespective of when the resulting monetary or financial flow arises. In application of IFRS 15, the Group identifies and separates the various commitments to transfer a good or service under a contract. This implies separate revenue recognition for each of the individually identifiable obligations within the same main contract.

Furthermore, the Group estimates the price of each contract that has been identified by taking into account, in addition to the initial price agreed in the contract, the amount of variable consideration, the time value of money (where a significant financing component is considered to exist) and non-monetary consideration.

The following are some of the specific features of the Group's activities:

# s.1 Income from the execution of projects and services rendered

The Group carries out different projects and provides different services for customers. The projects are considered to be a single execution obligation satisfied over time. This is because projects are tailored specifically for customers and they tend to be highly integrated. Revenue from projects is recognised over time because the Group's execution produces an asset controlled by customers and with no alternative use for the Group, which is entitled to proceeds from execution completed until year end.

The Group recognises the revenue from contracts using the resource method or percentage of completion method based on costs incurred over total estimated costs. The Group makes adjustments in accordance with the progress for inefficiencies not initially envisaged in the contracts.

The Group adjusts progress towards completion as the circumstances change and books the impact prospectively as a change in estimate.

Revenue recognised by the percentage of completion method is recognised as a contractual asset, to the extent that the amount is not due and as a receivable if there is an unconditional right to payment. If the payment received by the customer exceeds the recognised revenue, a contractual liability is recognised. If the time elapsed between accrual of the revenue and the estimated payment date exceeds twelve months, the Group recognises the revenue at the current estimated value of the amount receivable discounted at an interest rate that reflects the customer's credit risk. The Group subsequently recognises finance income. If the time elapsed between receiving the payment from the customer and booking the revenue using the percentage of completion exceeds twelve months, the Group recognises a finance expense charged to liabilities from the date on which the advance is received to the date on which the revenue is booked. The interest rate used to recognise the finance expense is determined by the Group's incremental borrowing rate.

#### s.2 Energy sales

Revenues from energy sales are recognised in the period in which the energy is generated and transferred.

Energy sales correspond to the Enerfín subgroup, which is classified as held for sale in 2023, and therefore this type of income is classified under "Profit/loss from discontinued operations" in the consolidated income statement.

#### s.3 Contractual modifications

The Group recognises contractual modifications when they have been approved by the parties.

The Group recognises a contractual modification as a separate contract when:

- 1) The scope of the contract is increased due to the addition of different goods or services,
- The contract price increases by an amount reflecting the individual price of the additional goods or services, plus any adjustment to reflect the specific circumstances of the contract.

If there is no separate contract, then the original contract is completed to the extent that the residual goods or services are different from those previously delivered. In this case, the Group recognises the residual consideration and the new consideration, prospectively with the different obligations or goods or services within an obligation, pending delivery.

Otherwise, the amount of the modification is assigned to all obligations, including those that may already have been delivered, recognising an adjustment in the income accrued to date.

The Group assigns changes in the transaction price to the contractual obligations in the same way as at the start of the contract, so the Group does not reassign the transaction price to reflect changes in independent sale prices after the contract has commenced. The amounts assigned to fulfilled obligations are recognised as income or a reduction in income when the modification takes place. The Group recognises a change in the transaction price, applying the aforementioned criteria concerning contractual modifications.

However, in the event of a change in the transaction price subsequent to a contractual modification, the Group assigns the effect of the change to the obligations identified prior to the modification, to the extent that the price change is attributable to a variable consideration pledged prior to the modification and the modification is not accounted for as a separate contract, but as a completion of the original contract. On other occasions when modifications are not recognised as a separate contract, the Group assigns the change in the transaction price to the obligations of the modified contract, in other words, the obligations pending execution or partially pending execution following the modification.

In contractual modifications accepted by the parties, but in which approval of the transaction price is pending, the Group recognises the modification in the amount it is considered highly probable will not produce a significant reversal of the income. The Group adjusts estimated transaction prices at each balance sheet date.

#### t) Income tax

Income tax expenses or income include both current and deferred taxes.

Current tax is the amount payable or recoverable for income taxes on consolidated fiscal profit or loss in the year. Current income tax assets or liabilities are measured by the amounts expected to be paid to or recovered from the taxation authority, based on the tax rules and rates that have been approved or are about to be approved as of the end of the year.

Deferred tax liabilities are Corporate Income Tax amounts payable in the future relating to temporary differences, while deferred tax assets are Corporate Income Tax amounts recoverable due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending application. In this connection, a temporary difference is understood to mean the difference between the carrying amount of assets and liabilities and their tax base.

Current or deferred income tax is recognised in profit and loss unless there is a transaction or economic event that has been recognised in the same financial year or another year, against net equity or from a business combination.

#### Recognition of deferred tax liabilities

The Group recognises deferred tax liabilities in all cases except:

- those arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit/loss nor taxable income;
- those corresponding to differences relating to investments in subsidiaries, associates and
  joint ventures on which the Group has a capacity to control when they are reversed and
  when they are unlikely to be reversed in the foreseeable future.

#### Recognition of deferred tax assets

The Group recognises deferred tax assets provided that:

• it is likely that sufficient future taxable profits will be obtained to offset those items, or when tax legislation allows for the future conversion of deferred tax assets into an enforceable credit in respect of Public entities. However, assets arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit/loss nor taxable income, are not recognised;

 they correspond to temporary differences relating to investments in subsidiaries, associates and joint ventures insofar as the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilised.

It is considered likely that the Group will obtain sufficient taxable profits in the future to offset deferred tax assets recognised in the consolidated balance sheet, provided there are sufficient deductible temporary differences, relating to the same taxation authority and referring to the same taxpayer, the reversal of which is expected in the same tax year as the deductible temporary differences are expected to be reversed or in years in which a tax loss emanating from a deductible temporary difference may be offset against prior or subsequent profit.

In determining future taxable profit, the Group takes into account tax planning opportunities, provided it intends to adopt them or is likely to adopt them.

#### Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured by the applicable tax rates in the years in which the assets are expected to be realised or the liabilities paid, based on rules and rates that are approved or about to be approved and having considered the fiscal consequences deriving from the manner in which the Group expects to recover the assets or settle the liabilities. In this connection, the Group has considered the deduction due to the reversal of temporary measures pursuant to transitory provision thirty-seven of Corporate Income Tax Law 27/2014, dated 27 November, as an adjustment in the tax rate applicable to the deductible temporary difference associated with the non-deductibility of amortisations performed in 2013 and 2014 and the updating of balances under Law 16/2012, of 27 December.

At the end of each year, the Group reviews the carrying amount of deferred tax assets with a view to reducing that value to the extent that it is not likely that there will be sufficient future tax credit carryforwards to offset them.

Deferred tax assets that do not meet the aforementioned criteria are not recognised in the consolidated balance sheet. At the end of each year, the Group reviews whether or not the conditions have been fulfilled to recognise deferred tax assets that have not previously been recognised.

#### Tax uncertainties

An uncertain income tax treatment is any treatment applied by an entity where there is uncertainty as to whether said approach will be accepted by the tax authority. The interpretation takes into account:

- How to determine the appropriate accounting unit, and whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments, depending on which approach better predicts the resolution of the uncertainty.
- That the entity must assume that a taxation authority will examine the uncertain tax treatments and will have full knowledge of all related information when making those examinations; in other words, risk of detection must be ignored.
- That the entity must reflect the effect of uncertainty on its accounting for income tax when the taxation authority is unlikely to accept the treatment.
- That the impact of uncertainty must be measured using the most likely amount method or the expected value method, depending on which method better predicts the resolution of the uncertainty, and that the judgements and estimates used must be reassessed if the facts and circumstances change or new information becomes available.

If the Group determines that it is unlikely that the taxation authority will accept an uncertain tax treatment or group of uncertain tax treatments, it considers said uncertainty when determining the taxable income, tax bases, tax loss carryforwards, deductions or tax rates. The Group determines the effect of uncertainty on the Corporate Income Tax filing using the expected value

method, when the range of potential outcomes is very broad, or the most likely amount method, when the outcome is binary or concentrated on one value. In those cases in which the tax asset or liability calculated based on these criteria exceeds the amount presented in self-assessments, it is presented as current or non-current in the consolidated balance sheet based on the estimated recovery or payment date, considering, where appropriate, the amount of related late-payment interest on the liability as accrued in the income statement. The Group recognises changes in events and circumstances relating to tax uncertainties as a change of estimate.

The Group recognises and presents fines in accordance with the stated accounting policy for provisions.

#### Classification

Deferred tax assets and liabilities are recognised in the consolidated balance sheet as non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

## u) Statement of cash flows

The Group presents the statement of cash flow using the indirect method, using the following expressions with the following meanings:

- Cash flows. Inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities. The principal revenue-producing activities of the Elecnor Group companies and other activities that are not investment or financing activities. The Group presents reverse factoring ("confirming") of trade payables as an operating activity.
- Investment activities. The acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents. The Group classifies interest and dividends received as an investment activity.
- Financing activities. Activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

The cash flows from operating activities in 2023 and 2022 correspond to the Group's routine operations reaching Euros 206,003 thousand.

The net cash flows from investment activities in 2023 are mainly due to new investments in property, plant and equipment (see Note 10) and proceeds from the sale of the subsidiaries Gasoducto de Morelos, S.A.P.I. de C.V. and Eresma Solar, S.L.U. (Note 2.f) (in 2022 they were mainly due to new investments in property, plant and equipment).

Net cash flows from investment activities of discontinued operations in 2023 and 2022 are mainly from new investments in property, plant and equipment of wind farms and solar PV projects under construction (see Notes 7 and 10).

Lastly, the most significant changes in cash flows from financing activities in 2023 and 2022 relate mainly to new issues and redemptions of promissory notes issued in the Alternative Fixed Income Market and repayments of debts arranged in previous years (see Note 16).

Cash flows from financing activities of discontinued operations in 2023 are mainly due to new debt drawdowns of the Rivera de Navarra wind farm and the Portón del Sol solar PV plant and repayments of debts arranged in previous years based on the payment schedule (in 2022 due to new debt of the Rivera de Navarra wind farm and repayments of debts arranged in previous years based on the payment schedule) (see Notes 7 and 16).

#### v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating income is regularly reviewed by the

Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The financial information relating to the segments is detailed in Note 6.

#### w) Environment

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as Other operating expenses in the year in which they are incurred.

Items of property, plant and equipment acquired by the Group for consistent use in its activity and whose main purpose is to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Group's activities, are recognised as assets, applying the measurement, presentation and disclosure criteria described in section g).

# 4. Financial risk management policy

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.

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.

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 at least 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.

# Foreign currency risk-

The Elecnor Group is exposed to the risk of exchange rate fluctuations due to its operations in international markets. Part of the revenues and costs incurred are denominated in currencies other than the Group's functional currency (Euro) and in certain projects the economic and financial inflows and outflows are in different currencies, and therefore the outcome of these projects is exposed to exchange rate risk.

To manage and mitigate the risk arising from exchange rate fluctuations, and when it is not possible to design and implement natural hedging structures, such as the use of financing referenced to the currency of the agreement, the Group uses other hedging strategies, such as taking out exchange rate insurance and cross currency swaps.

The Group is exposed primarily to foreign currency risk from operations involving US Dollars. Set out below is a sensitivity analysis without taking into account the Group's year-end foreign

# Elecnor, S.A. and Subsidiaries

Notes to the consolidated annual accounts

exchange hedges, of the impact on the Group's consolidated profit before tax of changes in this currency, chiefly resulting from the translation of trade receivables and payables:

		Thousands of Euros			
		20	23	20	22
Functional currency	Curre ncy	10%	-10%	10%	-10%
EUR	USD	(2,621)	3,203	(4,252)	5,197

The Group's main exposures to foreign currency risk at 31 December 2023 and 2022 are detailed below. The attached tables reflect the carrying amounts of the Group's financial instruments or classes of financial instruments denominated in foreign currencies:

<u> 2023</u>

Thousands of Euros					
	Long-term credits to Group companies	Trade and other receivables	Cash and cash equivalents	Trade and payables	
EUR		29,383	5,801	(10,674)	
DOP	-	-	-	-	
DZD	-	124	-	(13,126)	
GMD	-	585	-	(612)	
GNF	-	1,308	-	(1,816)	
HTG	-	14,061	-	(4,101)	
OMR	-	12,953	-	(11,970)	
USD	55	73,005	32,608	(76,835)	
XOF	-	1,756	-	(1,002)	
Other	-	175	-	(715)	
Total	55	133,350	38,409	(120,851)	

## 2022

Thousands of Euros						
	Long-term credits to Group companies	Trade and other receivables	Cash and cash equivalents	Trade and payables		
EUR	-	1,520	8,228	(1,877)		
DOP	-	36	-	(554)		
DZD	-	12,292	-	(3,925)		
GMD	-	657	-	(446)		
GNF	-	4,043	-	(5,213)		
HTG	-	7,627	-	(11,502)		
OMR	-	17,188	-	(18,186)		
USD	4,437	37,388	16,704	(11,757)		
XOF	-	1,918	-	(903)		
Other	-	822	128	(2,502)		
Total	4,437	83,491	25,060	(56,865)		

# 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 Elecnor Group has arranged external financing to enable it to carry on its operations, both at a corporate level and in connection with the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The guarantee for this project finance is provided by the projects themselves.

With regard to interest rate risk management, the Group uses hedging instruments to hedge the risk of interest rate fluctuations in financing transactions with floating interest rates. On the other hand, and depending on the market conditions prevailing at any given time, the Group assesses and, where appropriate and depending on its financial needs and the financing structure objectives established, arranges financing at fixed interest rates.

If interest rates at 31 December 2023 had been 50 basis points higher or lower and the rest of variables unchanged (except for the debt pegged to the HICP), consolidated profit before tax would have amounted to Euros 2,707 thousand and Euros 2,707 thousand lower/higher, respectively, ( of which Euros 1,316 thousand would be reflected under "Profit/loss from discontinued operations" in the consolidated income statement) due to a higher/lower finance expense on borrowings at floating rates (Euros 1,713 thousand and Euros 1,713 thousand lower/higher, respectively, in 2022, of which Euros 678 thousand would be reflected under "Profit/loss from discontinued operations" in the consolidated income statement).

Furthermore, in the event of 500-basis-point changes in Brazilian inflation (HICP) to which certain debts, whose guarantees are secured by the projects of certain companies located in Brazil and which belong to the Enerfín business (see Note 16 and 7), are pegged, consolidated profit before tax would have amounted to Euros 7,341 thousand and Euros 7,341 thousand lower/higher, respectively, due to a higher/lower finance expense on borrowings pegged to Brazilian inflation (Euros 7,313 thousand and Euros 7,313 thousand lower/higher, respectively, in 2022). These impacts would be reflected in the consolidated income statement under "Profit/loss from discontinued operations". As regards the evolution of the HICP in Brazil, sales prices are also updated based on changes in this indicator.

# Liquidity risk-

Liquidity risk is defined as the risk that the Group will not be able to meet its short-term financial obligations within the established deadlines.

In order to mitigate liquidity risk, the Group monitors its operating capital on an ongoing basis to optimise its management and maintains a solid liquidity position in current accounts and credit lines with sufficient limits.

# Credit risk-

The Elecnor Group's main credit risk arises from trade receivables, when the counterparty or customer does not meet their contractual obligations.

Given the business and the sectors in which it operates, the Elecnor Group generally has customers of high credit ratings. In any event, and mainly in international projects with non-recurring customers, the Group takes extreme measures to mitigate credit risk (non-payment or default), carrying out exhaustive analyses of the solvency of the counterparty and establishing specific contractual conditions to ensure the collection of the consideration, as well as using other mechanisms such as the collection of advances, irrevocable letters of credit or hedging through insurance policies.

In relation to the Enerfín subgroup classified as non-current assets held for sale during 2023, 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. Wind Farm Cofrentes farm 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 operated as concessions in Brazil, Operador Nacional do Sistema Elétrico (ONS) —through Celeo CI— 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.

In relation to transmission lines in Chile, Celeo CI participates in both the National Transmission System and the Zonal Transmission System. The National Electricity Coordinator (CEN) is responsible for coordinating the flow of payments to the transmission companies for both systems. The current system remained until December 2018, whereby those responsible for paying the transmission companies were the generating companies. Since 2019, distributors have also been liable for payments, so the portfolio of payers became more diversified from that date on. The payment guarantee 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 regularly analyses its exposure to credit risk and makes the corresponding impairment adjustments.

#### Market risk-

Revenues and results corresponding to the wind power generation activity, which the Elecnor Group operates through the Enerfín subgroup, are exposed to changes in energy prices.

In order to reduce the Group's exposure to changes in the price of energy to an acceptable level, it maintains a policy of hedging the price of energy for a certain percentage of the estimated production of its assets in Spain, contracting the respective derivative financial instruments. As regards the production of its assets located outside Spain, most of its production is sold at prices determined under long-term power purchase agreements, and is therefore not affected by changes in the price of energy on the market.

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

In the current context of high 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.

#### Environmental risk-

This category would include risks arising from events associated with climate change, whether physical climate risks, which could cause discontinuity or significantly affect certain operations, or transition risks, which would be those related to new legal and/or market requirements in this area (regulations, reporting, third-party expectations, etc.).

Environmental risks are mainly managed through the Environmental Management System, which is integrated into the Group's Integrated Management System and certified according to ISO 14001. This system is based on the following pillars:

- Identification and verification of legal requirements through the use of specific tools that
  enable the management of compliance with administrative obligations and other
  commitments acquired, in addition to those required by law.
- Design and deployment of policies and procedures to identify the environmental impacts
  of projects and to mitigate, compensate and avoid, where possible, their negative effects
  on the environment, promoting aspects such as the circular economy and the protection
  and conservation of biodiversity and the natural environment.
- Incorporation of environmental considerations into the decision-making processes, encouraging their being taken into account in cost-benefit analyses.
- Involving different stakeholders in the joint quest for useful solutions to preserving and developing the environment and using natural resources sustainably.

Furthermore, the 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). Two scenarios have been considered in this study: the first part of the study focuses on the impact of climate change on the Elecnor Group's physical assets while the second part focuses on how climate change impacts the construction of infrastructures in countries where the Elecnor Group has a current presence or significant medium- and long-term business opportunities. 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.

The Elecnor Group has also taken another step forward in its commitment to decarbonisation by joining the Science Based Targets (SBT) initiative, establishing corporate emission reduction targets according to science, which were approved in 2022 by this initiative.

# 5. Distribution of profit/loss

The proposed distribution of the Parent's 2023 profit/loss, to be presented to the General Shareholders' Meeting, is as follows:

	Euros
Basis of distribution	
Profit for the year	43,237,686.68
Total	43,237,686.68
Distribution	
Voluntary reserves	3,828,896.65
Interim dividend	5,718,389.77
Supplementary dividend	33,690,400.26
Total	43,237,686.68

The appropriation of the Parent's profit and reserves for the year ended on 31 December 2022, approved by General Shareholders' Meeting of 17 May 2023, was as follows:

	Euros
Basis of distribution	
Profit for the year	36,882,215.70
Total	36,882,215.70
Distribution	
Voluntary reserves	69,963.56
Interim dividend	5,446,085.16
Supplementary dividend	31,366,166.98
Total	36,882,215.70

At the General Shareholders' Meeting held on 17 May 2023 a supplementary dividend of Euros 31,366 thousand (Euros 0.42 per share) was approved, taking into account the interim dividend of Euros 5,446 thousand out of profit for 2022 paid in December 2022.

At the meeting held on 13 December 2023, the Board of Directors of the Parent agreed to distribute an interim dividend for 2023 of Euros 5,718 thousand (Euros 5,446 thousand for 2022), which was recognised as a reduction in equity under "Interim dividend" on the liability side of the accompanying balance sheet, which was paid on 20 December 2023.

These distribution amounts did not exceed the profit obtained in the last year by the Company, having deducted the estimated Corporate Income Tax payable on said profit, in accordance with the provisions of article 277 of the Revised Spanish Companies Act.

The provisional accounting statement prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the dividend was as follows:

WORKING CAPITAL POSITION AT 31 October 2023

	Thousands of Euros
FORECAST OF DISTRIBUTABLE PROFIT OF ELECNOR, S.A. FOR 2023	
Projected profit net of tax up to 31/12/2023 Less, required provision to legal reserve Less, prior years' losses	43,059 — —
Estimated interim dividend to be distributed	5,718
FORECAST OF CASH FLOW FOR ELECNOR, S.A. FOR THE PERIOD FROM 31 OCTOBER 2023 TO 31 DECEMBER 2023	
Cash balance at 31/10/2023  Net of projected collections and payments up to 31/12/2023  Projected cash balances at 31/12/2023	8,689 33,382 42,071

The payment of the interim dividend included in the above cash flow forecast does not compromise the holding company's ability to meet its expected payment commitments in the 12 months following said payment.

# 6. Segment reporting

IFRS 8 requires operating segments to be identified based on the information that the entity's management uses to make decisions about operating matters. The Elecnor Group's chief operating decision-maker is the CEO, to whom the CEO of the Services and Projects business reports, together with the CEO of the Enerfín Subgroup and the CEO of the Celeo Group.

The Group conducts its activity in two businesses:

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

Enerfín and Celeo make investments in Infrastructure and Renewables: development, financing, construction, investment and management of energy assets. Since the last financial year, goals are established by both businesses on an individual basis in order to analyse their activity, and their main figures are reported as separate segments in order to better understand the Group's businesses.

#### a) Information on operating segments-

Assets and liabilities for general use and profit and loss arising therefrom were not allocated to the other segments. Similarly, the reconciling items arising from the comparison of the result of integrating the financial statements of the various operating segments (prepared on the basis of management criteria) with the consolidated financial statements of the Elecnor Group, were not allocated. These items are included under the heading "Group Management and Other Adjustments" in the information shown below.

In 2021, as a result of the spin-off of the Services and Projects business carried out by the Parent to the subsidiary Elecnor Servicios y Proyectos, S.A.U., a detailed analysis was performed on the assets and liabilities associated with the "Group Management and Other Adjustments" segment, which are the non-segregated assets and liabilities held at the Parent Elecnor, S.A. These are assets and liabilities that provide services to the Group, such as syndicated financing or the rights of use arising from leases of office space for Elecnor, S.A. employees and the computer software that the Corporation uses to render services to the Group.

Information on these operating segments is presented below:

a) Details of the consolidated income statement items by segment at 31 December 2023 and 2022 are as follows:

2023

			Thousand	ds of Euros		
Income statement	Elecnor	Enerfín(*)	Celeo	Group Manageme nt and Other Adjustmen ts	Operations between segments	Total at 31/12/202 3
Net turnover	3,886,590	_	_	_	(93,684)	3,792,906
Expense for amortisation, depreciation, impairment and charges to provisions	(84,244)	_	_	527	_	(83,717)
Operating income	136,753	_	15,390	(23,072)	(7,926)	121,145
Finance income	11,887	_	· —	15		11,902
Finance expenses	(18,437)	_	_	(9,295)	_	(27,732)
Translation differences	(7,601)	_	_	47	_	(7,554)
Income tax	(38,191)	_	_	9,074	1,833	(27,284)
Profit/loss from continuing operations	84,411	_	15,390	(23,231)	(6,093)	70,477
Profit/loss from discontinued operations	_	47,349	_	_	_	47,349
Profit/loss for the year	84,411	47,349	15,390	(23,231)	(6,093)	117,826
Attributable to non- controlling interests	4	(7,772)	_	_	_	(7,768)
Parent consolidated income statement	84,415	39,577	15,390	(23,231)	(6,093)	110,058
EBITDA (**)	220,997	_	15,390	(23,599)	(7,926)	204,862

<sup>(\*)</sup> The composition of Enerfín's income statement, which is classified as discontinued operations, is presented in Note 7.

The expenses of the "Group Management and Other Adjustments" segment included under the heading of Operating income mainly correspond to expenses of personnel assigned to the

<sup>(\*\*)</sup> EBITDA (gross operating profit) is the result of adding depreciation, amortisation and impairment losses for the year to operating income.

Corporation, as well as expenses associated with its activity, such as travel, offices, software, etc. (Euros 17.8 million), directors' expenses (Euros 5.4 million), expenses of the Group's advisors and auditors, and the contribution to the Elecnor Foundation.

Restated 2022

		Thousands of Euros				
Income statement (**)	Elecnor	Enerfín (*)	Celeo	Group Manageme nt and Other Adjustmen ts	Operations between segments	Total at 31/12/202 2
Net turnover Expense for	3,422,866				(29,606)	3,393,260
amortisation, depreciation, impairment and charges to provisions	(50,116)	_	_	(1,386)	(1)	(51,503)
Operating income	118,812	_	17,153	(30,955)	(8,949)	96,061
Finance income	4,935	_	, –			4,935
Finance expenses	(14,204)	_	_	(5,059)	_	(19,263)
Translation differences	(3,629)	_	_	54	1,996	(1,579)
Income tax	(28,458)	_	_	5,338	1,058	(22,062)
Profit/loss from continuing operations	77,456	_	17,153	(30,622)	(5,895)	58,092
Profit/loss from discontinued operations	_	57,815	_	_	_	57,815
Profit/loss for the	77,456	57,815	17,153	(30,622)	(5,895)	115,907
<b>year</b> Attributable to non-controlling interests	4	(13,098)	_	_	_	(13,094)
Parent consolidated income statement	77,460	44,717	17,153	(30,622)	(5,895)	102,813
EBITDA(***)	168,928	_	17,153	(29,569)	(8,948)	147,564

<sup>(\*)</sup> The composition of Enerfín's income statement, which is classified as discontinued operations, is presented in Note 7.

(\*\*\*) EBITDA (gross operating profit) is the result of adding depreciation, amortisation and impairment losses for the year to operating income.

The expenses of the "Group Management and Other Adjustments" segment included under the heading of Operating income mainly correspond to expenses of personnel assigned to the Corporation, as well as expenses associated with its activity, such as travel, offices, software, etc. (Euros 20 million), directors' expenses (Euros 4.6 million), expenses of the Group's advisors and auditors, and the contribution to the Elecnor Foundation.

Transactions between the different companies comprising the Group at any given time are carried out at market price.

<sup>(\*\*)</sup> Restated figures, see Note 7

# b) Details of assets and liabilities by segment at 31 December 2023 and 2022 are as follows:

<u> 2023</u>

			Thousa	nds of Euros		
	Elecnor	Enerfín (*)	Celeo	Group Management and Other Adjustments	Operations between segments	Total at 31/12/2023
Assets-						
Intangible assets Right-of-use assets	23,013 45,548	- -		12,561 1,137	- -	35,574 46,685
Property, plant and equipment	238,149	-		10,325	-	248,474
Equity-accounted investees	46	-	598,87 9	-	-	598,925
Non-current financial assets	12,360	-	1	268	-	12,629
Deferred tax assets Inventories	61,961 8,648	- -	1	22,712 -	- -	84,673 8,648
Customer contract assets Receivables and Public	464,143	-		-	-	464,143
entities	1,109,294	-		9,595	-	1,118,889
Non-current assets held for sale	2,046	1,122,676		-	(18,728)	1,105,994
Other assets (*)	335,716	-	F00 00	15,443	-	351,159
Total assets	2,300,924	1,122,676	598,88 0	72,041	(18,728)	4,075,793
Liabilities-						
Non-current financial liabilities	73,071	-		271,785	-	344,856
Provisions for liabilities and charges	64,339	-		2,638	-	66,977
Government grants	2,015	-		-	-	2,015
Non-current lease liabilities	33,482	-		464	-	33,946
Other non-current liabilities	1,703	-		-	-	1,703
Deferred tax liabilities Short-term provisions	27,833 86,239	_		2,236 30	-	30,069 86,269
Current financial debt	34,943	-		240,163	-	275,106
Current lease liabilities Current non-financial debt	14,369 1,568,457	-		805 34,377	- (13,579)	15,174 1,589,255
Non-current liabilities held for sale	-	704,864		-	(13,373)	704,864
Total liabilities	1,906,451	704,864	_	552,498	(13,579)	3,150,234
		•				·
Additions to Intangible assets, right-of-use asset of property, plant and equipment	89,711	156,092		8,374	-	254,177
Additions to equity- accounted investees	-	566	1,02 7	-	-	1,593
Total additions	89,711	156,658	1,02 7	8,374	-	255,770

<sup>(\*)</sup> The composition of Enerfín's assets and liabilities, classified as discontinued operations, is presented in Note 7.

2022

			Thousand	ds of Euros		
	Elecnor	Enerfín	Celeo	Group Management and Other Adjustments	Operations between segments	Total at 31/12/202 2
Assets-						
Intangible assets	22,662	12,832	-	8,577	-	44,071
Right-of-use assets Property, plant and	50,830	27,960	-	1,537	(15,854	80,327
equipment	218,491	687,885	-	10,566	)	901,088
Equity-accounted investees	39,660	2,330	586,160	-	-	628,150
Non-current financial	15,430	26,350	1	6,137	_	47,918
assets Deferred tax assets	61,323	21,901	_	13,636	3,504	100,364
Inventories	10,308	-	-	-	-	10,308
Customer contract assets Receivables and Public	393,954		-		(2,156	393,954
entities	927,782	26,518	-	13,443	)	965,587
Non-current assets held for sale	2,976	-	-	-	-	2,976
Other assets (*)	335,880	60,195	-	7,130	-	403,205
Total assets	2,079,296	865,971	586,161	61,026	(14,506 )	3,577,948
Liabilities-						
Non-current financial	70,228	414,579	_	310,016	_	794,823
liabilities Provisions for liabilities	,	-				-
and charges	38,513	11,442	-	4,038	-	53,993
Government grants Non-current lease	2,974	1,668	-	-	-	4,642
liabilities	38,096	29,893	-	1,076	-	69,065
Other non-current liabilities	3,202	2,146	-	-	-	5,348
Deferred tax liabilities	20,184	23,610	-	2,852	-	46,646
Short-term provisions Current financial debt	78,639 18,530	2,041 80,519	-	127 116,314	_	80,807 215,363
Current lease liabilities	14,996	3,152	-	781	_	18,929
Current non-financial debt	1,366,353	46,296	-	48,736	(7,208 )	1,434,177
Total liabilities	1,651,715	615,346	-	483,940	(7,208 )	2,743,793
	•					
Additions to Intangible assets, right-of-use asset of property, plant and equipment	108,737	90,950	-	5,965	(4,910 )	200,742
Additions to equity- accounted investees	-	520		-	-	520
Total additions	108,737	91,470	-	5,965	(4,910	201,262

<sup>(\*)</sup> Includes mainly "Cash and cash equivalents".

The amounts included in "Operations between segments" relate mainly to property, plant and equipment developed by the Elecnor Segment for the operation of renewable energy farms under construction by the Enerfín Segment.

# b) Information on products and services-

The Elecnor Group's primary lines of business correspond to the construction activity and the rendering of services, which are presented under the Services and Projects segment, and to the energy generation activity, which is presented under the Enerfín and Celeo segments.

The construction and services rendering activity in which the Elecnor Group operates is split into the following sub-activities, on which each General Sub-Directorate reports to the CEO of the

Services and Projects segment, who in turn reports to the CEO of the Elecnor Group, who is the chief operating decision-maker. In any case, these activities are not undertaken exclusively by any of the General Sub-Directorates:

- Electricity
- Power generation
- Telecommunications and space
- Facilities
- Construction, environment and water
- Maintenance
- Oil & Gas
- Railways

The generation of electricity using mainly wind farms and solar thermal power plants is one of the lines of business of the Elecnor Group that is carried out through the Enerfín subgroup in the case of wind farms, and by Celeo Termosolar, S.L. (Celeo Concesiones e Inversiones Group), in the case of solar thermal plants.

The breakdown of sales by activity at 31 December 2023 and 2022 is shown in Note 7 and Note 23.

# c) Geographical information-

Following are details of revenues from external customers and non-current assets that are not financial instruments for the most significant countries at 31 December 2023 and 2022:

#### Revenue

	Thousands of Euros				
Country	2023	2022 rest.			
Spain	1,489,435	1,403,651			
Brazil	420,351	459,557			
Angola	98,314	87,932			
USA	379,593	323,410			
Australia	428,536	336,984			
Chile	97,436	93,872			
Mexico	39,154	12,940			
Panama	44,345	28,215			
Dominican Republic	132,199	69,142			
Lithuania	165,289	52,301			
Italy	145,107	105,889			
Ghana	1,911	12,550			
Oman	19,575	53,604			
United Kingdom	34,435	30,214			
Other	297,226	322,999			
	3,792,906	3,393,260			

Following the discontinuation of the Enerfín subgroup in 2023, the information relating to this segment is detailed in Note 7 to these Consolidated Annual Accounts.

#### Non-current assets

	2023			
	Thousands of Euros			
Country	Intangible assets	Right-of-use assets		
Canada	-	-	-	-
Brazil	24	-	14,039	1,945
Cameroon	-	-	4,736	-
Chile	-	-	6,305	-
United Kingdom	-	5,690	359	1,771
Ecuador	17	1,377	37,979	25
USA	-	288	24,846	16,972
Oman	-	-	1,259	-
Spain	17,132	6,081	97,588	23,376
Lithuania	-	-	19,000	-
Angola	-	-	3,041	-
Australia	5	1,693	18,767	747
Italy	1,022	-	4,328	-
Colombia	-	2,114	16	-
Dominican Republic			5,064	
Other	132	(1)	11,147	1,849
	18,332	17,242	248,474	46,685

Following the discontinuation of the Enerfín subgroup in 2023, the information relating to this segment is detailed in Note 7 to these Consolidated Annual Accounts.

## Non-current assets

	2022				
Country	Thousands of Euros				
Country	Intangible assets	Goodwill	Property, plant and equipment	Right-of-use assets	
Canada	-	-	138,843	2,899	
Brazil	80	-	364,282	3,222	
Cameroon	69	-	5,021	-	
Chile	-	-	4,610	-	
United Kingdom	-	5,690	431	2,061	
Ecuador	25	1,377	42,271	5	
USA	117	288	17,577	20,766	
Oman	-	-	15,046	-	
Spain	15,647	17,531	241,810	49,869	
Lithuania	101	-	22,441	-	
Angola	-	-	7,226	-	
Australia	8	1,693	10,053	1,350	
Italy	53	782	10,274	-	
Colombia	30	204	9,364	-	
Other	253	123	11,839	155	
	16,383	27,688	901,088	80,327	

# 7. Non-current assets (disposal groups) held for sale and discontinued operations

# a) Enerfín subgroup

On 2 June Elecnor, S.A. filed an Insider Information communication with the CNMV notifying the start of a process to find an investor to take a controlling stake in its subsidiary Enerfín Sociedad de Energía, S.L.U. ("Enerfín"). On 31 August 2023, the Parent Company's Directors considered that the conditions required by IFRS 5 for the classification of this business as "Non-current assets held for sale and discontinued operations" were met, as disposal of said business in the short term was considered probable.

Following this decision, the Elecnor Group reclassified the assets and liabilities associated with this business as a group of assets and liabilities held for sale, reclassifying the income statement of all the companies in the business as discontinued operations. At the time of reclassification, the Group has assessed the appropriateness of adjusting the fair value of the consolidated net assets in the Enerfín subgroup. In accordance with accounting standards, the Group has not needed to recognise valuation adjustments to the net assets.

Details of the assets and liabilities classified for sale at 31 August 2023 relating to this business are as follows:

	Thousands of Euros
Assets	31 August 2023
Non-current assets:	
Property, plant and equipment (Note 10)	817,786
Right-of-use assets (Note 11)	32,244
Goodwill (Note 8)	13,113
Intangible assets (Note 9)	321
Equity-accounted investees (Note 12)	2,342
Non-current financial assets	28,081
Deferred tax assets (Note 20)	21,149
Total non-current assets	915,036
Current assets:	
Inventories	16
Trade and other receivables	16,649
Public entities, receivable	3,740
Current income tax assets	1,345
Other receivables	257
Other current financial investments	17,951
Derivative financial instruments	2,553
Other current assets	2,638
Cash and cash equivalents	95,762
Total current assets	140,911
Total assets	1,055,947

	Thousands of Euros
Liabilities	31 August 2023
Non-current liabilities:	
Provisions for liabilities and charges (Note 18)	11,916
Financial liabilities from issuing bonds and other marketable securities	17,099
Financial liabilities on loans and borrowings Derivative financial instruments	484,390 15,918
Lease liabilities (Note 11)	33,913
Other non-current liabilities	5,157
Deferred tax liabilities (Note 20)	24,830
Total non-current liabilities	593,223
Current liabilities:	
Provisions for liabilities and charges (Note 18)	2,027
Financial liabilities from issuing bonds and other marketable securities	10,950
Financial liabilities on loans and borrowings	26,577
Derivative financial instruments	9,680
Lease liabilities (Note 11)	3,586
Trade and other payables	15,523
Customer contract liabilities	25,879
Current income tax liabilities	1,748
Other payables	8,432
Total current liabilities	104,402
Total liabilities	697,625

On 17 November 2023, Elecnor, S.A. filed an Insider Information communication with the CNMV notifying of the signing of the agreement for the sale of 100% of the capital of Enerfin Sociedad de Energía, S.L.U. to Statkraft European Wind and Solar Holding AS ("Statkraft"), a company that belongs to the Statkraft Group. The transaction is structured by means of a contract for the purchase and sale of shares, signed on the same date, under the usual terms and conditions for

this type of transaction. The sale price is approximately Euros 1.8 billion at the closing date of the sale-purchase transaction, which is expected to take place in the first half of the following year.

The following is the consolidated income statement (discontinued operations) for the years 2023 and 2022:

	Thousands of Euros		
	2023	2022	
Net turnover	193,814	220,412	
Self-constructed assets	9,737	4,810	
Materials consumed	(1,940)	(247)	
Other operating income	3,935	2,701	
Personnel expenses	(13,819)	(9,508)	
Other operating expenses	(66,137)	(65,352)	
Expense for amortisation, depreciation, impairment and	(32,023)	(37,808)	
Net profit/loss on the sale of non-current assets and subsidiaries Profit/loss from	239	1,841	
equity-accounted investees	(781)	(167)	
Operating income	93,025	116,682	
Finance income	9,837	5,637	
Finance expenses	(33,254)	(36,142)	
Translation differences	(229)	(400)	
Profit/loss before taxes	69,379	85,777	
Income tax (Note 21)	(22,030)	(27,962)	
Profit/loss for the year from continuing and discontinued operations	47,349	57,815	

The net turnover from discontinued operations, which corresponds entirely to energy sales, by geographical area for 2023 and 2022 is as follows:

	Thousands of Euros		
Country	2023 2022		
Spain	67,689	87,912	
Brazil	97,180	100,046	
Canada	26,839	32,454	
Colombia	2,106	-	
	193,814	220,412	

Information on the disposal group assets and liabilities of items classified as held for sale of the business described above as at 31 December 2023 relating to this subgroup is as follows:

	Thousands of Euros
Assets	31 December 2023
Non-current assets:	
Property, plant and equipment	910,518
Right-to-use assets	32,286
Goodwill	13,113
Intangible assets	383
Equity-accounted investees	2,237
Non-current financial assets	
Debt service reserve account	14,627
Derivative financial instruments	5,746
Other non-current financial assets	3,046
Deferred tax assets	16,139
Total non-current assets	998,095
Current assets:	
Inventories	34
Trade and other receivables	26,788
Public entities, receivable	3,404
Current income tax assets	657
Other receivables	1,039
Other current financial investments	13,606
Derivative financial instruments	10,050
Other current assets	1,851
Cash and cash equivalents	67,152
Total current assets	124,581
Total assets	1,122,676

	T = 1 6 5
	Thousands of Euros
Liabilities	31 December 2023
Non-current liabilities:	
Provisions for liabilities and charges	19,800
Financial liabilities from issuing bonds and other marketable securities	11,673
Financial liabilities on loans and borrowings	495,656
Derivative financial instruments	10,589
Lease liabilities	32,997
Other non-current liabilities	3,942
Deferred tax liabilities	23,893
Total non-current liabilities	598,550
Current liabilities:	
Provisions for liabilities and charges	2,031
Financial liabilities from issuing bonds and other marketable securities	10,540
Financial liabilities on loans and borrowings	27,704
Derivative financial instruments	10,391
Lease liabilities	3,743
Trade and other payables	20,932
Customer contract liabilities	23,028
Current income tax liabilities	7,606
Other payables	339
Total current liabilities	106,314
Total liabilities	704,864

The "Property, plant and equipment" section mainly includes the Group's wind farm assets in Brazil, Spain and Canada with a net carrying amount of Euros 574 million as well as fixed assets under construction corresponding to investments in wind farms in Spain and Canada and a solar PV plant in Colombia and Brazil for Euros 333 million. The main additions to property, plant and equipment by amount relate to investments in wind farms in Spain (Euros 77 million) and in Canada (Euros 57 million), as well as a solar PV plant in Colombia (Euros 87 million) and in Brazil (Euros 6 million). In addition, "Property, plant and equipment" and "Provisions for liabilities and charges" under non-current liabilities of discontinued operations increased by 6.8 million as a result of the restatement of decommissioning provisions due to the updating of cost budgets.

Details of "Financial liabilities on loans and borrowings" and "Financial liabilities from issuing bonds and other marketable securities" are provided in Note 16.

Following are details of non-current assets that are not financial instruments for the most significant countries at 31 December 2023 and 2022:

	2023						
Country	Thousands of Euros						
Country	Intangible assets	Goodwill	Property, plant and equipment	Right-of-use assets			
Spain	348	12,333	28,370				
Brazil	33	33 - 376,932 1,085					
Canada	-	- 186,254 2,831					
Colombia	2	- 107,658 -					
Other	-	780 730 -					
	383	13,113	910,518	32,286			

The statement of cash flows of discontinued operations for 2023 and 2022 are as follows:

	Thousands of Euros		
	2023	2022	
Cash flows from operating activities:			
Consolidated profit/loss for the year	47,349	57,815	
Adjustments for:			
Depreciation, amortisation and impairment losses	32,018	48,852	
Finance income/expenses	23,417	30,505	
Other adjustments to profit/loss	752	(12,191)	
Corporate Income Tax	22,030	27,962	
Changes in working capital:			
Changes in working capital	5,561	(27,854)	
Income tax paid	(13,617)	(11,820)	
Net cash flows from (used in) operating activities	117,510	113,269	
Cash flows from (used in) investment activities:	(0.004)		
Payments for acquisition of Group companies, associates and jointly-controlled entities	(9,884)	-	
Payments for the acquisition of tangible assets, intangible assets and financial assets	(260,335)	(74,689)	
Payments for contributions to associate companies	(716)	(520)	
Interest received	9,837	5,637	
Proceeds from the sale of tangible assets, intangible assets and financial assets	6,059	4,999	
Net cash flows from (used in) investment activities	(255,039)	(64,573)	
Cash flows from (used in) financing activities:			
Cash inflows from financial debt and other non-current borrowings	133,750	53,501	
Interest paid	(34,782)	(32,710)	
Repayment of financial debt and other non-current borrowings	(44,437)	(52,681)	
Payments from lease liabilities	(3,814)	(4,308)	
Dividends paid (Note 15)	(4,978)	(10,165)	
Proceeds from contribution/return of funds by/to non- controlling shareholders, net (Note 15)	(2,306)	(2,816)	
Net cash flows from (used in) financing activities	43,433	(49,179)	
Cash flows with Group companies	106,057	(9,430)	
Net increase in cash and cash equivalents	11,961	(9,913)	
Cash and cash equivalents at beginning of year	55,191	65,104	
Cash and cash equivalents at year end	67,152	55,191	

# (b) Other

On 28 September 2023, the Elecnor Group formalised the sale of the subsidiary Eresma Solar, S.L.U., recorded at 31 December 2022 as a non-current asset held for sale under the agreement entered into with the buyer in 2020. As at 31 December 2022, the Group had collected Euros 2.4 million in advance by reason of this contract.

During 2023, the Elecnor Group has completed the transaction for a sale price of Euros 9,055 thousand, recording a capital gain of Euros 5.7 million under "Net profit/loss on the sale of non-current assets and subsidiaries" in the consolidated income statement for 2023.

At 31 December 2023, the Group has received proceeds of Euros 5.4 million, with Euros 1.2 million pending collection, recorded under "Other receivables" in the consolidated balance sheet and relating to withholdings on the transaction price to ensure compliance with the Group's obligations (escrow) as well as other minor items.

In addition, at 31 December 2023, the Group has other minor balances pending disposal in "Assets held for sale".

# 8. Goodwill

Details, by company, of "Intangible assets – Goodwill" in the consolidated balance sheet for 2023 and 2022 and of the changes therein in those years, are as follows:

<u> 2023</u>

Ehisa Construcciones y Obras, S.A.  Hidroambiente, S.A.U.  Instalaciones y Proyectos de Gas, S.A.U. (merged company)  Jomar Seguridad, S.L.U.  Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U.  Belco Elecnor Electric, INC.  Xuenergy FV, S.A.S.  IQA Operations Group Limited  Wayraenergy, S.A.  Parque Eólico Montañés, S.L.  Timco Transmission Lines PTY LTD.  Montajes Eléctricos Arranz, S.L.  Promoción Renovables del Bajío, S.A. de C.V.  La Cayena Solar, S.A.S.  Planta Solar Sahagun, S.A.S.  1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,031  - 1,047  - 1,04  - 1,047  - 1			Thousands of Euros			
Wind farms:       Galicia Vento, S.L.       8,702       - (8,702)       -         Aerogeneradores del Sur, S.A.       3,630       - (3,630)       -         Other businesses:       - (3,630)       -       -         Deimos Space, S.L.U.       158       - (3,630)       -         Ehisa Construcciones y Obras, S.A.       1,932       - (3,630)       -         Hidroambiente, S.A.U.       388       - (3,630)       - (3,630)       -         Instalaciones y Proyectos de Gas, S.A.U.       1,932       - (3,630)				operations		
Galicia Vento, S.L. Aerogeneradores del Sur, S.A.  Other businesses:  Deimos Space, S.L.U. Ehisa Construcciones y Obras, S.A. Hidroambiente, S.A.U. Instalaciones y Proyectos de Gas, S.A.U. (merged company) Jomar Seguridad, S.L.U. Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U. Belco Elecnor Electric, INC. Xuenergy FV, S.A.S. IQA Operations Group Limited Wayraenergy, S.A. Parque Eólico Montañés, S.L. Timco Transmission Lines PTY LTD. Montajes Eléctricos Arranz, S.L. Promoción Renovables del Bajío, S.A. de C.V. La Cayena Solar, S.A.S. Planta Solar Sahagun, S.A.S. Planta Solar Sahagun, S.A.S. Planta Solar Sahagun, S.A.S. Pinta Solar Sa	Fully consolidated companies (CGUs)					
Aerogeneradores del Sur, S.A.  Other businesses:  Deimos Space, S.L.U.  Ehisa Construcciones y Obras, S.A.  Hidroambiente, S.A.U.  Instalaciones y Proyectos de Gas, S.A.U.  (merged company)  Jomar Seguridad, S.L.U.  Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U.  Belco Elecnor Electric, INC.  Xuenergy FV, S.A.S.  IQA Operations Group Limited  Wayraenergy, S.A.  Parque Eólico Montañés, S.L.  Imoo Transmission Lines PTY LTD.  Montajes Eléctricos Arranz, S.L.  Promoción Renovables del Bajío, S.A. de C.V.  La Cayena Solar, S.A.S.  Planta Solar Sahagun, S.A.S.  Planta Solar Sahagun, S.A.S.  Other businesses:  (3,630)  - (3,630)  - (3,630)  - (158)  - (158)  - (158)  - (158)  - (158)  - (158)  - (158)  - (158)  - (163)  - (164)  -	Wind farms:					
Deimos Space, S.L.U.       158       -       -       158         Ehisa Construcciones y Obras, S.A.       1,932       -       -       1,932         Hidroambiente, S.A.U.       388       -       -       388         Instalaciones y Proyectos de Gas, S.A.U. (merged company)       1,031       -       -       1,031         Jomar Seguridad, S.L.U.       1,647       -       -       1,647         Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U.       1,647       -       -       1,647         Belco Electror Electric, INC.       288       -       -       288         Xuenergy FV, S.A.S.       -       2,113       2,113         IQA Operations Group Limited       5,690       -       -       5,690         Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293			-	,	-	
Ehisa Construcciones y Obras, S.A.  Hidroambiente, S.A.U.  Instalaciones y Proyectos de Gas, S.A.U. (merged company)  Jomar Seguridad, S.L.U.  Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U.  Belco Elecnor Electric, INC.  Xuenergy FV, S.A.S.  IQA Operations Group Limited  Wayraenergy, S.A.  Parque Eólico Montañés, S.L.  Timco Transmission Lines PTY LTD.  Montajes Eléctricos Arranz, S.L.  Promoción Renovables del Bajío, S.A. de C.V.  La Cayena Solar, S.A.S.  Planta Solar Sahagun, S.A.S.  1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,932  - 1,031  - 1,047  - 1,04  - 1,047  - 1	Other businesses:					
Hidroambiente, S.A.U.   388   -   -   388	Deimos Space, S.L.U.	158	-	-	158	
Instalaciones y Proyectos de Gas, S.A.U. (merged company)       1,031       -       -       1,031         Jomar Seguridad, S.L.U.       1,647       -       -       1,647         Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U.       -       100       -       100         Belco Elecnor Electric, INC.       288       -       -       288         Xuenergy FV, S.A.S.       -       2,113       2,113         IQA Operations Group Limited       5,690       -       -       5,690         Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	Ehisa Construcciones y Obras, S.A.	1,932	-	-	1,932	
(merged company)       Jomar Seguridad, S.L.U.       1,647       -       -       1,647         Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U.       -       100       -       100         Selco Elecnor Electric, INC.       288       -       -       288         Xuenergy FV, S.A.S.       -       2,113       2,113         IQA Operations Group Limited       5,690       -       -       5,690         Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       10         Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	·	388	-	=	388	
Los Llanos Fotovoltaica de Castilla-La Mancha, S.L.U.       -       100       -       100         Belco Elecnor Electric, INC.       288       -       -       288         Xuenergy FV, S.A.S.       -       2,113       2,113         IQA Operations Group Limited       5,690       -       -       5,690         Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       10         Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	Instalaciones y Proyectos de Gas, S.A.U. (merged company)	1,031	-	-	1,031	
S.L.U.       Belco Elecnor Electric, INC.       288       -       -       288         Xuenergy FV, S.A.S.       -       2,113       2,113       2,113         IQA Operations Group Limited       5,690       -       -       5,690         Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       10         Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	Jomar Seguridad, S.L.U.	1,647	-	-	1,647	
Xuenergy FV, S.A.S.       -       2,113       2,113         IQA Operations Group Limited       5,690       -       -       5,690         Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       10         Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -		-	100	-	100	
IQA Operations Group Limited       5,690       -       -       5,690         Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       10         Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	Belco Elecnor Electric, INC.	288	-	-	288	
Wayraenergy, S.A.       1,377       -       -       1,377         Parque Eólico Montañés, S.L.       10       -       -       10         Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	Xuenergy FV, S.A.S.	-	2,113		2,113	
Parque Eólico Montañés, S.L.       10       -       -       10         Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	IQA Operations Group Limited	5,690	-	-	5,690	
Timco Transmission Lines PTY LTD.       1,693       -       -       1,693         Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -	, -, -, -, -, -, -, -, -, -, -, -, -, -,	1,377	-	-	1,377	
Montajes Eléctricos Arranz, S.L.       815       -       -       815         Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -		_	-	-	10	
Promoción Renovables del Bajío, S.A. de C.V.       123       -       (123)       -         La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -		•	-	-	-	
La Cayena Solar, S.A.S.       113       89       (202)       -         El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -			-	(122)	815	
El Roble Solar, S.A.S.       91       72       (163)       -         Planta Solar Sahagun, S.A.S.       -       293       (293)       -			- ي م	` ,		
Planta Solar Sahagun, S.A.S 293 (293) -					_	
	·	-		, ,	-	
-1/555   -/557   (15/115)  11/141		27,688	2,667	(13,113)	17,242	

#### 2022

	Thousands of Euros		
	Balance at 31/12/2021	Additions/(de recognitions)	Balance at 31/12/2022
Fully consolidated companies (CGUs)			
Wind farms: Galicia Vento, S.L. Aerogeneradores del Sur, S.A.	8,702 3,630	-	8,702 3,630
Other businesses: Deimos Space, S.L.U.	158		158
Ehisa Construcciones y Obras, S.A.	1,932	_	1,932
Hidroambiente, S.A.U.	388	_	388
Instalaciones y Proyectos de Gas, S.A.U. (merged company)	1,031	-	1,031
Jomar Seguridad, S.L.U.	1,647	-	1,647
Belco Elecnor Electric, INC.	288	-	288
IQA Operations Group Limited	5,690	-	5,690
Wayraenergy, S.A.	1,377	-	1,377
Parque Eólico Montañés, S.L.	10	-	10
Timco Transmission Lines PTY LTD.	1,693	-	1,693
Montajes Eléctricos Arranz, S.L.	815	-	815
Promoción Renovables del Bajío, S.A. de C.V.	-	123	123
La Cayena Solar, S.A.S.	-	113	113
El Roble Solar, S.A.S.	-	91	91
	27,361	327	27,688

As indicated in Note 3.h, at each reporting date the Group reviews goodwill for impairment.

The cash-generating units considered for the purpose of the impairment tests on goodwill, included in the table above, are the companies to which the goodwill was allocated, since these companies are generally set up as single-project entities.

Recoverable amount is the higher of fair value less costs to sell and value in use, which is deemed to be the current value of the estimated future cash flows approved by management and considered reasonable. In assessing value in use, the assumptions used include discount rates, growth rates and expected changes in selling prices and costs. The Directors of the Parent estimate discount rates that reflect the time value of money and the risks specific to the cash-generating unit.

In particular, with respect to the impairment tests on the goodwill allocated to wind farms and wind power projects in Spain, that have been classified as non-current assets held for sale during the current financial year, such tests were performed taking into account the value of the farms and projects together with the value of the related fixed assets, which amounted to Euros 31 million in 2022, turnover is estimated in accordance with sector forecasts relating to the pool price and applicable legislation (see Note 6.b), which considers annual increases based on a prudent estimate of the changes in the price index and the average production levels obtained in

prior years or those estimated as a result of studies. The main assumptions used by the Parent's Directors when testing for impairment in 2022 were as follows:

• Income: the market price according to external sources of €104/MWh was taken into account for the immediately following year and the stable price curve was applied for the years after that.

Below are the prices applied in the impairment tests conducted in 2022:

2023	2024	2025	2026	2027	2028	2029	2030
104.2	75.5	65.7	63.0	62.1	61.8	61.8	62.1

- Discount rate: 5.54% in 2022 (\*).
- Projection period: depending on the remaining useful life of the asset (Note 3.g.).
  - (\*) The discount rate after the tax effect, as in this type of projects the tax component is very high and a fundamental variable when deciding whether to invest. Additionally, the impairment tests prepared by Management use cash flows net of tax.

The results of the impairment tests, as well as the sensitivity analyses performed by Management, which include variations of 50 basis points in the main assumptions, did not show any impairment.

# 9. Other intangible assets

Movement under this heading of the consolidated balance sheet in 2023 and 2022 was as follows:

	Thousands of Euros					
	Developm ent expenses	Industrial property	Computer software	Administrative concessions	Other intangible assets	Total
Balance at 1 January 2022	407	3,102	27,365	1,806	27,506	60,186
Additions	-	-	5,790	34	867	6,691
Disposals	(26)	(2,087)	(412)	-	-	(2,525)
Translation differences  Balance at 31 December 2022	381	59 <b>1,074</b>	127 <b>32,870</b>	2 <b>1,842</b>	- 28,373	188 <b>64,540</b>
Additions (*)	-	-	8,694	-	510	9,204
Disposals	-	(3)	(81)	-	(49)	(133)
Changes in the consolidation scope Discontinued operations (Note 7)	80 (152)	-	- (969)	- (57)	- (78)	80 (1,256)
Translation differences	-	(28)	(75)	-	-	(103)
Balance at 31 December 2023	309	1,043	40,439	1,785	28,756	72,332
Accumulated amortisation Balance at 1 January 2022	133	2,834	19,262	850	20,611	43,690
Charges (Note 23) (*)	2	104	3,930	157	2,206	6,399
Disposals	-	(2,088)	(9)	-	(6)	(2,103)
Changes in the consolidation scope	15	-	-	-	-	15
Translation differences <b>Balance at 31 December</b>	-	47	107	2	-	156
2022	150	897	23,290	1,009	22,811	48,157
Charges (Note 23) (*)	21	102	4,683	156	1,967	6,929
Disposals	(1)	(3)	(45)	-	-	(49)
Discontinued operations (Note 7)	(152)	- (35)	(740)	(43)	-	(935)
Translation differences  Balance at 31 December	-	(25)	(77)	=	-	(102)
2023	18	971	27,111	1,122	24,778	54,000
Net cost at 31 December 2022	231	177	9,580	833	5,562	16,383
Net cost at 31 December 2023	291	72	13,328	663	3,978	18,332

<sup>(\*)</sup> Includes Euros 217 thousand of additions to discontinued operations in 2023. Furthermore, amortisation expenses classified as discontinued operations at 31 December 2023 amounted to Euros 48 thousand (31 December 2022: Euros 85 thousand).

<sup>&</sup>quot;Other intangible assets" in the above table in a gross amount of Euros 27,506 thousand corresponds entirely to the estimated fair value of the contracts with Public entities for road

#### Elecnor, S.A. and Subsidiaries

Notes to the consolidated annual accounts

maintenance and upkeep relating to the subsidiary Audeca, S.L.U. at the date on which this company was acquired by the Elecnor Group in 2010. The Group amortises this asset over a period of 15 years which, based on past experience, is the estimated average term of the aforementioned contracts including the related renewals. The amortisation of this item in 2023 and 2022 amounted to approximately Euros 1,972 thousand, respectively.

The cost of intangible assets in use, fully amortised at 31 December 2023 and 2022 is as follows:

	Thousands of Euros 2023 2022		
Industrial property	2,122	2,088	
Computer software	21,555	17,014	
	23,677	19,102	

# 10. Property, plant and equipment

Movement under this heading of the consolidated balance sheet in 2023 and 2022 was as follows:

vernent under this heading of the co	Tisolidated baland	olidated balance sheet in 2023 and 2022 was as follows:  Thousands of Euros							
	Land	Buildings, technical installations and machinery	Hand and machine tools	Furniture and fixtures	Information technology equipment	Motor vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
COST:									
Balance at 1 January 2022	17,733	1,315,365	23,764	10,757	16,610	44,468	18,119	14,498	1,461,314
Additions	_	55,032	7,395	486	7,356	10,342	407	88,593	169,611
Disposals	(2,519)	(11,538)	(5,378)	(354)	(875)	(1,606)	(1,362)	(1,546)	(25,178)
Transfers	_	(3,591)	8,913	31	1,405	3,596	1,054	(2,497)	8,911
Translation differences	(190)	59,877	390	263	197	1,598	1,059	(1,633)	61,561
Balance at 31 December 2022	15,024	1,415,145	35,084	11,183	24,693	58,398	19,277	97,415	1,676,219
Additions (*)	225	44,501	2,238	781	2,199	17,070	323	158,744	226,081
Disposals	(4)	(12,752)	(8,455)	(1,323)	(2,985)	(1,760)	(200)	(738)	(28,217)
Transfers	_	18,433	96	22	(3,927)	1,813	(3,495)	(12,942)	_
Discontinued operations (Note 7)	(120)	(1,154,545)	(183)	(1,470)	(2,279)	(167)	(7,721)	(244,471)	(1,410,956)
Translation differences	260	23,429	(461)	(100)	17	(1,254)	416	7,004	29,311
Balance at 31 December 2023	15,385	334,211	28,319	9,093	17,718	74,100	8,600	5,012	492,438
ACCUMULATED DEPRECIATION:									
Balance at 1 January 2022	_	617,314	7,788	7,593	12,510	22,970	5,981	_	674,156
Charges (Note 23) (*)	_	74,321	1,402	492	2,055	7,015	1,122	_	86,407
Disposals	_	(7,773)	(1,275)	(280)	(847)	(1,275)	(6)	_	(11,456)
Transfers	_	4,208	(44)	(4)	3,403	1,030	319	_	8,912
Translation differences	_	14,797	324	190	(97)	1,489	278	_	16,981
Balance at 31 December 2022	_	702,867	8,195	7,991	17,024	31,229	7,694	_	775,000
Incorporation to the consolidation scope	_	_	_	_	_	_	_	_	_
Charges (Note 23) (*)	_	65,050	867	806	1,563	10,362	803	-	79,451
Disposals	_	(9,354)	(6,802)	(1,384)	(2,976)	(1,352)	(128)	_	(21,996)
Transfers	_	37	3,456	(494)	(277)	(777)	(1,945)	_	_
Discontinued operations (Note 7)	-	(588,647)	(151)	(911)	(1,832)	(150)	(1,479)	_	(593,170)
Translation differences	_	5,789	(353)	(92)	(25)	(852)	60	_	4,527
Balance at 31 December 2023	_	175,742	5,212	5,916	13,477	38,460	5,005	_	243,812
IMPAIRMENT									
Balance at 1 January 2022	-	2,492	_	_	_	_	_	-	2,49
Disposals	_	(2,361)	_	_	_	_	_	_	(2,361
Balance at 31 December 2022	_	131	_	_	_	_	_	_	131
Charges	_	21	_	_	_	_	_	_	21
Balance at 31 December 2023	_	152	_	_	_	_	_	_	152
Net cost at 31 December 2022	15,024	712,147	26,889	3,192	7,669	27,169	11,583	97,415	901,088
Net cost at 31 December 2023	15,385	158,317	23,107	3,177	4,241	35,640	3,595	5,012	248,474

(\*) Includes Euros 149,578 thousand of additions to discontinued operations in 2023. Furthermore, amortisation expenses classified as discontinued operations at 31 December 2023 amounted to Euros 30,391 thousand (31 December 2022: Euros 45,763 thousand).

The heading "Buildings, technical installations and machinery" at 31 December 2022 mainly included assets at wind farms operated by the Group in Brazil, Spain and Canada for a net carrying amount of Euros 588,101 thousand, and which during 2023 were reclassified as "Non-current assets held for sale" of the consolidated balance sheet (Note 7).

At 31 December 2022, the "Assets under construction" heading in the above table related mainly to investments in wind farms in Spain amounting to Euros 81,959 thousand and a solar PV plant in Colombia amounting to Euros 9,129 thousand belonging to the Enerfín business (Note 7).

At 31 December 2023, the heading Other current liabilities includes an amount of Euros 17,952 thousand from suppliers of fixed assets of which Euros 10,974 thousand correspond to investments in oil extraction infrastructure (Euros 36,394 thousand at 31 December 2022 from suppliers of fixed assets of which Euros 19,245 thousand corresponded to investments made in oil extraction infrastructure and Euros 9,436 thousand to wind power assets in Spain).

The main additions to property, plant and equipment in 2023 relate to machinery, technical installations and transport equipment necessary to develop the Services and Projects activity and oil extraction infrastructures in Ecuador (in 2022 to investments in wind farms in Spain amounting to Euros 69,329 thousand, a solar PV plant in Colombia amounting to Euros 10,478 thousand, both relating to the Enerfín business, and oil extraction infrastructures in Ecuador amounting to Euros 19,888 thousand euros).

Withdrawals in 2023 primarily relate to the regularisation of tooling in the amount of Euros 4,632 thousand (in 2022 to the regularisation of tooling in the amount of Euros 4,473 thousand and the restatement of the value of the decommissioning provisions for the wind farms in Brazil and Canada).

Practically all of the tangible assets of the wind projects in Brazil embarked upon by the Group, and which were reclassified as assets held for sale in 2023, are pledged as security to meet the obligations arising from certain bank loans linked to these projects, the net carrying amount of which at 31 December 2023 and 2022 amounts to Euros 367,258 thousand and Euros 357,011 thousand, respectively.

The offices used by the Group to carry on its business activities, except for those leased in 2007 under the lease agreement, are mostly rented.

The cost of the Group's property, plant and equipment which, at 31 December 2023 and 2022, is fully depreciated and in use is as follows:

	Thousands of Euros		
	2023	2022	
Buildings, technical installations and machinery	71,502	72,201	
Furniture and fixtures and tooling	5,864	4,579	
Information technology equipment	9,382	8,925	
Motor vehicles and others	18,039	19,921	
	104,787	105,626	

The Group takes out insurance policies to cover the possible risks to which its property, plant and equipment are exposed and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The impact of climate change on the Elecnor Group's physical assets has been considered, concluding that the Elecnor Group's exposure to the main risks associated with climate change is low. No useful lives have been modified and no impairments have been recorded as a result of this analysis.

# 11. Right-of-use assets and lease liabilities

The details and movements by class of right-of-use assets in 2023 and 2022 were as follows:

# a) Nature of lease agreements-

# <u> 2023</u>

	Thousands of Euros							
	Land	Buildings	Facilities	Motor vehicles	Other	Total		
Balance at 1 January 2023	40,095	46,713	13,122	21,479	4,861	126,270		
Additions (*) Disposals	5,364 -	4,091 (5,514)	4,559 -	1,741 (862)	470 -	16,225 (6,376)		
Discontinued operations (Note 7)	(45,453)		-	(271)	(5,326)	(51,050)		
Translation differences	(6)	117	(61)	(598)	(5)	(553)		
Balance at 31 December 2023	-	45,407	17,620	21,489	1	84,516		
Accumulated depreciation at 1	14,623	19,297	4,133	5,495	2,395	45,943		
January 2023 Charges (Note 23) (*) Disposals	1,319 -	6,734 (5,434)	3,402 71	5,135 (602)	227 -	16,817 (5,965)		
Discontinued operations (Note 7)	(15,929)			(261)	(2,616)	(18,806)		
Translation differences	(13)	50	14	(203)	(6)	(158)		
Accumulated depreciation at 31 December 2023	-	20,647	7,620	9,564		37,831		
Net cost at 31 December 2023	-	24,760	10,000	11,925	-	46,685		

# <u> 2022</u>

	Thousands of Euros								
	Land	Buildings	Facilities	Motor vehicles	Other	Total			
Balance at 1 January 2022	35,875	53,157	3,032	22,308	2,236	116,608			
Additions Disposals	4,118	153 (6,352)	10,738 (886)	6,481 (8,751)	2,623 -	24,113 (15,989)			
Translation differences	102	(245)	238	1,441	2	1,538			
Balance at 31 December 2022	40,095	46,713	13,122	21,479	4,861	126,270			
Accumulated depreciation at 31 December 2022	12,863	14,459	1,556	8,179	2,030	39,087			
Charges (Note 23) (*) Disposals	1,760 -	7,150 (1,934)	3,372 (886)	5,590 (8,751)	365 -	18,237 (11,571)			
Accumulated depreciation at 31 December 2022	14,623	19,297	4,133	5,495	2,395	45,943			
Net cost at 31 December 2022	25,472	27,416	8,989	15,984	2,466	80,327			

(\*) Includes Euros 5,844 thousand of additions to discontinued operations in 2023. Furthermore, amortisation expenses classified as discontinued operations at 31 December 2023 amounted to Euros 1,566 thousand (31 December 2022: Euros 2,404 thousand).

Additions in 2023 correspond mainly to the leasing of halls, premises and offices.

Additions in 2022 primarily corresponded to land leases for new wind farms and transport elements.

There are assets leased under contracts outside the scope of IFRS 16 since they are short-term lease or contracts that are renewed annually. Each lease contract is analysed and assessed as to whether or not it is reasonably safe to extend the lease agreement. At 31 December 2023, accrued charges amounting to Euros 161,544 thousand (Euros 128,255 thousand at 31 December 2022) for the aforementioned assets were recognised as an expense for these contracts under the heading "Other operating expenses" in the consolidated income statement.

# b) Details of lease payments and liabilities-

Changes in lease liabilities in 2023 and 2022 is as follows:

	Thousands of Euros		
	2023	2022	
Balance at 1 January	87,994	85,652	
Additions	16,225	24,114	
Derecognitions	(1,043)	(7,372)	
Finance expenses (*)	4,524	4,072	
Payments	(21,081)	(18,472)	
Discontinued operations (Note 7)	(37,499)	_	
Balance at 31 December	49,120	87,994	

<sup>(\*)</sup> Finance expenses relating to discontinued operations at 31 December 2023 amounted to Euros 1,107 thousand (Euros 1,711 thousand at 31 December 2022).

The analysis of the contractual maturity of lease liabilities, including future interest payable, as at 31 December 2023 and 2022, is as follows:

	Thousands of Euros			
	2023	2022		
Up to six months	7,822	10,039		
Six months to one year	7,352	8,890		
From one to two years	12,943	15,952		
From two to three years	10,337	13,423		
From three to four years	6,063	11,937		
More than four years	4,603	27,753		
	49,120	87,994		

# 12. Equity-accounted investees

Details of the Elecnor Group's investments in associates and joint ventures at 31 December 2023 and 2022, which are accounted for using the equity method (see Note 3.b and c), are as follows:

	Thousands of Euros		
	2023 2022		
Woolsthorpe Holding TRUST	-	86	
Cosemel Ingeniería, A.I.E	46	3	
Gestión de Evacuación la Serna, S.L.	-	2,244	
Gasoducto de Morelos, S.A.P.I. de C.V.	-	39,430	
Morelos O&M, S.A.P.I. de C.V.	-	226	
Morelos EPC, S.A.P.I. de C.V.	1	1	
Subgroup Celeo Concesiones e Inversiones	598,878	586,160	
	598,925	628,150	

Details of the key figures of main equity-accounted investees are provided in Appendix III. Considering the importance of the subgroup Celeo Concesiones e Inversiones, Note 32 also presents some of the figures for this subgroup that are not presented either in the consolidated balance sheet or the consolidated income statement of the Elecnor Group, since they are accounted for using the equity method.

Movement in this heading of the consolidated balance sheet in 2023 and 2022 is as follows:

	Thousands of Euros		
	2023	2022	
Opening balance	628,150	517,203	
Capital increase/Contributions	1,593	520	
Transfers to assets held for sale (Note 7)	(2,342)	28,285	
Companies leaving the consolidation scope	(40,744)	-	
Share in profits/(losses) (*)	15,996	22,498	
Translation differences	6,452	47,665	
Dividends received	-	(728)	
Share in other comprehensive income	(10,264)	14,945	
Other movements	84	(2,238)	
Closing balance	598,925 628,15		

<sup>(\*)</sup> includes Euros 523 thousand of losses from discontinued operations until 31 August 2023.

Translation differences in 2023 primarily correspond to the appreciation of the Brazilian real against the Euro during the current year from BRL  $5.62/\mathbb{C}$  at 31 December 2022 to BRL  $5.36/\mathbb{C}$  at 31 December 2023 (in 2022 with the appreciation of the Brazilian Real against the Euro during that year from BRL  $6.43/\mathbb{C}$  at 31 December 2021 to BRL  $5.62/\mathbb{C}$  at 31 December 2022), which has a material impact on the subsidiaries of the Celeo Concesiones e Inversiones Group in that country.

On 24 April 2023, the Parent and Enagás Internacional, S.L.U., as sellers, and MIP V International AIV, L.P., as buyer, the conditions precedent having been fulfilled, completed the sale-purchase transaction to transfer the shares held by the sellers in the share capital of the Mexican

companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V., in which each of the sellers held a 50% shareholding. The reconciliation of the value of these investments, accounted for using the equity method, in the year 2023, until the time of their disposal, is as follows:

	(Thousands of Euros)	
01 January 2023	39,656	
Share in profit/loss	1,088	
Derecognitions	(40,744)	
31 December 2023	-	

The transaction price amounted to approximately US Dollars 190 million (Euros 172.5 million), calculated using a base price adjusted for certain working capital parameters, the amount corresponding to its shareholding being attributable to the Parent. The Elecnor Group recognised a provision amounting to Euros 26 million (Euros 23.7 million) since it considers that it will, in the future, have to tackle certain obligations pursuant to the terms of the contract.

As at 31 December 2023, an amount of USD 10.8 million is pending settlement (Euros 9.9 million) and has been recorded under "Other receivables" on the current assets side of the consolidated balance sheet.

As a result of this transaction, the Elecnor Group recognised a capital gain of Euros 21.5 million with a credit to "Net profit/loss on the sale of non-current assets and subsidiaries" in the consolidated income statement for the year ended 31 December 2023, as follows:

	(Thousands of Euros)
Sale price attributable to the Elecnor Group	86,273
Derecognition of shareholding Other assets (*)	(40,744) (4,938)
Transfer costs	(1,006)
Provision for liabilities	(23,696)
Transfer of translation differences to profit/loss	3,944
Transfer of valuation adjustments to profit/loss	1,686
Proceeds from the sale	21,519

<sup>(\*)</sup> The Elecnor Group had loans granted to the divested company Gasoducto de Morelos, S.A.P.I. de C.V. relating to various contributions to the subsidiary in 2012 in respect of future capital increases and which accrued interest at an annual rate of 7.5%, as well as other minor receivables.

#### 13. Non-current financial assets

The classification of non-current financial assets by categories and classes is as follows:

	Thousands of Euros		
	2023	2022	
Financial assets at fair value			
Hedge derivatives (Note 17)	170	9,639	
Total financial assets at fair value	170 9,639		
Financial assets at amortised cost			
Non-current loans (Note 28)	-	4,437	
Other non-current assets	12,459	33,842	
Total financial assets at amortised cost	nancial assets at amortised cost 12,459 3		
Total non-current financial assets	12,629	47,918	

#### a) Non-current loans-

The heading "Non-current loans" in the above table at 31 December 2022 corresponds to the outstanding amount receivable in respect of various loans granted to the associated company Gasoducto de Morelos S.A.P.I. de C.V. These loans are repaid in the sale transaction explained in Notes 2.f and 12.

#### b) Other non-current assets-

Details of "Other non-current assets" in the above table are as follows:

	Thousands of Euros		
	2023	2022	
Debt service reserve account	_	17,825	
Guarantees	8,953	8,127	
Other	3,506	7,890	
	12,459	33,842	

The heading "Debt service reserve account" at 31 December 2022 corresponds entirely to the amounts which Spanish and Brazilian subsidiaries focusing on wind farm operation must maintain in bank deposit accounts pursuant to the financing agreements they have entered into (Notes 7 and 16). At 31 December 2023, due to the discontinuation of the Enerfín business, these assets, amounting to Euros 14,154 thousand, have been reclassified as "Non-current assets held for sale" in the accompanying consolidated balance sheet.

The deposits accrue interest at market rates.

#### 14. Current financial assets

# a) Trade and other receivables-

The heading "Trade and other receivables" on the current assets side of the consolidated balance sheet is as follows:

	Thousands of Euros		
	2023	2022	
Trade and other receivables			
Customers, sales and services rendered	1,056,351	904,922	
Less impairment	(91,803)	(92,406)	
Advances from suppliers	26,019	43,173	
Total	990,567	855,689	

The ageing analysis of the unimpaired balance of "Trade and other receivables" is as follows:

	Thousands of Euros		
	2023	2022	
Unmatured balances	742,545	705,030	
Up to 6 months	102,628	74,325	
Between 6 and 12 months	66,183	16,971	
Over 12 months	53,192	16,190	
Total	964,548 812,51		

The Group makes provision to cover debts classed as non-performing due to late payment, suspension of payments, insolvency or other reasons, following a case-by-case study of their collectability. Since the entry into force of IFRS 9 Financial Instruments, the Group estimates the expected loss on its trade receivables.

Details of impairment losses on accounts receivable at 31 December 2023 and 2022 and movement in 2023 and 2022 are as follows:

Balance at 31 December	91,803 92,40				
Translation differences	200	519			
Other	-	(995)			
Reversal (Note 23)	(6,194)	(2,554)			
Application	(799)	(7,338)			
Charge (Note 23)	6,190	4,012			
Balance at 1 January	92,406	98,762			
	2023	2022			
	Thousand	Thousands of Euros			

At 31 December 2023 and 2022, all of the Group's financial assets correspond to financial assets at amortised cost, except hedge derivatives which are measured at fair value.

# b) Cash and cash equivalents

Details of cash and cash equivalents in the accompanying consolidated balance sheet are as follows:

	Thousands of Euros			
	2023 2022			
Cash equivalents	86,124 60,1			
Cash	230,895	312,399		
	317,019	372,525		

"Other Cash Equivalents" at 31 December 2023 mainly include fixed-income securities and fixed-term deposits that mature in under three months contracted by Elecnor do Brasil, S.A. and Elecnor Chile, S.A., which earn interest at market rates (in 2022 it included mainly fixed-income securities and fixed-term deposits maturing in under three months contracted by Elecnor do Brasil, S.A. that earn interest at market rates).

At 31 December 2022, this heading includes Euros 43,503 thousand contributed mainly by wind farms. (See Note 16) At 31 December 2023, the amount to be contributed by the wind farms (Euros 42,758 thousand) is classified as Non-current assets held for sale (see Note 7).

At 31 December 2023 and 2022, the Group did not have cash and cash equivalents that were unavailable for use.

# 15. Equity

#### a) Share capital-

At 31 December 2023 and 2022, the share capital of Elecnor, S.A. was represented by 87,000,000 book entry shares, each with a nominal value of Euros 0.10, fully subscribed and paid in.

The shares of Elecnor, S.A. are listed on the Spanish electronic trading system.

At 31 December 2023 and 2022, the Parent's shares were held as follows:

	% shar	% shareholding			
	2023	2022			
Cantiles XXI, S.L.	52.76 %	52.76 %			
Francisco García Paramés	- %	3.01 %			
Other (*)	47.24 %	44.23 %			
	100.00 %	100.00 %			

(\*) All with an interest % of less than 3%.

# b) Valuation adjustments to equity-

Movement in 2023 and 2022 was as follows:

	Thousands of Euros							
	31/12/202	Change in market value	Settlement of derivatives	31/12/2022	Change in market value	Settlement of derivatives	Changes in the consolidatio n scope (Note 12)	31/12/2023
Fully consolidated companies -								
Cash flow hedges:								
IRSs (Note 17)	(6,048)	14,138	1,243	9,333	(299)	(4,637)	_	4,397
Exchange rate insurance (Note 17)	(5,227)	(3,190)	5,227	(3,190)	(2,833)	(384)	_	(6,407)
Energy price (Note 17)	(84,610)	(18,673)	56,131	(47,152)	46,711	(1,074)	_	(1,515)
Others:	1,560	_	_	1,560	_	_	_	1,560
	(94,325)	(7,725)	62,601	(39,449)	43,579	(6,095)	_	(1,965)
Deferred taxes arising on valuation (Note 20)	24,882	2,256	(16,511)	10,627	(8,206)	(1,524)	_	897
Total valuation adjustments arising from the full consolidation of companies	(69,443)	(5,469)	46,090	(28,822)	35,373	(7,619)	_	(1,068)
Companies accounted for using the equity method (Note 12)	(3,805)	14,945	_	11,140	(10,264)	_	(1,686)	(810)
Non-controlling interests	(78)	(23)		(101)	101	_		_
Total valuation adjustments to equity	(73,326)	9,453	46,090	(17,783)	25,210	(7,619)	(1,686)	(1,878)

# c) Other reserves-

At 31 December, the amounts of reserves of the Parent not available for distribution are as follows:

	Thousand	s of Euros
	2023	2022
Legal reserve	1,743	1,743
Reserve for own shares	23,422	22,430
Capitalisation reserve	7,809	7,809
Reserves from translation to Euros	15	15
Total	32,989	31,997

#### Legal reserve-

Under article 274 of the Revised Text of the Spanish Companies Act, an amount equivalent to 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve has reached the stipulated level.

The legal reserve can be used to increase capital provided that the balance left on the reserve is at least equal to 10% of the nominal value of the total capital after the increase. Except for the

aforementioned purpose, unless the legal reserve exceeds 20% of the share capital it may only be used to offset losses if no other reserves are available.

At 31 December 2023 and 2022, the Parent has appropriated to this reserve the minimum amount required by the Revised Text of the Spanish Companies Act.

#### Reserves for own shares

The reserve for own shares has been allocated in accordance with article 149 of the Spanish Companies Act. This reserve may be freely available provided that the Parent has sufficient freely available reserves to cover the balance of own shares without reducing equity below the amount of share capital plus legal or statutory restricted reserves.

#### Capitalisation reserve-

The capitalisation reserve has been appropriated in accordance with article 25 of the Corporate Income Tax Law, which requires that an amount equal to the reduction in taxable income for the year be appropriated to the reserve. The amount by which taxable income may be reduced is equal to 10% of the increase in equity, as defined in the aforementioned article. In no case may the amount of the reduction exceed 10% of the taxable income for the tax period prior to the reduction, before the integration referred to in article 11.12 of the Law and before offsetting tax loss carryforwards. However, if the reduction cannot be applied due to insufficient taxable income, the outstanding amounts may be applied in the tax periods ending in the two years immediately after the end of the tax period in which the reduction entitlement was generated, together with any reduction applicable in that period, subject to the limit indicated. The reserve is non-distributable and the increase in equity must be maintained for a five-year period from the end of the tax period in which the reduction is generated, unless accounting losses are incurred.

#### d) Own shares-

According to the minutes of the General Shareholders' Meeting of 18 May 2022, the Board of Directors is authorised to acquire own shares in the Company by purchase and sale or by any other act between living persons for valuable consideration by the Parent or its subsidiaries, pursuant to the provisions of Articles 146.1a) and 509 of the Spanish Companies Act, up to a maximum established by law and in mandatory legal provisions at each given time and which, at present, in combination with those already directly or indirectly held by the Company, may not exceed 10% of its share capital, with a minimum acquisition price of the nominal value of the shares and a maximum price that may not exceed 30% of its share price, over a period of five years.

This authorisation may be used, in whole or in part, to acquire own shares for delivery or transfer to Executive Directors or members of the Management Team of the Parent or of companies in its group, or as a result of the exercising of the option rights held by them, which may be included, where applicable, in share buy-back programmes. Similarly, any shares acquired as a result of this authorisation may be used, in whole or in part, both for their disposal or redemption and for potential corporate or business transactions or decisions, or for any other legally possible purpose.

At 31 December 2023 and 2022, the Parent held own shares amounting to Euros 23,422 thousand and Euros 22,430 thousand, respectively, which are booked under "Own shares and equity" in equity in the consolidated balance sheet.

Details of own shares and movement in 2023 and 2022 are as follows:

	No. of Shares
Own shares at 1 January 2022	2,320,749
Acquisition of own shares	227,935
Sale of own shares	(226,300)
Own shares at 31 December 2022	2,322,384
Acquisition of own shares	271,026
Sale of own shares	(293,881)
Own shares at 31 December 2023	2,299,529

The purchase and sale of own shares at 31 December 2023 amounted to Euros 3,886 thousand and Euros 2,894 thousand (Euros 2,491 thousand and Euros 2,171 thousand, respectively, at 31 December 2022), giving rise to a capital gain of Euros 1,366 thousand, recognised directly in reserves (capital gain of Euros 309 thousand in 2022).

All of the own shares held by the Parent at 31 December 2023 represented 2.64% of the total share capital of Elecnor, S.A. at that date (2.67 % at 31 December 2022).

# e) Non-controlling interests-

Details of "Equity - Non-controlling interests" under liabilities in the consolidated balance sheet in 2023 and 2022 are as follows:

	Thousands of Euros	
	2023	2022
Ventos Do Sul Energia, S.A.	3,610	2,491
Parque Eólico Malpica, S.A.	544	555
Galicia Vento, S.L.	863	287
Páramo de Poza, S.A.	3,496	4,084
Parques Eólicos Palmares, S.A.	2,700	4,943
Ventos do Litoral Energia, S.A.	2,273	4,162
Ventos da Lagoa, S.A.	2,150	4,039
Éoliennes de L'Érable, SEC.	1,471	2,156
Ventos dos Índios Energia, S.A.	1,525	2,864
Other	475	465
	19,107	26,046

Given that none of the above non-controlling interests are material to the Group, it does not disclose summarised financial information about the assets, liabilities, profit/loss and cash flows of the subsidiaries.

Movement during 2023 and 2022 in this heading of the consolidated balance sheet is as follows:

	Thousands of Euros
	0000
Balance at 31 December 2021	24,405
Share in profits/(losses)	13,094
Change in market value of hedging instruments	25
Dividends paid	(10,165)
Translation differences	1,418
Capital reduction	(2,816)
Other	85
Balance at 31 December 2022	26,046
Share in profits/(losses)	7,768
Dividends paid	(4,978)
Translation differences	968
Capital reduction	(2,299)
Changes in the consolidation scope (Note 2.f)	(8,396)
Other	(2)
Balance at 31 December 2023	19,107

#### f) Translation differences-

The cumulative translation differences recognised in equity at 31 December 2023 and 2022 for each of the main currencies are as follows:

Translation differences	Thousan	ds of Euros
Translation differences	2023	2022
Brazil	(191,098)	(208,810)
Canada	(1,287)	(726)
Chile	(10,175)	(8,719)
USA	4,107	14,969
Argentina	(9,274)	(6,669)
Venezuela	(42,536)	(42,995)
Other	1,152	1,696
Total	(249,111)	(251,254)

As stated in Note 6, the Group maintains significant investments in businesses denominated in Brazilian Reals, thus, any fluctuations in the exchange rate of this currency against the Euro have a material impact on the heading Translation differences (Note 12). Due to the nature of these assets, the recoverability of these investments, and the revenue from the related businesses are also shaped by the local inflation rates, which in the long term will likely offset the impact of the aforementioned exchange rate fluctuations.

#### 16. Financial liabilities

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

Nevertheless, certain projects, essentially the construction and operation of wind farms, are financed primarily using syndicated loans, the financing of which is secured by the investment projects. Under these loans, the subsidiaries that operate these projects, the majority of which belong to the Enerfín business, accept certain restrictions on the distribution of dividends,

conditional upon certain requirements being met, such as the creation of a debt service reserve account (Notes 7 and 13). These subsidiaries must also maintain a specified debt/equity ratio and a specified equity structure.

Although the Elecnor 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.

The target capital structure, excluding the effect of the projects financed with non-recourse financing, is quantified at the following ratio of net financing to equity:

Net financial debt
Net financial debt + Equity

Net financial debt with recourse includes the following line items in the consolidated balance sheet (having eliminated the effect of net financial debt relating to the projects financed with non-recourse financing):

	Thousands	s of Euros
	2023	2022
Non-current liabilities - Financial debt with recourse	318,615	346,424
Current liabilities - Financial debt with recourse	266,283	121,276
Current financial assets – Other financial investments	(20,198)	(11,849)
Interest rate derivative financial instruments	(170)	(6,039)
Cash and cash equivalents	(317,019)	(329,021)
Financial assets and Cash with recourse reclassified to	(24,898)	-
Non-current assets held for sale		
Net financial debt with recourse	222,613	120,791

At 31 December 2023, Cash and cash equivalents corresponds to the total of Cash and cash equivalents in the accompanying consolidated balance sheet. In the previous year it corresponded to the total of Cash and cash equivalents in the consolidated balance sheet, excluding cash for projects funded through non-recourse financing amounting to Euros 43,503 thousand (see Note 14.b). At 31 December 2023, cash from discontinued operations net of cash from projects funded through non-recourse financing amounting to Euros 42,758 thousand is included in "Financial assets and Cash with recourse reclassified to Non-current assets held for sale".

At 31 December 2023, Interest rate derivative financial instruments corresponds to the total of Non-current derivative financial instruments in the accompanying consolidated balance sheet. In the previous year, the portion of derivatives from projects funded through non-recourse financing amounting to Euros 3,600 thousand was excluded.

In addition, at 31 December 2023, Current financial assets – Other financial investments corresponds to the total current investments in related companies, other current financial investments and current derivative financial instruments in the accompanying consolidated balance sheet, excluding the amount of other current financial investments from projects funded through non-recourse financing amounting to Euros 1,718 thousand. At 31 December 2022, Current financial assets – Other financial investments corresponded to the total current investments in related companies, other current financial investments and current derivative financial instruments in the accompanying consolidated balance sheet, excluding the amount of other current financial investments from projects funded through non-recourse financing for an amount of Euros 988 thousand and exchange rate and energy price derivative financial instruments for an amount of Euros 3,905 thousand.

In addition, "Financial assets and Cash with recourse reclassified to Non-current assets held for sale" includes Other current financial investments of discontinued operations (Note 7), excluding the amount of other current financial investments of the projects funded by non-recourse financing amounting to Euros 13,102 thousand and the energy price hedge derivative amounting to Euros 10,050 thousand.

A reconciliation between the Elecnor Group's financial debt and corporate financial debt based on the information provided in the following table is set out below:

	Thousands of Euros				
	202	23	2022		
	Non-current	Current	Non-current	Current	
Total financial debt and Derivatives	344,856	275,106	794,823	215,363	
Syndicated loans – wind farms (*)	-	-	(376,964)	(34,566)	
Financial liabilities from issuing bonds and other marketable securities-wind farms (*)	-	-	(20,793)	(9,720)	
Accrued interest payable wind - wind farms (*)	-	-	-	(4,362)	
Derivative hedging instruments - wind farms (*)	-	-	(16,822)	(10,295)	
Derivative hedging instruments - Energy prices and rate insurance (Note 17) (*)	-	(646)	-	(27,130)	
Other liabilities - Securitisation	(18,854)	(7,250)	(25,911)	(7,250)	
Other liabilities - Forfaiting Efficiency Solutions	(3,103)	(1,289)	(4,392)	(1,319)	
Other payables - European Energy Efficiency Fund, S.A.	(5,479)	(444)	(6,140)	(427)	
Other	1,195	806	2,623	982	
Non-current and current liabilities - Financial debt with recourse	318,615	266,283	346,424	121,276	

<sup>(\*)</sup> Syndicated wind farm loans and energy price hedge derivatives have been reclassified to Non-current assets held for sale in 2023 (Note 7).

Changes in and analysis of the financial debt with recourse to shareholders is conducted on an ongoing basis and prospective estimates are also made as a key restrictive factor to be taken into account in the Group's investment strategy and dividends policy.

<sup>&</sup>quot;Other" in the above table corresponds to loans granted by Public entities that accrue interest and are recorded under the heading Other non-current and current liabilities in the accompanying consolidated balance sheet.

Details of "Financial liabilities from issuing bonds and other marketable securities, Financial liabilities on loans and borrowings and Derivative financial instruments", under non-current and current liabilities in the accompanying consolidated balance sheet at 31 December 2023 and 2022, are as follows:

	Thousands of Euros			
	2023		20	122
	Non-current	Current	Non-current	Current
Financial liabilities from issuing bonds and other marketable securities-promissory notes	29,672	238,818	30,000	115,438
Financial liabilities from issuing bonds and other marketable securities-wind farms	-	-	20,793	9,720
Financial liabilities from issuing bonds and other marketable securities	29,672	238,818	50,793	125,158
Syndicated loans and credit facilities	203,970	-	235,311	-
Syndicated loans – wind farms (*)	-	-	376,964	34,566
Loans secured with personal guarantee	1,897	1,133	40	14
Other payables	96,823	28,644	105,656	9,206
Wind farms (*)	-	-	-	4,362
Other	-	1,292	-	1,122
Finance lease debts	12,494	4,573	8,931	3,510
Financial liabilities on loans and borrowings	315,184	35,642	726,902	52,780
Derivative hedging instruments (Note 17)				
Wind farms (*)	-	-	16,822	10,295
Other	-	646	306	27,130
Derivative financial instruments	-	646	17,128	37,425
Total financial debt and Derivatives	344,856	275,106	794,823	215,363

<sup>(\*)</sup> Syndicated wind farm loans and energy price hedge derivatives have been reclassified to Non-current assets held for sale in 2023 (Note 7).

At 31 December 2023 and 2022, all of the Group's financial liabilities correspond to financial liabilities at amortised cost, except hedge derivatives which are measured at fair value.

The Directors consider that as most of the loans are linked to floating interest rates, there are no material differences between the carrying amounts recorded and the fair value of the loans.

The main characteristics of the most significant financial liabilities from issuing bonds and other marketable securities and financial liabilities on loans and borrowings at 31 December 2023 and 2022 are as follows (in thousands of Euros):

# Elecnor, S.A. and Subsidiaries

Notes to the consolidated annual accounts

	2023					
Type Company	Currenc y	Interest rate	Due date	Nominal value	Current	Non- current
Financial liabilities from issuing bonds and other marketable securities						
Elecnor, S.A.	EUR	-	2024	240,000	238,818	_
Elecnor, S.A.	EUR	3.15%	30 September 2035	30,000	_	29,672
					238,818	29,672
Financial liabilities on loans and borrowings						
Syndicated loans and credit facilities						
Elecnor, S.A. (*)	EUR	Euribor + spread	30 September 2026	285,000	_	170,401
Elecnor, S.A. (*)	USD	SOFR/Libor + spread	30 September 2026	75,000	_	_
Electrificaciones del Ecuador, S.A. (*)	USD	SOFR/Libor + spread	30 September 2026	75,000	_	33,569
Other payables						
European Energy Efficiency Fund, S.A.	EUR	4.1%	03 September 2031	9,200	444	5,478
Efficiency Solutions Fund	EUR	4.9%	30 June 2027	11,500	1,289	3,103
ICO loan	EUR	2.55%	30 September 2031	20,000	_	19,906
Banca March Ioan	EUR	2.55%	30 September 2031	50,000	_	49,704
Elecnor Eficiencia Energética 2020, Fondo de Titulización	EUR	2.81%	31 December 2027	50,000	7,250	18,854
<u>Other</u>					26,659	14,169
					35,642	315,184

#### **Elecnor, S.A. and Subsidiaries**

Notes to the consolidated annual accounts

		2022					
Туре	Company	Currency	Interest rate	Due date	Nominal value	Current	Non-current
Financial lia	bilities from issuing bonds and other marketable securities						
	Elecnor, S.A.	EUR	-	2023	115,900	115,438	_
1	Elecnor, S.A.	EUR	3.16%	30 September 2035	30,000	_	30,000
,	Ventos Do Sul, S.A.	BRL	70% pegged to the CDI + 0.75%	31 December 2025	50,000	9,720	20,793
			30% pegged to the HICP + 3.25%			125,158	50,793
Financial lial	bilities on loans and borrowings						
Syndicated loa	ans and credit facilities						
	Elecnor, S.A. (*)	EUR	Euribor + spread	30 September 2026	285,000	_	203,111
	Elecnor, S.A. (*)	USD	Libor + spread	30 September 2026	75,000	_	4,519
1	Electrificaciones del Ecuador, S.A. (*)	USD	Libor + spread	30 September 2026	75,000	_	27,681
Syndicated lo	ans – wind farms						
,	Ventos Do Litoral Energia, S.A.	BRL	TJLP + 2.34%	15 July 2029	18,739	2,424	9,333
,	Ventos Do Indios Energia, S.A.	BRL	TJLP + 2.45%	15 February 2032	22,585	4,120	11,085
	Parque Eólico Palmares, S.A.	BRL	TJLP + 2.34%	31 July 2029	19,958	1,866	9,172
,	Ventos Do Lagoa, S.A.	BRL	TJLP + 2.34%	15 February 2029	19,178	2,324	9,463
	Parque Éoliennes de L'Érable, SEC	CAD	5.015%	31 March 2033	173,094	8,982	94,493
į	Parque Éoliennes de L'Érable, SEC	CAD	7.123%	18 April 2033	24,234	904	18,829
(	Galicia Vento, S.L.	EUR	1.75% + Euribor	31 December 2024	38,500	5,870	2,694
	Aerogeneradores del Sur, S.A.	EUR	1.75% + Euribor	31 December 2024	16,500	2,516	1,155
	Parque Eólico Cofrentes, S.L.U.	EUR	Euribor + 2.25%	30 June 2038	35,775	1,849	28,984
,	Ventos do São Fernando I Energia	BRL	HICP + 2.18%	31 December 2039	47,625	1,117	44,897
,	Ventos do São Fernando II Energia	BRL	HICP + 1.94%	15 July 2043	39,552	2,120	37,404
,	Ventos do São Fernando III Energia	BRL	HICP + 1.24%	15 July 2043	12,198	653	14,378
,	Ventos do São Fernando IV Energia	BRL	HICP + 0.79%	31 December 2040	33,496	2,616	43,076
	Renovables del Cierzo, S.L.U.	EUR	Spanish bond + 4.5%	30 June 2047	136,000	_	52,000
Other payable	<del></del> -						
	European Energy Efficiency Fund, S.A.	EUR	3.93%	30 September 2031	9,200	427	6,140
	Efficiency Solutions Fund	EUR	4%	30 June 2027	11,500	1,139	4,392
1	ICO loan	EUR	2.54%	30 September 2031	20,000	_	19,894
ı	Banca March Ioan	EUR	2.54%	30 September 2031	50,000	_	49,670
	Elecnor Eficiencia Energética 2020, Fondo de Titulización	EUR	2.81%	31 December 2027	50,000	7,250	25,911
<u>Other</u>						6,603	8,621
						52,780	726,902

<sup>(\*)</sup> Referring to the same loan in both years. See Syndicated loans and credit facilities

# Elecnor, S.A. and Subsidiaries

Notes to the consolidated annual accounts

Details, by maturity, of the above non-current debt for 2023 and 2022 are as follows:

Payables maturing in:	Thousands of Euros
Tayables mataring in.	31/12/2023
2025	13,160
2026	216,460
2027	10,348
2028 and thereafter	104,888
Total	344,856

Payables maturing in:	Thousands of Euros
rayables maturing in.	31/12/2022
2024	61,365
2025	51,669
2026	275,303
2027 and thereafter	406,486
Total	794,823

#### Syndicated loans and credit facilities-

On 21 July 2014, Elecnor, S.A. arranged syndicated agreement financing of Euros 600 million with a group of 19 banks. This financing was structured into two tranches: one loan tranche totalling Euros 300 million, repayable in instalments, and a revolving credit tranche with a limit of Euros 300 million, maturing in July 2019. This financing is subject to successive novations.

On 30 September 2021, Elecnor, S.A. signed a sixth and final novation of the syndicated financing agreement, subscribed by 12 of the 13 lenders at this time. This novation involved the following changes:

- Elecnor Servicios y Proyectos, S.A.U. becoming a guarantor,
- Reduction of the total maximum amount to Euros 350 million, leaving the loan tranche (Tranche A) at Euros 50 million, the euros credit sub-tranche (Sub-tranche B1) with a limit of Euros 236 million and the USD credit sub-tranche (Sub-tranche B2) with a limit of USD 75 million,
- Extension of the maturity by just over 2 years (until September 2026) with full repayment at maturity,
- Modification to the applicable margin by including an additional tranche with a lower margin if the DFN/EBITDA ratio is below 1.25x.

The Group's Management analysed whether or not the conditions had been substantially modified, and concluded that there was no extinguishment of the original liabilities in any of the years.

This syndicated financing bears interest pegged to Euribor or SOFR rates (Libor until 30 June 2023), depending on whether the drawdowns are in Euros or USD, for the interest period chosen by the borrowers (one, three or six months), plus an applicable margin that is tied to the ratio of net financial debt with recourse/(EBITDA with recourse + dividends from projects). The Company has undertaken to comply with different ratios over the term of the bank financing agreement ((Net financial debt with recourse/EBITDA with recourse) and (EBITDA with recourse/Net finance expenses)), which will be calculated on the basis of the Elecnor Group's consolidated figures, and excluding the figures of the projects that guarantee their financing without recourse to their shareholder. Non-compliance could be cause for terminating the agreement, but at 31 December 2023, there were not breaches of the ratios.

At 31 December 2023, the drawn down amount of the syndicated financing agreement came to Euros 205.6 million and corresponds to Euros 50 million of the loan tranche, Euros 122 million of the credit tranche in Euros drawn down by Elecnor, S.A. and Euros 33.6 million of the credit tranche in Dollars drawn down by Elecdor (Euros 238.1 million in 2022, Euros 50 million of the loan tranche, Euros 156 million of the credit tranche in Euros, Euros 4.5 million of the credit tranche in Dollars drawn down by Elecnor, S.A. and Euros 27.6 million of the credit tranche in Dollars drawn down by Elecdor at 31 December 2022) at nominal value.

#### Loans - wind farms-

With regard to the loans obtained in local currency by the Brazilian subsidiaries Parques Eólicos Palmares, S.A., Ventos da Lagoa, S.A., Ventos do Litoral, S.A. and Ventos dos Índios, S.A. with the BNDES (Banco Nacional de Desenvolvimento Económico y Social), classified as Non-current liabilities held for sale in 2023, they must also maintain certain debt coverage ratios for the service within certain limits, and must deposit in a reserve account a monetary amount that covers at least three monthly instalments of principal and interest. At 31 December 2023, there were no breaches of the abovementioned financial ratios.

With regard to the loans for funding the projects built in the north of Brazil (Vento do São Fernando Complex), there is an obligation to maintain debt service coverage ratios within certain limits, and to deposit cash in a reserve account, except for the subsidiary Ventos do São Fernando IV, which in 2022 replaced the reserve account obligation by contracting a bank guarantee. In order to secure the financing obtained with BNB to finance the São Fernando I, II and III projects, it was also necessary to arrange a bank guarantee with Bradesco from the start of the financing in 2020.

The syndicated loan granted to the Canadian subsidiary Eoliennes de l'Érable, SEC, classified as Non-current liabilities held for sale in 2023, is bound to the fulfilment of an Annual Principal Debt Service Coverage Ratio (APDSCR), which must be higher than a certain ratio throughout the life of the loan. At 31 December 2023, there were no breaches of this ratio.

In Spain, the subsidiary P.E. Cofrentes, S.L.U. has signed a Project Financing loan, classified as Non-current liabilities held for sale in 2023. As security for this loan, a real right of pledge was established on shares of the relevant subsidiary, as well as on any indemnities, compensation and/or penalty payments which may accrue in its favour, and in relation to the construction, operation and maintenance, and operating management agreements, and all the cash accounts of the aforementioned company.

In 2023, the subsidiaries Aeroeneradores del Sur, S.A. and Galicia Vento, S.L., which had been granted Project Finance loans, proceeded to make an early repayment of their debts. In 2022, the subsidiary Parque Eólico Malpica, S.A., which had been granted a Project Finance loan, proceeded to make an early repayment of its debt.

In 2023, the Group took out a new loan to finance a solar PV plant under construction in Colombia (Portón del Sol) for a total amount of Euros 68.7 million, of which Euros 62 million had been drawn down at 31 December. Furthermore, in 2022 the Group took out a new loan to finance a wind farm under construction in Spain (Renovables del cierzo) for a total amount of Euros 136 million, of which Euros 127 million had been drawn down at 31 December 2023 (Euros 52 million in the previous year). At 31 December 2023, these loans are classified as "Non-current liabilities held for sale" in the accompanying consolidated balance sheet (Note 7).

Domestic subsidiaries have certain limitations in relation to these loans consisting basically of restrictions on the disposal of their property, plant and equipment and on the payment of dividends. These restrictions are subject to compliance with certain conditions, such as the ongoing fulfilment of the debt coverage ratio and the setting up of a debt service reserve account (see Notes 13 and 7).

The Directors consider that the companies are fulfilling all the conditions of the loans and that the financing, which is secured by investment projects, will be serviced on a normal basis, using the revenue generated from each project.

# Financial liabilities from issuing bonds and other marketable securitiespromissory notes

At the beginning of 2023, Elecnor, S.A. had issued promissory notes on the Alternative Fixed Income Market for an amount of Euros 115 million. New issues in 2023 totalled Euros 1,459 million while maturities totalled Euros 1,335 million. The outstanding balance maturing in the short term at 31 December 2023 was therefore Euros 239 million (reflecting 1,459 and 1,335 securities with a nominal value of Euros 100 thousand each respectively, maturing in the short term).

At the beginning of 2022, Elecnor, S.A. had issued promissory notes on the Alternative Fixed Income Market (MARF) for an amount of Euros 70 million. New issues in 2022 totalled Euros 1,169 million while maturities totalled Euros 1,124 million. The outstanding balance maturing in the short term at 31 December 2022 was therefore Euros 115 million, reflecting 1,169 and 1,124 securities with a nominal value of Euros 100 thousand each respectively.

In addition to the aforementioned borrowing, on 27 September 2021, the Parent issued senior unsecured bonds amounting to Euros 30 million on Spain's Alternative Fixed Income Market (MARF), with maturity on 30 September 2035 and which accrue annual interest at a rate of 3%.

The promissory note programmes in force in 2023 and 2022 provided for a maximum number of outstanding issues of 400 million.

# Financial liabilities from issuing bonds and other marketable securities-wind farms

In 2019, the subsidiary Ventos do Sul Energia, S.A. issued bonds amounting to BRL 325 million in two tranches; one BRL 227 million tranche pegged to the CDI plus a market spread and one BRL 98 million tranche indexed to HICP plus a market spread. At 31 December 2023, this financial liability is classified under "Non-current liabilities held for sale" in the accompanying consolidated balance sheet (Note 7).

This issue, maturing in December 2025 (a 6.5-year term) is project-backed and earmarked for corporate use by the issuing company or its partners.

#### Other payables-

Other payables includes a financing agreement entailing the assignment of future receivables for Euros 9.2 million, executed on 18 August 2017 with the European Energy Efficiency Fund, S.A., SICAV-SIF, maturing in 2031. The nominal value outstanding at 31 December 2023 is Euros 5.9 million (Euros 6.6 million at 31 December 2022).

Moreover, on 13 March 2018, the Group arranged a financing agreement through a policy for the assignment of credit rights with the Efficiency Solutions, SV S.À.R.L. fund, amounting to Euros 11.5 million, and maturing in June 2027. The nominal value outstanding at 31 December 2023 is Euros 4.4 million (Euros 5.7 million at 31 December 2022).

In 2021, the Parent entered into a loan for a nominal value of Euros 20 million, which accrues fixed nominal annual interest at a rate of 2.4%, will be fully repaid on 30 September 2031. On

the same date, the Parent signed a second loan for a nominal value of Euros 50 million, which accrues fixed nominal annual interest at a rate of 2.4% and matures in full in 2031.

Lastly, in 2020 the Group set up a Securitisation Fund "Elecnor Eficiencia Energética 2020, Fondo de Titulización", to which it has assigned the future credit claims derived from the contracts for the management of energy services and maintenance of public street lighting installations which Elecnor Servicios y Proyectos, S.A.U. executes for 43 Spanish municipalities and Public entities for an amount of Euros 107.7 million. This debt was fully repaid in 2021 and the nominal value pending repayment at 31 December 2023 is Euros 26.1 million (Euros 33.2 million at 31 December 2022).

The main characteristics of this financial structure are as follows:

- Creation of a securitisation fund, which purchases the credit claims from Elecnor for Euros 50 million. The Securitisation Fund has raised the funds by issuing bonds (listed on the Alternative Fixed-Income Market), which were fully subscribed by institutional investors and fully paid.
- The difference between the nominal balance of the credit claims (Euros 107.7 million) and their purchase price, which amounts to Euros 57.7 million, is used to overcollateralise the bonds. This is common in this type of structure and, as it increases, it improves the rating of the financing as it curbs the bondholders' risk and, therefore, their required return.
- The Group recovers this overcollateral year by year, through repayment by the securitisation fund of the difference between the amount that the securitisation fund actually collects (Elecnor transfers the balance of the account into which the Public entities pay to the Securitisation Fund's treasury account each week) for the contracts assigned and the payments that the securitisation fund must make.

The effective annual interest rate of this financing is 2.81%, and the repayment schedule is as follows:

Year	Thousands of Euros
2024	6,750
2025	6,700
2026	5,750
2027	_
2028	_
Total	19,200

#### Other financing-

Excluding tranche B of the syndicated financing, at 31 December 2023, Elecnor, S.A. and Elecnor Servicios y Proyectos, S.A.U. had 14 open credit facilities with financial institutions (13 credit facilities in 2022), up to a maximum total of Euros 175 million, with a drawdown of 19.7 at that date (maximum limit of Euros 163 million in 2022, with no drawdown at that date). These bilateral credit facilities bear interest rate linked to the currency of the facility, to EURIBOR/SOFR (LIBOR until 30 June 2023) plus a market spread, and most of them mature at one year, with some maturing at up to three years with automatic annual renewals.

# 17. Derivative financial instruments

The Elecnor Group uses derivative financial instruments to cover the risks to which its business activities, transactions and future cash flows are exposed as a result of changes in exchange

rates, interest rates and energy prices, which affect the Group's profit/loss. Details of the balances reflecting the measurement of derivatives in the consolidated balance sheet at 31 December 2023 and 2022 are as follows:

	Thousands of Euros								
		20	23		2022				
	Non- current assets	Current assets	Non- current liabilities	Current liabilities	Non- current assets	Current assets	Non- current liabilities	Current liabilities	
	(Note 13)		(Note 16)	(Note 16)	(Note 13)		(Note 16)	(Note 16)	
INTEREST RATE HEDGES									
Cash flow hedges: Interest rate swap	170	2,067	_	_	9,639	_	306	_	
EXCHANGE RATE HEDGES									
Cash flow hedges: Exchange rate insurance	_	69	-	646	_	2,361	_	5,551	
ENERGY PRICE HEDGES									
Cash flow hedges:									
Energy price	_	_	_	_	_	1,544	16,822	31,874	
	170	2,136	_	646	9,639	3,905	17,128	37,425	

In 2023, the derivatives relating to the Enerfín subgroup were reclassified to Non-current assets and liabilities held for sale (Note 7).

#### Exchange rate-

The Elecnor Group uses exchange rate hedges basically to mitigate the possible adverse effect of exchange rate fluctuations on future cash flows relating to two types of transactions:

- Payments relating to works and supply agreements denominated in a currency other than the functional currency.
- Receipts relating to works agreements denominated in a currency other than the functional currency.

At 31 December 2023 and 2022, the total nominal value of the items for which exchange rate hedges had been arranged was as follows:

Currencies	31/12/2023	31/12/2022
Thousands of US Dollars (*)	10,111	35,129
Thousands of Chilean Pesos (*)	-	20,190,297
Thousands of Rand (*)	3,446	22,757
Thousands of Euros (*)	5,689	11,735

<sup>(\*)</sup> Figures expressed in the pertinent currency.

Of the nominal total hedged at 31 December 2023:

• Euros 4,026 thousand in sales insurance in US dollars against euros to hedge future flows in that currency.

- Euros 783 thousand correspond in purchases of euros against Australian dollars to hedge future flows in that currency.
- Euros 4,906 thousand correspond in purchases of euros against US dollars to hedge future flows in that currency.
- Euros 5,494 thousand correspond in purchases of US dollars against Colombian pesos to hedge future flows in that currency.
- Euros 189 thousand correspond in purchases of rand against euros to hedge future flows in that currency.

Of the nominal total hedged at 31 December 2022:

- Euros 3,898 thousand in sales insurance in US dollars against euros to hedge future flows in that currency.
- Euros 21,729 thousand correspond to purchases of Chilean Pesos against US Dollars to cover the risk of payments to suppliers in Chilean Pesos.
- Euros 2,884 thousand in purchases of US dollars against Australian dollars to hedge future flows in that currency.
- Euros 5,425 thousand correspond in purchases of euros against Australian dollars to hedge future flows in that currency.
- Euros 6,310 thousand correspond in purchases of euros against US dollars to hedge future flows in that currency.
- Euros 24,480 thousand correspond in purchases of US dollars against Colombian pesos to hedge future flows in that currency.
- Euros 1,813 thousand correspond in purchases of US dollars against euros to hedge future flows in that currency.
- Euros 1,247 thousand correspond in purchases of rand against euros to hedge future flows in that currency.

The equivalent Euro value of the nominal value under exchange rate hedges at 31 December 2023 was approximately Euros 15,398 thousand (approximately Euros 67,786 thousand in 2022).

The expiration of these exchange rate hedges is expected to coincide with the forecast flow of the payments and receipts being hedged. The risk of changes in the estimated cash flows is very low.

Details of the maturities of the nominal values hedged by derivative financial instruments at 31 December 2023 and 2022 are as follows:

	31/12/2023										
		Maturity									
	2024	2024 2025 2026 2027 2028 and thereafter Total									
Exchange rate hedge:											
USD sales (*)	4,276	_	_	_	_	4,276					
USD purchases (*)	5,835	_	_	_	_	5,835					
Rand purchases (*)	3,446	_	_	_	_	3,446					
Euro purchases (*)	5,689	_	_	_	_	5,689					

(\*) Figures expressed in Euros in the pertinent currency.

		31/12/2022									
		Maturity									
	2023	2023 2024 2025 2026 2027 and thereafter Total									
Exchange rate hedge:											
USD sales (*)	4,140	_	_	_	_	4,140					
USD purchases (*)	30,989	_	_	_	_	30,989					
Chilean Pesos purchases (*)	20,190,297	_	_	_	_	20,190,297					
Rand purchases (*)	22,757	_	_	_	_	22,757					
Euro purchases (*)	11,735	_	_	_	_	11,735					

<sup>(\*)</sup> Figures expressed in Euros in the pertinent currency.

#### Interest rate-

The Elecnor Group uses interest rate hedging instruments in accordance with its risk management policy. The purpose of these transactions is to mitigate the effect that changes in interest rates could have on future cash flows from certain loans and credit facilities indexed to floating interest rates, associated with the corporate financing obtained by the Parent and project financing. At 31 December 2023 the total nominal value of the liabilities hedged by interest rate hedges amounted to Euros 152,767 thousand (Euros 223,052 thousand in 2022).

The nominal values of the various interest rate derivative financial instruments described above mature as follows:

	31/12/2023									
	Thousands of Euros									
		Maturity								
	2024	2024 2025 2026 2027 2028 and thereafter Total								
Interest rate hedges	150,495	518	543	1,211	-	152,767				

	31/12/2022									
	Thousands of Euros									
		Maturity								
	2023	2024	2025	2026	2027 and thereafter	Total				
Interest rate hedges	39,727	160,083	3,586	2,813	16,843	223,052				

Neither in the case of exchange rate hedges or interest rate hedges did any circumstances arise in 2023 or 2022 that required changing the hedge accounting policy initially adopted for recognising the derivatives. In 2023 and 2022 the Elecnor Group did not have any derivatives that do not qualify for hedge accounting.

#### Energy price-

The Elecnor Group, via the Enerfín subgroup, classified as held for sale in the year, uses derivative financial instruments to hedge the risk of fluctuations in the Spanish daily market price based on its forecasts, as this has a very significant impact on the Group's profit/loss. Within the framework of these operations, the Group 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, fulfilling the requirements to be deemed hedge accounting. The breakdown of the derivatives contracted by the Group at 31 December 2022, as well as their main characteristics, is as follows:

*2022:* 

Maturity	Nominal (MWh)	Fair value Assets / (Liabilities)
2023	350,400	(30,330)
2024	78,840	(8,052)
2025	78,840	(3,469)
2026	78,840	(1,932)
2027	78,840	(1,616)
2028 and more	190,296	(1,753)
		(47,152)

In 2022, the price of energy increased significantly, meaning that the contracts entered into previously, at much lower prices, have led to the recording of material liabilities. Consequently, the Group recorded under the heading "Profit/loss from discontinued operations" in the accompanying 2022 consolidated income statement an amount of Euros 56,131 thousand of lower revenue from derivatives settled during the year, as they are deemed hedging instruments. In 2023, the Group recorded higher revenue from settled derivatives amounting to Euros 1,074 thousand under "Profit/loss from discontinued operations" in the consolidated income statement.

#### Adjustments-

The market value of the different financial instruments is calculated as follows:

- For derivatives quoted on an organised market, their quoted value at year end.
- For derivatives not traded on an organised market, in order to measure them, the Elecnor Group uses assumptions based on year-end market conditions. Specifically
- the market value of interest rate swaps is calculated by discounting the difference between the swap rates at market interest rates;
- the market value of forward exchange rate contracts is determined by discounting the estimated future cash flows using forward exchange rates prevailing at the close of the year;
- the fair value of contracts for the purchase of non-financial items to which IFRS 9 applies is calculated using the best estimate of future price curves for these non-financial items existing at the closing date of the consolidated annual accounts, using, to the extent possible, prices established on futures markets.

#### 18. Provisions

The breakdown of provisions for liabilities and charges, and their classification as current or non-current at 31 December 2023 and 2022, is as follows:

	Thousands of Euros							
	20	2023 2022						
	Non-current	Non-current Current						
Litigation and liabilities	38,487	47,430	15,953	37,309				
Decommissioning	770	265	9,050	505				
Other	27,720	38,574	28,990	42,993				
Total	66,977	86,269	53,993	80,807				

Details of "Provisions for liabilities and charges" in the accompanying consolidated balance sheet, and movement in 2023 and 2022, are as follows:

	Thousands of Euros							
	Litigation and liabilities	Decommissioning	Other	Total				
Balance at 31 December 2021	55,263	12,124	68,821	136,208				
Provisions charged to								
profit and loss (Note 23) (*)	13,603	573	26,960	41,136				
Translation differences	2,107	564	183	2,854				
Application	(102)	_	(19,864)	(19,966)				
Transfers	(5,562)	-	5,562	_				
Reversals (Note 23) (*)	(12,047)	(3,706)	(9,679)	(25,432)				
Balance at 31 December 2022	53,262	9,555	71,983	134,800				
Provisions charged to								
profit and loss (Note 23) (*)	60,131	810	21,451	82,392				
Translation differences	(544)	86	(158)	(616)				
Application	(562)	81	157	(324)				
Transfers	1	4	(5)	_				
Reversals (Note 23) (*)	(25,641)	(348)	(23,074)	(49,063)				
Discontinued operations (Note 7)	(730)	(9,153)	(4,060)	(13,943)				
Balance at 31 December 2023	85,917	1,035	66,294	153,246				

<sup>(\*)</sup> Includes Euros 202 thousand of provisions and Euros 6 thousand of reversals classified in the consolidated income statement as discontinued operations at 31 December 2023 (Euros 2,868 thousand and Euros 5,559 thousand at 31 December 2022, respectively).

The Group estimates the amount of the liabilities arising from litigation and similar events. With the exception of certain liabilities in which it can be estimated that the outflows will be in the short term, the Group cannot reliably estimate the precise timing of the outflows and, accordingly, does not include the updating effect.

Due to the nature of its activities, the Group is exposed to a number of claims and litigation. The heading "Provisions for litigation and liabilities" in the foregoing table reflects the Group's best estimate of potential penalties and other contingencies that could arise from the execution of various projects mainly carried out abroad. The Directors estimated that the provision recognised reasonably covers the payments that are likely to arise in the future as a result of past events.

On 31 May 2017, Spanish National Commission on Markets and Competition (hereinafter, the "CNMC") notified the Parent that it was opening disciplinary proceedings against it and another 15 companies, for a potential infringement in the sphere of the construction and maintenance of electrification systems and electromechanical equipment in railway lines. On 14 March 2019, the CNMC Council issued a resolution reducing the fine with respect to that proposed in the resolution of 31 August 2018 to Euros 20.4 million. In May 2019, the Company lodged an appeal and on 16 July 2019 the National Court (*Audiencia Nacional*) suspended execution of the CNMC resolution of 14 March 2019, dependent upon the presentation of bank guarantees.

On 26 September 2019, the Parent received an incidental request to bring proceedings, said proceedings having been brought in proper and timely manner on 11 November 2019.

In light of these events, and based on the assessment of the Parent's legal advisers, although they consider that there are still solid arguments to challenge the CNMC's inspection, due to recent events in connection with other appeals against the Resolution, and the developments in other proceedings in the National Court in the last years when the arguments presented by the parties have been rejected and the CNMC's decision confirmed, the Group booked in 2019 a provision of Euros 20.4 million to cover this risk, since they estimate that there is a probability of the appeal prospering of less than 50%. At 31 December 2023, this provision remains under the category "Other" as there have been no changes during the current year.

Furthermore, on 16 July 2019, the CNMC opened disciplinary proceedings against the subsidiary Audeca, its Parent and other companies and their Parents, on the grounds of possible anti-competitive practices prohibited by Article 1 of the LDC (Defence of Competition Act) and Article 101 of the TFEU. On 28 August 2021, the CNMC notified the decision by which Audeca was declared liable for a breach of Article 1 of the LDC and Article 101 of the TFEU and a total fine of Euros 2,639 thousand was imposed on Audeca and, jointly and severally, on Elecnor. Audeca and Elecnor filed a contentious-administrative appeal against the resolution with the National Court, and requested as a precautionary measure the suspension of the enforcement of the resolution, both in terms of the payment of the fine imposed and the prohibition to contract, and this appeal was admitted for processing. On the basis of the assessments of the Group's legal advisors, as a result of recent developments in the context of other appeals, the Directors made a provision of Euros 2.6 million in this respect in 2022 under "Other" as they deem the likelihood of the appeal being upheld to be less than 50%. At 31 December 2023, this provision remains as there have been no changes during the current year.

Furthermore, the category "Other" includes provisions for construction contracts with negative margins for a total amount of Euros 28,942 thousand (Euros 31,446 thousand at 31 December 2022), the most significant of which is the provision recorded in 2023 arising from the estimate of a negative margin in relation to projects in Australia amounting to approximately Euros 13.4 million. During this year, certain circumstances have increased the cost estimate for the contracts, such as execution delays on the back of Covid-19 and the global economic instability unleashed by the disproportionate rise in raw material prices, labour and logistics expenses and local overheads as a result of spiralling inflation. Against this backdrop, and with the customer's collaboration, we are together seeking solutions to keep these projects—which are of strategic importance for Australia—afloat. We are confident that these joint endeavours will result in a reversal of the situation estimated at 2024.

Other relevant provisions are those recorded in 2019 for the "Mataquito Transmisora de Energía" project in Chile, which at 31 December 2023 amounts to Euros 8,005 thousand (Euros 5,467 thousand in 2022), that recorded in 2022 for the Kwanza Norte project in Angola (Euros 3,742 thousand) and reversed in 2023, and that recorded in 2022 for a solar project in Spain amounting to Euros 7,500 thousand, reversed in 2023. The application of these provisions as and when the work is executed is recorded under "Application" in the above table.

On the other hand, at 31 December 2022 Other provisions included an amount of Euros 1,312 thousand relating to guarantees provided to various public bodies, necessary for the administrative processing of connection requests, which at 31 December 2023 are classified under "Non-current liabilities held for sale". In 2022, Euros 5,793 thousand were reversed in relation to guarantees provided in previous years to ensure the completion of the facilities committed to in relation to wind farm construction projects being undertaken by the Group, which are provided for in view of the possibility that they will be executed by the government if

the project is not carried out. These provisions were reversed because the viability of the projects was clarified after progress was made in their processing or because the development of other projects did not continue for reasons not attributable to the Group.

The rest of reversals in 2023 and 2022 correspond to penalties and other contingencies/litigations in relation to the execution of various projects that were completed in 2023 and 2022, respectively, and that were resolved favourably for the Group.

Decommissioning provisions at 31 December 2022 corresponded to the provision for the wind farm owned by the Group in Canada and for the wind farms in Brazil. These provisions have been reclassified in 2023 to "Non-current liabilities held for sale" in the accompanying balance sheet (Note 7). They are calculated by estimating the amount of the decommissioning obligation in the foreseen year of dismantling (at the end of the economic life of the assets) on the basis of estimates received from external suppliers and with the approval of the Group's technicians. These amounts are discounted at the market discount rate and recorded in the fixed assets of the wind farms as an increase in the value of the assets and are depreciated in the period until their decommissioning (Notes 7 and 11).

# 19. Advances from customers

Advances from customers basically reflect payments made in advance by customers prior to the start of the related contracts. These advances are discounted from invoices issued during the execution of the contracts.

The balance under this heading at 31 December 2023 includes an advanced payment received by Elecnor Servicios y Proyectos, S.A.U. in respect of a project it will execute in conjunction with an external partner (80% Elecnor – 20% the other partner) and amounting to Euros 50,891 thousand (Euros 58,096 thousand as at 31 December 2022). The Group received 100% of the advance payment in 2020 amounting to Euros 72,620 thousand for having submitted all guarantees (its own and those of the other party) and the Group is delivering its share to this partner as it submits the guarantees to which it is entitled.

# 20. Deferred tax assets and deferred tax liabilities

Details of "Deferred tax assets" and "Deferred tax liabilities" in the accompanying consolidated balance sheet, and movement in 2023 and 2022, are as follows (in thousands of Euros):

	31 December 2021	Transfers	Credit/cha rge to the income statement (*)	Credit/cha rge to the assets and liabilities valuation reserve	Application of IAS 12 - Amendme nt (Note 2.b)	Translation differences	31 December 2022	Transfers	Credit/cha rge to the income statement (*)	Credit/cha rge to the assets and liabilities valuation reserve	Discontinue d operations (Note 7)	Translation differences	31 December 2023
Deferred tax assets:													
Measurement of derivative financial instruments (Note 17)	23,485	_	(3,160)	(10,222)		1	10,104	_	1,374	(5,225)	(4,617)	(2)	1,634
Property, plant and equipment and intangible assets	5,505	_	(137)	_		(1)	5,367	_	(726)	_	(4,532)	_	109
Tax credits	18,240	186	(5,102)	_		117	13,441	1,197	(4,545)	_	(375)	13	9,731
Deductions and credits to be applied	3,584	(479)	(766)	_		52	2,391	_	(549)	_	(1,514)	_	328
Losses in external subsidiaries	29	_	15	_		_	44	_	269	_	_	_	313
Non-deductible provisions (Note 18)	33,631	(207)	3,311	_		935	37,670	_	12,803	_	(494)	(73)	49,906
Other deferred tax assets	4,939	500	5,660	1	20,033	215	31,347	(1,197)	2,286	_	(9,617)	(167)	22,652
	89,413	-	(179)	(10,222)	20,033	1,319	100,364	-	10,912	(5,225)	(21,149)	(229)	84,673
Deferred tax liabilities:													
Property, plant and equipment and intangible assets	14,111	_	(362)	_		455	14,204	_	1,733	(739)	(12,571)	(16)	2,611
Measurement of derivative financial instruments (Note 17)	2,317	14	_	976		66	3,373	_	150	_	(790)	(5)	2,728
Other deferred tax liabilities	11,101	(758)	(112)	1	19,133	(295)	29,069	744	5,655	769	(11,469)	(38)	24,730
	27,529	(744)	(474)	976	19,133	226	46,646	744	7,538	30	(24,830)	(59)	30,069

<sup>(\*)</sup> Includes Euros 637 thousand credit to the income statement and Euros 4,983 thousand credit to reserves from discontinued operations at 31 December 2023 (Euros 7,124 thousand and Euros 10,532 thousand at 31 December 2022, respectively).

Deferred tax assets and liabilities that are expected to be realised or reversed in periods of less than 12 months are not significant, except for deferred tax assets relating to the valuation of derivative financial instruments for which practically the totality is expected to be reversed within the coming 12 months.

Deferred tax assets and liabilities: property, plant and equipment and intangible assets, in the foregoing table mainly reflect taxable temporary differences arising from differences between the carrying amount of certain property, plant and equipment and intangible assets and their tax base, as well as the temporary differences derived from the depreciation and amortisation of these non-current assets for accounting and tax purposes.

Deferred tax assets: tax credits and deductions and credits pending application, in the foregoing table, include, respectively, unused tax loss carryforwards and deductions pending application of various Group companies, which have been capitalised as the Parent's Directors consider that they will be recovered against estimated profits in the coming years.

Deferred tax assets: non-deductible provisions, in the above table mainly include the tax impact of adjustments to accounting profit/loss as a consequence of various provisions that were not considered deductible when they were recognised (see Notes 14.a and 18).

At 31 December 2023 and 2022, the tax credits for capitalised tax loss carryforwards and the deferred tax assets and liabilities by entity/subgroup are as follows:

		2023						
	Thousands of Euros							
	Tax credits	Deferred tax assets	Deferred tax liabilities					
Elecnor, S.A.	_	23,950	7,109					
Elecnor Servicios y Proyectos, S.A.U.	6,437	25,933	11,642					
Aplicaciones Técnicas de la Energía, S.A.	1,875	2,592	_					
Audeca, S.L.U.	_	72	1,224					
Elecnor do Brasil, Ltda.	_	9,876	661					
Elecnor Chile, S.A.	_	5,999	_					
Elecnor, Inc.	_	11,936	8,411					
Other	1,419	4,315	1,022					
Total	9,731	84,673	30,069					

	2022		
	Thousands of Euros		
	Tax credits	Deferred tax assets	Deferred tax liabilities
Elecnor, S.A.	_	15,549	7,809
Elecnor Servicios y Proyectos, S.A.U.	9,736	27,750	6,689
Aplicaciones Técnicas de la Energía, S.A.	2,200	3,146	_
Enerfín subgroup	1,075	25,394	23,585
Audeca, S.L.U.	_	104	1,673
Elecnor do Brasil, Ltda.	_	9,410	756
Elecnor Chile, S.A.	_	9,465	-
Elecnor, Inc.	_	3,269	5,570
Other	430	6,277	564
Total	13,441	100,364	46,646

Details of the amounts (in thousands of Euros) and expiry years of uncapitalised tax loss carryforwards pending offsetting of the most significant entities/tax groups at 31 December 2023 and 2022 are as follows (in thousands of Euros):

2023	Unused, uncapitalised tax loss carryforwards	Expiry year
Aplicaciones Técnicas de la Energía, S.A.	1,720	Unlimited
Deimos Engineering and Systems, S.L.U.	2,471	Unlimited
Dunor Energía, S.A.P.I. de C.V.	12,563	2029; 2031 and 2033
Elecnor Australia Holdings, PTY LTD.	91,444	Unlimited
Elecnor Cameroun, S.A. Elecnor Perú, S.A.C. Til Til Consorcio, SpA	2,878 6,157 2,854	2027 2025 Unlimited
	120,087	

2022	Unused, uncapitalised tax loss carryforwards	Expiry year
Aplicaciones Técnicas de la Energía, S.A. Deimos Engineering and	4,302 2,692	Unlimited Unlimited
Systems, S.L.U. Enerfín Enervento, S.L.U. Elecnor Perú, S.A.C. Enervento Exterior, S.L.U. Elecnor Energie Und	4,003 4,389 2,155 1,718	Unlimited 2025 Unlimited Unlimited
Proyectos Electricos Agua Prieta, S.A.P.I. de C.V.	7,929	Unlimited
Dunor Energía, S.A.P.I. de C.V.	13,456	2029;2031; no expiry date
	40,644	

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At 31 December 2023, the Elecnor Group has Euros 29,436 thousand of uncapitalised tax loss carryforwards from branches (Euros 25,209 thousand at 31 December 2022), the limitation period for which depends on the tax legislation applicable to each branch.

Furthermore, the Group has deductions generated and not capitalised in the amount of Euros 2,322 thousand as at 31 December 2023 (Euros 3,777 thousand as at 31 December 2022).

In addition, at 31 December 2023, the Group has a balance of Euros 78,056 thousand by way of uncapitalised foreign income exemption (Euros 73,998 thousand at 31 December 2022).

Details of the Group's total taxable income, deductions and other temporary differences are shown in Appendix IV.

The unused tax loss carryforwards and tax credits for deductions and other items described above were generated by various companies in the Elecnor Group and their future recoverability is conditional upon these companies' ability to generate sufficient taxable profits.

Due to the treatment permitted by prevailing fiscal legislation, additional tax liabilities that cannot be objectively quantified could arise in the event of inspection. However, the Parent's Directors consider that the possibility of such contingent liabilities arising during future tax inspections of Group companies is remote and that, in any case, the tax liability that could result therefrom would not materially affect the Consolidated Annual Accounts of the Elecnor Group.

# 21. Income tax

The Parent has the following years open to inspection by the tax authorities in respect of the main taxes applicable to it:

	Years open to inspection
Corporate Income Tax (*)	2017 - 2022
Value Added Tax	2019 – 2023
Personal Income Tax	2019 – 2023
Social Security	2020 - 2023
Capital Gains Tax	2019 - 2023
Non-residents	2019 - 2023

(\*) The deadline for filing Corporate Income Tax returns is 25 calendar days after the six months subsequent to conclusion of the tax periods, so corporate income tax corresponding to 2023 will not be open to inspection until 25 July 2024.

On 10 February 2021, based on its request of 28 December 2020, the Parent received notification from the Tax Authority that it will be taxed under the consolidated tax regime from 1 January 2021 with the following companies: Aplicaciones Técnicas de la Energía, S.L.U., Area 3 Equipamiento Diseño e Interiorismo, S.L.U., Jomar Seguridad, S.L.U., Ehisa Construcciones y Obras, S.A.U., Elecnor Seguridad, S.L.U., Audeca, S.L.U., Deimos Engineering and Systems, S.L.U., Deimos Space, S.L., Montajes Eléctricos Arranz, S.L.U., Aerogeneradores del Sur, S.A., Enerfín Enervento Exterior, S.L., Enerfín Enervento, S.L.U., Enerfín Sociedad de Energía, S.L., Galicia Vento, S.L., Parque Eólico Cofrentes, S.L.U., Parque Eólico de Malpica, S.A., Parque Eólico Cernégula, S.L.U., Enerfín Renovables, S.L.U., Enerfín Renovables II, S.L., Enerfín Renovables IV, S.L.U., Parque Eólico Volandin, S.L.U., Elecnor Servicios y Proyectos, S.A.U., Elecred Servicios, S.A.U., Internacional de Desarrollo Energético, S.A.U., Parque Eólico Montañés, S.L.U., Enerfín Renovables VI, S.L., Solar 3 Rayas, S.L., Enerfín Renovables VIII, S.L., Enerfín Renovables IX, S.L., Enerfín Renovables X, S.L., Enerfín Renovables XI, S.L., Luzy Energía Renovable, S.L.U and Eresma Solar S.L.U (which left the consolidation scope in 2023).

Inspections conducted by the Tax Authority's Large Taxpayers Division at the Parent, and commenced by notification on 1 July 2016, concluded in 2018 and covered all taxes applicable to the Parent for the period 2012-2014, except for Corporate Income Tax, which covered the period 2011-2013.

The aforementioned inspections concluded in 2018 with the signing of statements of disconformity whose settlement implies a payment obligation totalling Euros 14,208 thousand.

On 28 December 2018, the Parent filed economic-administrative appeals against the settlement agreements derived from the statements of disconformity before the Central Economic-Administrative Court, which were the subject of a request for suspension while the proceedings were underway.

On 23 November 2020, the Parent was notified that the files were accessible, and of the procedure for allegations, which were submitted on 17 December 2020 that have been rejected in 2021. The decisions dismissing the appeals were appealed before the National Court, and judgements are pending.

In light of this situation, the Parent's Directors, in cooperation with its tax advisers, and although they consider that there are weighty arguments to underpin the position of the Parent, decided in 2019 to allocate a provision for the amounts claimed in the appealed settlement agreements in connection with differences in interpretation in respect of related party transactions amounting to Euros 7,559 thousand, since they consider that in 2019 retroactivity had been ruled out and, accordingly, the reviewing bodies are more likely to approve the Tax Authority's position than not,

and considering the impact for the rest of years open to inspection, should the Tax Authority apply the same criteria for the years open to inspection.

In addition to the foregoing, on 2 October 2019 the Company received a notification of the commencement of tax audits in relation to all taxes applicable to the Company for the period 2015-2016 except for Corporate Income Tax, which also covered the period 2014.

The aforementioned inspections concluded in 2021 with the signing of statements of conformity which resulted in a payment totalling Euros 5,691 thousand.

Lastly, note On 21 December 2022, the Parent received a notification from the Tax Authority concerning the commencement of the verification and investigation for the years 2017 to 2020 regarding Corporate Income Tax and 2019 to 2020 for the remaining taxes.

However, the Administration's entitlement to verify or investigate tax loss carryforwards offset or pending offsetting, deductions for double taxation and deductions to encourage certain activities applied or pending application prescribes after 10 years from the day after the end of the established period for filing the tax return or self-assessment for the tax period in which the Company's entitlement to offsetting or application was generated. Once that period has elapsed, the Group must accredit tax losses or deductions by presenting the settlement or self-assessment and the accounts, and also evidencing that they have been filed during the aforementioned period in the Companies Register.

The Group has assessed the impact of the recent Constitutional Court ruling on the nullity of several provisions of Royal Decree-Law 3/2016 amending corporate income tax, in relation to the establishment of stricter limits on the offsetting of tax losses for large companies, the limit on the application of double taxation deductions and the obligation to automatically include in the tax base any impairment losses on investments deducted in previous years. Although, according to this ruling, rectification of the affected statements has been requested, these impacts are not considered to be material.

Details of the income tax expense accrued in 2023 and 2022 are as follows:

	Thousands	s of Euros
	2023	2022
Consolidated profit/loss before tax from continuing operations and discontinued operations	167,140	165,931
Non-deductible expenses	3,005	13,971
Non-taxable income (**)	(57,479)	(22,566)
Adjustment for dividends (****)	2,832	10,575
Profit/loss from equity-accounted investees (Note 12)	(15,738)	(22,498)
Other	(12,165)	(6,260)
Uncapitalised tax credits applied (*****)	(3,795)	(21,667)
Uncapitalised tax loss carryforwards (***)	103,468	11,691
Adjusted accounting profit/loss	187,268	129,177
Gross tax calculated at the tax rate in force in each country (*) Tax deductions for incentives and other	57,115 (2,609)	42,716 (1,029)
Adjustment to prior year's Corporate Income Tax expense	(1,594)	(1,961)
Other adjustments	(3,598)	10,298
Accrued income tax expense from continuing operations and discontinued operations	49,314	50,024

- (\*) The fully consolidated foreign subsidiaries and branches calculate the Corporate Income Tax expense and the amount due in respect of the various other applicable taxes in accordance with the prevailing tax rates and legislation in their respective countries.
- (\*\*) Non-taxable income in 2023 mainly reflected adjustments to the accounting profit for income from the sale of investments which are exempt from taxation amounting to Euros million (Euros 10 million in 2022).
- (\*\*\*) Corresponding mainly, in 2023, to the companies Green Light Contractors PTY LTD, in the amount of Euros 87 million (Enerfín Energy Company of Canada in the amount of Euros 2.3 million and Enerfín Renovables, LLc, in the amount of Euros 1.4 million, in 2022).
- (\*\*\*\*) On 31 December 2020, Law 11/2020 of 30 December, on the General State Budgets for 2021 was published, which includes certain changes to the Corporate Income Tax Law in Spain. The main change to the Corporation Income Tax Law is the elimination of the total tax exemption of dividends and capital gains, which remains at 95%.

(\*\*\*\*\*) In 2022, mainly relating to the companies Elecnor Perú, S.A.C. for Euros 14 million and Eledepa for Euros 5 million.

Details of the main components of the income tax expense accrued in 2023 and 2022 were as follows:

Accrued income tax expense from continuing operations and discontinued operations	49,314	50,024
Amount of the deferred tax expense/income relating to the origination and reversal of temporary differences	(3,372)	(295)
Deferred tax		
Current tax Present year Prior years' adjustments Other adjustments	55,718 (1,912) (1,120)	
	2023	2022
	Thousands of Euros	

# 22. Guarantee commitments with third parties and contingencies

#### Guarantee commitments with third parties-

At 31 December 2023 and 2022, details of the risk exposure relating to bank guarantees delivered and other bid, completion and performance bonds, are as follows:

	Thousands of Euros	
	2023 2022	
Completion bonds Advances on contracts:	1,002,950	971,601
Current	339,016	563,638
To be cancelled	4,177	3,243
Performance bonds	362,583	313,486
Bid bonds	46,110	63,671
Other	128,860	94,884
Total	1,883,696	2,010,523

The above table includes data concerning the Enerfín subgroup, reclassified as discontinued operations in 2023.

At 31 December 2023 the Group has provided guarantees to the customer Casablanca Transmisora de Energía (Chile) for the Special Contract for the engineering, supply, permits, easements and construction of New Transmission Lines and substations as partial deliveries for the amount of Euros 29.2 million (2022: Euros 30 million).

Additionally, in Australia, the Group has provided guarantees for the customer NSW Electricity Networks, amounting to Euros 78 million for the Energy Connect transmission lines project in Australia, for the customer Goyder Wind Farm 1 Pty Ltd, amounting to Euros 28 million for the Engineering Procurement and Construction Contract for the design, manufacture, installation, commissioning and construction of the project known as EPC (Euros 41 million in 2022), and for the customer Flyers Creek Wind Farm Pty Ltd, for whom it provided guarantees amounting to Euros 17 million for the construction of the Flyers Creek Wind Farm (Euros 20 million in 2022).

Similarly, the Group has provided guarantees to the customer Mataquito Transmisora de Energía, S.A. in Chile for the amount of Euros 66 million for the Special Contract for the engineering, supply, permits, easements and construction of New Transmission Lines and substations as partial deliveries. Furthermore, the most significant guarantees notably include those provided to the customer AB Lietuvos Gelezinkeliu for the Lithuanian project Electrification of the railway section Vilnius-Klaipèda (Draugystès st.) amounting to Euros 93 million (Euros 68 and 96 million respectively in the previous year).

During 2023, guarantees in the amount of Euros 23 million were provided to the customer Blyth Battery Pty Ltd for the construction of a wind power project in Australia as well as Euros 19 million to the customer Parintins Amazonas Transmissora de Energia for the construction and operation of a transmission line in Brazil.

The remaining amount of the guarantees at 31 December 2023 and 2022 consists of a number of guarantees of insignificant individual amounts.

The Parent's Directors consider that any liabilities that might arise from the bank guarantees provided would not give rise to significant losses in the accompanying consolidated financial statements.

#### Contingencies-

On 17 January 2020, the Central Court of Instruction No. 5 issued an order decreeing the commencement of a trial concerning a former employee of the Group and concerning the company Deimos Space, S.L., the latter for alleged criminal liability as a legal person for possible crimes of corruption in international commercial transactions and money laundering, requiring that the company provide a guarantee of Euros 1,460 thousand to cover civil liability, and additional guarantees of Euros 10,240 thousand and Euros 2,625 thousand to cover possible future pecuniary sanctions and confiscations.

The Group presented the shares it owns in the Deimos Group to cover the aforementioned guarantee.

Following the trial held between the end of 2022 and the beginning of 2023, an order was issued in April 2023 confirming the ruling of the February 2023 judgement of the Criminal Division of the Spanish National High Court, in which Deimos Space, S.L.U. and its former employee were acquitted of all the charges brought against them.

# 23. Income and expenses

#### Net turnover-

The entirety of the Group's turnover in 2023 and 2022 corresponds to the execution of projects and services rendered.

The breakdown of the Group's turnover in 2023 and 2022, by both geographical areas and activities, is as follows:

	Thousand	ds of Euros
By geographical area	2023	2022 (*)
Domestic	1,489,436	1,403,651
International	2,303,470	1,989,609
Total	3,792,906	3,393,260
By line of business		
Electricity	1,560,084	1,352,435
Power generation	688,013	724,734
Telecommunications and space	273,314	242,133
Construction, environment and water	326,502	285,849
Maintenance	393,128	287,998
Facilities	184,624	232,520
Oil & Gas	142,222	165,724
Railways	225,019	101,867
Total	3,792,906	3,393,260

<sup>(\*)</sup> Restated figures, see Note 7.

#### Revenue from Contracts with Customers

Movement in assets and liabilities from contracts with customers in 2023 and 2022 is as follows:

	Thousands of Euros	
	Assets	Liabilities
At 31 December 2022	393,954	276,032
Revenues recognised	3,792,906	-
Turnover	-	3,855,476
Reclassification to income	(3,720,352)	(3,720,352)
Translation differences	(2,365)	1,647
At 31 December 2023	464,143	412,803

At 31 December 2022	393,954	276,032	
Translation differences	4,581	(4,423)	
Reclassification to income	(3,403,508)	(3,403,508)	
Turnover	-	3,272,434	
Revenues recognised	3,393,260	-	
At 31 December 2021	399,621	411,529	
	Assets	Liabilities	
	Thousand	Thousands of Euros	

In 2023 and 2022, the business's usual contractual modifications were made, including those in which there is a dispute about the scope and/or price (see Note 3.s.3). The Group recognises contractual modifications when they have been approved by the parties.

In 2023 and 2022, there has been no relevant revenue from performance obligations satisfied in prior periods.

In view of the nature of the Elecnor Group's contracts, advances are received on dates close to the execution of the milestones that give rise to them, thus, practically all of the balance of contractual liabilities at the end of each year is recognised as revenue in the following year.

## Materials consumed-

Details of this item in the 2023 and 2022 consolidated income statements are as follows:

	Thousands of Euros	
	2023	2022 (*)
Purchases of raw materials and other materials consumed	1,602,230	1,311,966
Work carried out by other companies	530,187	499,897
Change in goods for resale, raw materials and other inventories	465	(1,329)
Total	2,132,882	1,810,534

<sup>(\*)</sup> Restated figures, see Note 7.

# Other operating expenses-

Details of this item in the 2023 and 2022 consolidated income statements are as follows:

	Thousan	Thousands of Euros	
	2023	2022 (*)	
Leases	161,544	128,255	
Repairs and maintenance	32,520	45,574	
Independent professional services	107,540	87,360	
Transportation	28,746	27,910	
Insurance premiums	22,817	20,943	
Banking services	20,351	20,907	
Advertising and publicity	1,747	1,128	
Utilities	52,662	67,007	
Taxes	34,481	34,266	
Other expenses	138,739	132,601	
Total	601,147	565,951	

<sup>(\*)</sup> Restated figures, see Note 7.

# Other operating income-

Details of this item in the 2023 and 2022 consolidated other operating income accounts are as follows:

	Thousands of Euros	
	2023	2022 (*)
Grants (Note 3.p)	4,348	3,834
Other income	53,236	37,573
Total	57,584	41,407

<sup>(\*)</sup> Restated figures, see Note 7.

Other income in 2023 includes the amount of Euros 32 million from the Lithuanian branch. Other income for 2022 included an amount of Euros 18,603 thousand for the collection of insurance in relation to damage suffered in an incident at the Batinah gas pipeline in Oman.

#### Personnel expenses-

Details of this item in the 2023 and 2022 consolidated income statements are as follows:

	Thousands of Euros	
	2023	2022 (*)
Salaries and wages	776,393	741,155
Termination benefits	4,201	6,013
Social Security payable by the Company	177,864	148,306
Other employee benefits expenses	87,625	79,112
Total	1,046,083	974,586

<sup>(\*)</sup> Restated figures, see Note 7.

At 31 December 2023, the heading "Other current liabilities" includes approximately Euros 45 million in remuneration pending payment (Euros 48 million at 31 December 2022).

#### Depreciation, amortisation and provisions-

Details of this item in the 2023 and 2022 consolidated income statements are as follows:

Total	83,717	51,503
Other (Note 18)	3,358	(26,816)
Change in impairment of receivables (Note 14)	(4)	(14,354)
decommissioning (Note 18) Depreciation charge for right-of-use assets (Note 11)	15,251	15,833
Changes in provisions for risks and charges without	9,171	29,882
Amortisation of intangible assets (Note 9)	6,881	6,314
Depreciation charge for property, plant and equipment (Note 10)	49,060	40,644
	2023	2022 (*)
	Thousands of Euros	

<sup>(\*)</sup> Restated figures, see Note 7.

The heading "Other" at 31 December 2023 and 2022 corresponds mainly to the application of provisions for negative margins the Group recognises against this heading, taking expenses for provisioned payments at 31 December 2023 and 2022 by their type in the accompanying consolidated income statement.

The heading "Change in impairment of receivables" for 2022 included an amount of Euros 16 million recorded for the recovery of an impairment recognised in 2019. In 2018, Consorcio Constructor Ductos del Sur, a customer of the subsidiary Elecnor Perú, S.A.C., after having terminated the construction contract as a result of the termination of the Gasoducto Sur Peruano contract, and having been subjected to an arbitration process, recognised a debt payable to Elecnor Perú, S.A.C. for USD 24 million with a principal maturity in 2021, borne by Odebrecht (a partner of the aforementioned Consorcio). In 2019, due to Odebrecht's financial difficulties, the Group's management did not consider that this amount was likely to be recovered, and booked an impairment in relation to this balance. In 2022, the Group reached an agreement whereby USD 16 million was collected and a write-off of USD 8 million was agreed. This resulted in an income of Euros 16 million being recorded in the income statement due to the reversal of impairment.

#### Finance income-

Finance income derives from the application of the effective interest rate method to financial assets in the category of financial assets at amortised cost.

#### Finance expenses-

Details of this item in the 2023 and 2022 consolidated income statements are as follows:

	Thousands of Euros	
	2023	2022 (*)
Financial expenses at amortised cost (Note 16)	24,534	10,958
Interest rate derivative finance expenses	(4,036)	1,133
Finance expenses from lease liabilities (Note 11)	3,417	2,361
Other finance expenses	3,817	4,811
Total	27,732	19,263

<sup>(\*)</sup> Restated figures, see Note 7.

Notes to the consolidated annual accounts

Finance expenses derive practically entirely from the application of the effective interest rate method to financial liabilities in the category of financial liabilities at amortised cost.

#### 24. Interests in Joint Ventures

In 2023 and 2022 the balance sheets and income statements of Temporary Business Associations (known in Spain as UTEs) and certain foreign entities considered to be a similar vehicle to a UTE (various kinds of joint ventures) (see Note 3.c) in which Electror Group holds interests were included in proportion to their shareholding in each joint operation, in accordance with IFRS 11.

As regards these vehicles, the Group's percentage ownership therein at 31 December 2023 and 2022, the amount of revenues from construction work performed in 2023 and 2022 and the order book at year end are included in Appendix II to these Consolidated Annual Accounts.

The contribution of these joint ventures to the various headings in the accompanying consolidated balance sheet and in the income statement at 31 December 2023 and 2022 are as follows:

ASSETS	Thousands	s of Euros	LIABILITIES	Thousand	s of Euros
ASSETS	2023	2022	LIADILITIES	2023	2022
Intangible assets	575	660	Profit/loss for the year	13,457	7,662
Property, plant and equipment	38,401	42,745			
Financial assets	1,338	1,341	Other non-current liabilities	7,151	11,322
Inventories	9,852	3,642	Current trade		
Receivables	65,932	80,477	payables	143,896	144,441
Temporary financial investments	3,152	(504)			
Cash	45,116	35,064			
Accruals	138	_			
Total	164,504	163,425	Total	164,504	163,425

	Thousand	s of Euros
Income statement	2023	2022
Net turnover	145,876	145,705
Materials consumed	(86,501)	(94,801)
Non-trading income	1,049	736
Personnel expenses	(15,252)	(10,572)
External services	(16,819)	(18,799)
Taxes	(1,792)	(815)
Losses, impairment and changes in trade provisions	715	3,873
Other operating expenses	42	(3)
Depreciation and amortisation charge	(11,925)	(11,718)
Impairment and profit/loss on disposal of fixed assets	(1)	(7)
Finance income	1,386	85
Finance expenses	(2,341)	(1,530)
Translation differences	(72)	(1,964)
Foreign taxes	(908)	(2,528)
Total	13,457	7,662

# 25. Order book

Details, by business line, of the order backlog of Elecnor Servicios y Proyectos, S.A.U. at 31 December 2023 and 2022, excluding Temporary Business Associations (Note 24), are as follows:

	Thousand	s of Euros
By geographical area	2023	2022
Domestic	687,941	589,546
International	688,443	864,997
Total	1,376,384	1,454,543
By line of business		
Electricity	448,651	719,213
Power generation	153,719	23,923
Telecommunications and space	301,097	265,470
Construction, environment and water	119,654	101,304
Maintenance	54,711	4,704
Facilities	23,303	52,762
Oil & Gas	97,560	103,907
Railways	177,689	183,260
Total	1,376,384	1,454,543

At 31 December 2023 the order backlog of the rest of the subsidiaries amounts to Euros 1,201,268 thousand (Euros 953,860 thousand in 2022) and mainly comprises work for companies in the electricity sector.

# 26. Information on the average supplier payment period. Final provision two of Law 31/2014 of 3 December 2014

Information on deferred payments to suppliers by consolidated Spanish companies is as follows:

	Days		
	2023	2022	
Average supplier payment period	59	59	
Transactions paid ratio	63	64	
Transactions payable ratio	44	40	
	Expressed in thousands of Euro		
Total payments made	1,391,750	1,248,539	
Total payments outstanding	291,013	333,507	

Information on invoices paid in a term shorter than the maximum period set out in the late payment regulations is as follows:

	2023	2022
Monetary volume paid in Euros (thousands of Euros)	711,282	540,093
Percentage of total monetary payments to suppliers	51%	43%
Number of invoices paid	227,951	152,408
Percentage of total number of invoices paid to suppliers	48%	32%

The payments to suppliers reflected in the above table are trade payables as they relate to goods and services. They therefore include "Trade and other payables - trade payables for purchases or services".

The above tables include the details concerning the Enerfín subgroup, reclassified as discontinued operations in 2023.

# 27. Information on employees

The average headcount, by professional category (not including joint ventures), in 2023 and 2022 was as follows:

Category	Average headcount	
	2023	2022
Management	161	161
Executive	1,513	1,396
Technician	5,185	4,861
Basic	16,119	16,542
Total	22,978	22,960

Of the Group's average workforce in 2023 and 2022, a total of 5,025 and 6,252 employees had temporary employment contracts, respectively.

Moreover, the breakdown by gender at the end of 2023 and 2022, specified by professional category, of staff and Directors, not including joint ventures, is as follows:

Category	31 Decem	31 December 2023		31 December 2022	
	Male	Female	Male	Female	
Directors	11	3	11	3	
Management	140	19	142	18	
Executive	1,270	261	1,184	225	
Technician	3,340	1,913	3,220	1,782	
Basic	14,828	791	14,900	876	
Total	19,589	2,987	19,457	2,904	

The average number of employees with a disability equal to or greater than 33%, by category, is as follows:

Category	2023	2022
Management	2	1
Executive	4	6
Technician	19	15
Basic	67	68
Total	92	90

The above tables include the details concerning the Enerfín subgroup, reclassified as discontinued operations in 2023.

# 28. Related party balances and transactions

### 28.1. Related party balances and transactions of the Group

Related party transactions have been carried out at arm's length. Transactions carried out by the Group with investees that are not fully or proportionately consolidated and with other non-consolidated companies during 2023 and 2022 are as follows:

	Thousands of Euros			
	2023		2022	
	Sales and other operating income	Finance income	Sales and other operating income	Finance income
Equity-accounted investees:	22	00		475
Gasoducto de Morelos, S.A.	23	98	_	475
Grupo Celeo Concesiones e Inversiones	-	948	78,037	-
Total	89,486	1,046	78,037	475

At 31 December 2023 and 2022, balances receivable from and payable to investees that are not fully or proportionately consolidated and other non-consolidated companies, deriving from the above transactions, are as follows:

	Thousands of Euros					
	2023			2022		
	Accounts	receivable	Accounts payable	Accounts	receivable	Accounts payable
	Other financial investment s (Note 14)	Trade receivables from related companies	Trade payables to associates and related companies	Other financial investment s (Note 14)	Trade receivables from related companies	Trade payables to associates and related companies
Equity-accounted investees:						
Dioxipe Solar, S.L.	_	4,782	_	_	2,328	_
Aries Solar Termoeléctrica, S.L.	_	6,288	_	_	2,553	_
Diego de Almagro Transmisora de Energía, S.A.	_	_	_	_	46	_
Gasoducto Morelos, S.A.P.I. de C.V.	_	_	_	4,437	174	_
Casablanca Transmisora de Energía, S.A.	_	2,288	_	_	4,489	_
Mataquito Transmisora de Energía, S.A.	_	2,271	_	_	8,147	_
Parintins Amazonas Transmissora de Energia, S.A.	_	6,557	_	_	_	_
Nirivilo Transmisora de Energía, S.A.	_	_	_	_	1,347	_
Celeo Apolo FV, S.L.	300	_	_	_	_	_
Other	18	927	38	_	257	7
	318	23,113	38	4,437	19,341	7

Notes to the consolidated annual accounts

Moreover, at 31 December 2023 and 2022 the Parent had an account payable to the Directors amounting to Euros 2,369 thousand and Euros 2,410 thousand, respectively, recorded under "Other current liabilities" in the Consolidated Balance Sheet.

#### 28.2. Remuneration of the Board of Directors

#### a) Remuneration and other benefits paid to the Board of Directors

In 2023 the members of the Parent's Board of Directors received remuneration amounting to Euros 5,404.6 thousand (Euros 4,809.8 thousand in 2022). This remuneration includes that earned in their capacity as management personnel.

The Parent has paid approximately Euros 4.7 thousand for life insurance arranged for former or current members of its Board of Directors in 2023 (Euros 4.5 thousand in 2022).

At 31 December 2023 and 2022, the Parent does not have any pension obligations with former or current members of the Governing Body nor has it extended any guarantees on their behalf or granted any advances or loans thereto.

At 31 December 2023, the Board of Directors of the Parent is formed by 14 individuals three of whom are female (14 members in 2022, three of whom are female).

At 31 December 2023 and 2022, the amount paid by the Parent with regard to public liability insurance for all or some of the directors in relation to damage caused due to acts or omissions in discharging their duties was not significant.

#### b) Conflicts of interest concerning the Directors-

The members of the Board of Directors of Elecnor, S.A. and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

# c) Transactions other than ordinary business or under terms differing from market conditions carried out by the Directors-

In 2023 and 2022 the Directors of the Parent have not carried out any transactions other than ordinary business or applying terms that differ from market conditions with the Company or any other Group company.

#### 28.3. Remuneration to the Management Team

In 2023, the Elecnor Group's Management Team received remuneration amounting to Euros 6,483 thousand (Euros 4,609 thousand in 2022).

The stated total remuneration includes fixed remuneration and annual variable remuneration.

At 31 December 2023 and 2022, the Parent does not have any material pension obligations with management nor has it extended any guarantees on their behalf or granted any advances or loans thereto.

#### 29. Audit fees

The fees for audit services and other services rendered in 2023 to Elecnor Group companies by PricewaterhouseCoopers Auditores, S.L. and the companies in its network (PwC), as well as those rendered by other audit firms, are presented below:

Denovintion	Thousands of	f Euros
Description	2023	2022(*)
Audit Services - Main auditor		
Spain	359	262
Remainder of countries	549	230
Other services		
Main auditor	55	126
Other companies in the main auditor network	160	143
Total	1,123	761

<sup>(\*)</sup> Formerly KPMG Auditores, S.L.

	Thousands of Euros		
Description	2023	2022(*)	
For audit services - Other firms	488	815	
Other services - Other firms	2,359	485	
Total	2,847	1,300	

<sup>(\*)</sup> Formerly KPMG Auditores, S.L.

The heading "Audit Services - Main auditor" includes the fees corresponding to the audit of the Individual and Consolidated Annual Accounts of Elecnor, S.A. and the companies that make up the Group.

The heading "Other services" provided by PricewaterhouseCoopers Auditores, S.L. and other firms associated with the PwC brand in 2023 amounted to Euros 215 thousand (Euros 269 thousand in 2022 provided by KPMG Auditores, S.L. and other associated firms). Of these other services, those provided to the Group by PricewaterhouseCoopers Auditores, S.L., other than the audit of accounts, amounted to Euros 55 thousand and correspond to the limited review of interim financial statements. In the previous year, the services provided to the Group by KPMG Auditores, S.L. other than the audit of accounts corresponded to verification services amounting to Euros 105 thousand corresponding to the limited review of interim financial statements and agreed procedures on ICSFR, as well as other services amounting to Euros 21 thousand and relating mainly to reports on agreed procedures on compliance with financial ratios.

In addition, fees provided during 2023 by other companies in the PwC network as a result of verification and other services rendered to the Group amounted to Euros 79 thousand and Euros 81 thousand respectively (Euros 40 thousand and Euros 103 thousand respectively in 2022 rendered by other companies in the KPMG network).

# 30. Earnings per share

Details of basic earnings per share in 2023 and 2022 are as follows:

	2023	2022
Attributable net profit (thousands of Euros)	110,058	102,813
Total number of shares outstanding	87,000,000	87,000,000
Less – own shares (Note 15.d)	(2,299,529)	(2,322,384)
Weighted average number of shares outstanding	84,700,471	84,677,616
Basic earnings per share (Euros)	1.30	1.21
Basic earnings per share from continuing operations (Euros)	0.83	0.69
Basic earnings per share from discontinued operations (Euros)	0.47	0.53

At 31 December 2023 and 2022 Elecnor, S.A., the Parent of the Elecnor Group, has not issued any financial instruments or other contracts entitling the holder to receive ordinary shares from the Company. and therefore diluted earnings per share coincide with basic earnings per share.

#### 31. Environmental information

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, it 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", the Elecnor Group 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 2023. These guiding principles 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.

Notes to the consolidated annual accounts

- 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.
- Verification of the GHG emissions inventory using the methodology established by the GHG Protocol and applying the principles established in the document "The Corporate Value Chain (Scope 3), Accounting and Reporting standard".
- Obtaining the "Calculo y Reduzco" seal awarded by the Spanish Office for Climate Change (OECC).
- Taking part in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change. In 2023, the Elecnor Group upheld the score of A- achieved in 2022, 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 (SBTi) 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 by the initiative.
- Review of its analysis of climate-related risks and opportunities following the recommendations of the TCFD, broadening and enhancing the analysis of risks and opportunities carried out the previous year, covering a wider range of activities, increasing the coverage of scenarios used and analysing a wider and more varied range of risks and opportunities.

The Committed to the environment chapter of the Non-Financial Information section of the Directors' Report accompanying these accounts outlines the goals, strategies and all the initiatives implemented in 2023 in relation to the Group's Climate Action and Environmental Performance.

## 32. Other disclosures

This Note sets out the main projects of the concession business (of the Enerfín group, which is fully consolidated and was classified as held for sale in 2023, and of the Celeo group, which is accounted for using the equity method) with their EBITDA (Gross Operating Profit) and the debt backed by these projects (in thousands of Euros):

				20	23			
GRUPO CELEO Concesiones e Inversiones		EBITDA (*)	Gross debt	Cash	Net debt	Km	Mw	% shareholdin
REDES BRASIL	<del></del>							g (**)
Celeo Redes Transmissão de Energia, S.A.	(2)	26,486	66,354	10,958	55,396	-	-	51%
cores reacs transmisses at Energia, on a		26,486	66,354	10,958	55,396	_	_	
Lt Triângulo, S.A.	(1)	18,717	-	3,068	(3,068)	695	_	51%
Vila Do Conde Transmissora de Energia, S.A.	(1)	9,045	-	5,843	(5,843)	324	-	51%
Pedras Transmissora de Energia, S.A.	(1)	2,958	246	1,361	(1,115)	357	-	51%
	(1)	1,187	197	884		453	_	51%
Coqueiros Transmissora de Energia, S.A. Encruzo Novo Transmissora De Energia, S.A.	(1)	2,695	2,432	1,020	(687) 1,412	220	_	51%
Linha De Transmissão Corumbá, S.A.	(1)	5,326	4,786	2,464	2,322	279		51%
•	(1)	8,176	7,640			365	_	26%
Integração Maranhense Tranmissora de Energia, S.A.				2,687	4,953			
Caiuá Transmissora De Energia, S.A.	(1)	4,419	5,426	4,387	1,039	142	-	26%
Cantareira Transmissora de Energia, S.A.	(1)	23,238	84,631	11,992	72,639	342	-	26%
Serra De Ibiapa Transmissora de Energia, S.A. – SITE	(1)	18,332	168,531	13,206	155,325	366	-	51%
Brilhante Transmissora de Energia, S.A.	(1)	9,531	32,715	5,263	27,452	581	-	51%
Jaurú Transmissora de Energia, S.A.	(1)	12,625	20,245	5,186	15,059	940	-	34%
Cachoeira Paulista Transmissora de Energia, S.A.	(1)	11,007	42,757	17,197	25,560	181	-	25.50%
Parintins Amazonas Transmissora de Energia, S.A.	(1)	16,654	191,570	2,477	189,093	240	-	25.50%
Parmums Amazonas Transmissora de Energia, S.A.		143,910	561,176	77,035	484,141	5,485	_	
REDES CHILE		-	-	-	-			
Celeo Redes Operación Chile, S.A.	(2)	22,217	476,867	19,400	457,467	-	-	51%
CRC Transmisión, SpA	(2)	17,264	237,581	10,872	226,709	-	-	25.50%
CKC Transmision, 3pA		39,481	714,448	30,272	684,176	_	_	
Nightle Transmission de Francés C A	(1)	(97)	-	46	(46)	115	_	51%
Nirivilo Transmisora de Energía, S.A. Alto Jahuel Transmisora de Energía, S.A.	(1)	26,720	_	1,947	(1,947)	256	_	51%
Charrúa Transmisora de Energía, S.A.	(1)	18,121	_	1,755	(1,755)	198	_	51%
	(1)	1,412	3,877	·		110	_	25.50%
Casablanca Transmisora de Energía, S.A.				7,650	(3,773)			
Mataquito Transmisora de Energía, S.A.	(1)	1,384	141	612	(471)	387	_	25.50%
Diego de Almagro Transmisora de Energía, S.A.	(1)	8,803	-	999	(999)	52	-	25.50%
Celeo Redes Chile Expansión, SpA	(1)	1,571	21,741	414	21,327	-	-	51%
Alfa Transmisora de Energía, S.A.	(1)	76,771	943,531	35,547	907,984	899	-	10.20%
Transquillota Electrica de Quillota Limitada	(1)	1,662	_	174	(174)	8	_	10.20%
	(-)	136,347	969,290	49,144	920,146	2,025		
REDES PERÚ								
Puerto Maldonado Transmisora de Energía, S.A.C.		(209)	24,177	1,981	22,196	432	-	51%
·		(209)	24,177	1,981	22,196	432	_	
REDES ESPAÑA								
Celeo Redes, S.L.	(2)	28,614	4,264	700	3,564	-	-	51%
		28,614	4,264	700	3,564	-	-	
SPAIN RENEWABLES								
Celeo Fotovoltaico, S.L.U.	(1)	5,135	29,423	3,322	26,101	-	15	51%
Dioxipe Solar, S.L.	(1)	18,468	155,170	8,743	146,427	-	50	49.76%
Aries Solar Termoelectrica, S.L.	(1)	38,049	311,133	9,641	301,492	-	100	51%
BRAZIL RENEWABLES								
Celeo São João Do Piaui FV I, S.A. (6)	(1)	5,272	68,429	4,133	64,296	-	180	51%
		66,924	564,155	25,839	538,316	_	345	
OTHER	(2)	70,615	-	78,181	-	-	-	
		70,615	_	78,181	_	_	_	
TOTAL		512,168	2,903,864	274,110	2,707,935	7,942	345	

<sup>(\*)</sup> Excluding IFRS and IFRIC 12 (EBITDA excluding IFRIC 12 impact best reflects the cash flow generation capacity of each project) (\*\*) % Attributed to Elecnor Group

<sup>(1)</sup> Operational project vehicle companies(2) Holding companies

GRUPO CELEO Concesiones e Inversiones  REDES BRASIL Celeo Redes Transmissão de Energia, S.A. (1) Celeo Redes Transmissora de Energia, S.A. (1) Cedras Transmissora de Energia, S.A. (1) Coqueiros Transmissora de Energia, S.A. (1) Encruzo Novo Transmissora De Energia, S.A. (1) Linha De Transmissão Corumbá, S.A. (1) Integraçao Maranhense Tranmissora de Energia, S.A. Caiuá Transmissora De Energia, S.A. Caiuá Transmissora de Energia, S.A. (1) Serra De Ibiapa Transmissora de Energia, S.A. (1) Cachoeira Paulista Transmissora de Energia, S.A. Carantare Transmissora de Energia, S.A. (1) Cachoeira Paulista Transmissora de Energía, S.A. (1) Cachoeira Paulista Transmisora de Energía, S.A. (1)	2,668 1,069 2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	Gross debt  60,357  60,357	Cash  1,491 4,050 6,257 3,312 467 601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599  128,838  27,312 4,616 31,928	58,866 58,866 (4,050) (6,257) (2,078) 37 2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117  478,122 176,805	324 	Mw	% sharehoding (**) 51% 51% 51% 51% 51% 51% 51% 51% 26% 26% 51% 34% 25.50%
Celeo Redes Transmissão de Energia, S.A.  Lt Triângulo, S.A. Vila Do Conde Transmissora de Energia, S.A. Pedras Transmissora de Energia, S.A. Coqueiros Transmissora de Energia, S.A. Linha De Transmissora De Energia, S.A. Linha De Transmissora Corumbá, S.A. Linha De Transmissora de Energia, S.A. Linha De Transmissora de Energia, S.A. Caiuá Transmissora De Energia, S.A. Caiuá Transmissora De Energia, S.A. Cantareira Transmissora de Energia, S.A. Carra De Ibiapa Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energia, S.A. Parintins Amazonas Transmissora de Energia, S.A. Parintins Amazonas Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energía, S.A. Cachoeira Paulista Transmisora de Energía, S.	24,657 20,934 9,009 2,668 1,069 2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	60,357  1,234 504 3,013 5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 547,954	1,491 4,050 6,257 3,312 467 601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 128,838 27,312 4,616	58,866 (4,050) (6,257) (2,078) 37 2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117	324 		51% 51% 51% 51% 51% 26% 26% 26% 51% 34% 25.50%
Lt Triângulo, S.A.  Vila Do Conde Transmissora de Energia, S.A.  Pedras Transmissora de Energia, S.A.  Coqueiros Transmissora de Energia, S.A.  Encruzo Novo Transmissora De Energia, S.A.  Linha De Transmissão Corumbá, S.A.  Lintegraçao Maranhense Tranmissora de Energia, S.A.  Caiuá Transmissora De Energia, S.A.  Caiuá Transmissora de Energia, S.A.  Serra De Ibiapa Transmissora de Energia, S.A.  Parintins Transmissora de Energia, S.A.  Parintins Amazonas Transmissora de Energia, S.A.  Parintins Amazonas Transmissora de Energia, S.A.  REDES CHILE  Celeo Redes Operación Chile, S.A.  Carbaria Transmisora de Energía, S.A.  Alto Jahuel Transmisora de Energía, S.A.  (1)  (2)  (2)  Alto Jahuel Transmisora de Energía, S.A.  (1)  (2)  (3)  (4)  (5)  (6)  (7)  (7)  (8)  (8)  (9)  (1)  (1)  (1)  (1)  (2)  (2)  (3)  (4)  (4)  (5)  (6)  (6)  (7)  (7)  (8)  (8)  (9)  (1)  (1)  (1)  (1)  (2)  (2)  (3)  (4)  (4)  (5)  (6)  (6)  (7)  (7)  (8)  (8)  (9)  (9)  (1)  (1)  (1)  (1)  (2)  (2)  (1)  (2)  (3)  (4)  (4)  (5)  (6)  (6)  (7)  (7)  (8)  (8)  (9)  (9)  (1)  (1)  (1)  (1)  (1)  (2)  (2)  (2	24,657 20,934 9,009 2,668 1,069 2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	60,357  1,234 504 3,013 5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 547,954	1,491 4,050 6,257 3,312 467 601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 128,838 27,312 4,616	58,866 (4,050) (6,257) (2,078) 37 2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117	324 		51% 51% 51% 51% 51% 26% 26% 26% 51% 34% 25.50%
Vila Do Conde Transmissora de Energia, S.A.  Pedras Transmissora de Energia, S.A. Coqueiros Transmissora de Energia, S.A. Cincruzo Novo Transmissora De Energia, S.A. Linha De Transmissão Corumbá, S.A. Linha De Transmissão Corumbá, S.A. Cintegraçao Maranhense Tranmissora de Energia, S.A. Caiuá Transmissora De Energia, S.A. Caiuá Transmissora De Energia, S.A. Cartareira Paulista Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energia, S.A. Carintins Amazonas Transmissora de Energia, S.A. Cartareira Paulista Transmissora de Energia, S.A. Cartareira Transmisora de Energia, S.A. Cartareira Transmisión, SpA  Alto Jahuel Transmisora de Energía, S.A. Casablanca Transmisora de Energía, S.A.	20,934 9,009 2,668 1,069 2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	1,234 504 3,013 5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	4,050 6,257 3,312 467 601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 128,838 27,312 4,616	(4,050) (6,257) (2,078) 37 2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117	324 		51% 51% 51% 51% 51% 26% 26% 51% 34% 25.50%
Vila Do Conde Transmissora de Energia, S.A.  Pedras Transmissora de Energia, S.A. Coqueiros Transmissora de Energia, S.A. Encruzo Novo Transmissora De Energia, S.A. Linha De Transmissão Corumbá, S.A. Linha De Transmissão Corumbá, S.A. Caiuá Transmissora de Energia, S.A. Caiuá Transmissora De Energia, S.A. Cantareira Transmissora de Energia, S.A. Cartareira Transmissora de Energia, S.A. Cartareira Transmissora de Energia, S.A. Cartareira Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energía, S.A. Cachoeira Paulista Transmisora de Energía, S.A. Cachoeira Paulista	9,009 2,668 1,069 2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	504 3,013 5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	6,257 3,312 467 601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 128,838 27,312 4,616	(6,257) (2,078) 37 2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117	324 		51% 51% 51% 51% 51% 26% 26% 51% 34% 25.50%
Pedras Transmissora de Energia, S.A.  Coqueiros Transmissora de Energia, S.A. Encruzo Novo Transmissora De Energia, S.A. Linha De Transmissão Corumbá, S.A. Linha De Transmissora de Energia, S.A. Caiuá Transmissora De Energia, S.A. Caiuá Transmissora De Energia, S.A. Carra De Ibiapa Transmissora de Energia, S.A. Cachoeira De Ibiapa Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energía, S.A. Cachoeira Paulista Transmisora de Energía, S.A. Cachoeira Paulista Transmis	2,668 1,069 2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	504 3,013 5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	3,312 467 601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	(2,078) 37 2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 <b>419,117</b>		- - - - - -	51% 51% 51% 51% 26% 26% 51% 51% 34% 25.50%
Coqueiros Transmissora de Energia, S.A. Encruzo Novo Transmissora De Energia, S.A. Linha De Transmissão Corumbá, S.A. Linha De Transmissora de Energia, S.A. Caiuá Transmissora De Energia, S.A. Caiuá Transmissora De Energia, S.A. Cartareira Transmissora de Energia, S.A. Cartareira De Ibiapa Transmissora de Energia, S.A. Cachoeira De Ibiapa Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energia, S.A. Carintins Amazonas Transmissora de Energia, S.A. Carintins Amazonas Transmissora de Energia, S.A. Cachoeira Paulista Transmissora de Energia, S.A. Carintins Amazonas Transmissora de Energia, S.A. Cartareira Transmisión, SpA  Alto Jahuel Transmisora de Energía, S.A. Casablanca Transmisora de Energía, S.A.	1,069 2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	504 3,013 5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	467 601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	37 2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117	65 220 279 365 142 342 366 581 940 181 240	- - - - - -	51% 51% 51% 26% 26% 51% 51% 34% 25.50%
incruzo Novo Transmissora De Energia, S.A. inha De Transmissão Corumbá, S.A. integração Maranhense Tranmissora de inergia, S.A. iaiuá Transmissora De Energia, S.A. iaiurú Transmisión, SpA iaiurú Transmisión de Energía, S.A. iaiurú Transmisora de Energía, S.A. iaiur	2,301 5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	3,013 5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	601 1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 128,838 27,312 4,616	2,412 4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117	220 279 365 142 366 581 940 181 240 <b>4,740</b>		51% 51% 26% 26% 26% 51% 34% 25.50%
inha De Transmissão Corumbá, S.A.  Integração Maranhense Tranmissora de Energia, S.A.  Zaiua Transmissora De Energia, S.A.  Zaiua Transmissora De Energia, S.A.  Zaiua Transmissora de Energia, S.A.  Zaira De Ibiapa Transmissora de Energia, S.A.  Zairihante Transmissora de Energia, S.A.  Zachoeira Paulista Transmissora de Energia, S.A.  Zarintins Amazonas Transmissora de Energía, S.A.  Zarintins Amazonas Transmisora de Energía, S.A.	5,062 6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	5,898 9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	1,215 5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 128,838 27,312 4,616	4,683 3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 <b>419,117</b>	279 365 142 342 366 581 940 181 240 <b>4,740</b>		51% 26% 26% 26% 51% 34% 25.50%
ntegração Maranhense Tranmissora de Energia, S.A. Caiuá Transmissora De Energia, S.A. Cantareira Transmissora de Energia, S.A. Cerra De Ibiapa Transmissora de Energia, S.A. Cerra Paulista Transmissora de Energia, Cerra De Ibiapa Cerra	6,026 4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	9,433 6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	5,963 3,971 20,066 18,522 5,245 5,965 19,605 33,599 128,838 27,312 4,616	3,470 2,410 65,579 136,163 23,936 17,600 24,327 150,885 419,117	365 142 342 366 581 940 181 240  4,740		26% 26% 26% 51% 51% 34% 25.50%
Energia, S.A. Caiuá Transmissora De Energia, S.A. Caiuá Transmissora De Energia, S.A. Cantareira Transmissora de Energia, S.A. Carra De Ibiapa Transmissora de Energia, S.A. Carra De Ibiapa Transmissora de Energia, S.A. Carrintina Transmissora de Energia, S.A. Carrintins Amazonas Transmissora de Energia, S.A. Carrintins Amazonas Transmissora de Energia, S.A. Carra CREDES CHILE Celeo Redes Operación Chile, S.A. CRC Transmisión, SpA  Alto Jahuel Transmisora de Energía, S.A. Charrúa Transmisora de Energía, S.A. Casablanca Transmisora de Energía, S.A.	4,108 21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	6,381 85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	3,971 20,066 18,522 5,245 5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	2,410 65,579 136,163 23,936 17,600 24,327 150,885 <b>419,117</b>	142 342 366 581 940 181 240 <b>4,740</b>		26% 26% 51% 51% 34% 25.50%
Caiuá Transmissora De Energia, S.A.  Cantareira Transmissora de Energia, S.A.  Gerra De Ibiapa Transmissora de Energia, S.A.  SETTE  STITE  Sarilhante Transmissora de Energia, S.A.  (1)  Cachoeira Paulista Transmissora de Energia, S.A.  Carintins Amazonas Transmissora de Energia, S.A.  Carintins Amazonas Transmissora de Energia, S.A.  CREDES CHILE  Celeo Redes Operación Chile, S.A.  CRC Transmisión, SpA  (2)  Alto Jahuel Transmisora de Energía, S.A.  (1)  Casablanca Transmisora de Energía, S.A.  (1)  (1)  (1)  (1)  (1)  (1)  (1)  (2)  (2	21,838 16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	85,645 154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	20,066 18,522 5,245 5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	65,579 136,163 23,936 17,600 24,327 150,885 <b>419,117</b>	342 366 581 940 181 240 <b>4,740</b>		26% 51% 51% 34% 25.50%
Serra De Ibiapa Transmissora de Energia, S.A.  - SITE Brilhante Transmissora de Energia, S.A. (1) Cachoeira Paulista Transmissora de Energia, S.A. Parintins Amazonas Transmissora de Energia, S.A.  CREDES CHILE Celeo Redes Operación Chile, S.A. CRC Transmisión, SpA  Alto Jahuel Transmisora de Energía, S.A. Charrúa Transmisora de Energía, S.A. Casablanca Transmisora de Energía, S.A. (1)	16,894 9,335 11,697 11,939 (28) 122,852 42,767 14,562 57,329	154,685 29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	18,522 5,245 5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	136,163 23,936 17,600 24,327 150,885 <b>419,117</b>	366 581 940 181 240 <b>4,740</b>	_ _ _	51% 51% 34% 25.50%
Serra De Ibiapa Transmissora de Energia, S.A.  - SITE  Brilhante Transmissora de Energia, S.A.  Cachoeira Paulista Transmissora de Energia, S.A.  Parintins Amazonas Transmissora de Energia, S.A.  Cachoeira Paulista Transmissora de Energia, S.A.  Parintins Amazonas Transmissora de Energia, S.A.  CELEC CHILE  CELEC Redes Operación Chile, S.A.  CERC Transmisión, SpA  Alto Jahuel Transmisora de Energía, S.A.  Charrúa Transmisora de Energía, S.A.  Casablanca Transmisora de Energía, S.A.  (1)  (2)  (2)  (3)  (4)  (4)  (5)  (6)  (6)  (7)  (7)	9,335 11,697 11,939 (28) <b>122,852</b> 42,767 14,562 <b>57,329</b>	29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	5,245 5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	23,936 17,600 24,327 150,885 <b>419,117</b> 478,122	581 940 181 240 <b>4,740</b>	_ _ _	51% 34% 25.50%
- SITE Brilhante Transmissora de Energia, S.A. (1) Cachoeira Paulista Transmissora de Energia, S.A. (1) Cachoeira Paulista Transmissora de Energia, S.A. (1) Carintins Amazonas Transmissora de Energia, S.A. (1) CREDES CHILE Celeo Redes Operación Chile, S.A. (2) CRC Transmisión, SpA (2) Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	9,335 11,697 11,939 (28) <b>122,852</b> 42,767 14,562 <b>57,329</b>	29,181 23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	5,245 5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	23,936 17,600 24,327 150,885 <b>419,117</b> 478,122	581 940 181 240 <b>4,740</b>	_ _ _	51% 34% 25.50%
Auto Transmissora de Energia, S.A. (1) Cachoeira Paulista Transmissora de Energia, S.A. (1) Cachoeira Paulista Transmissora de Energia, S.A. Carintins Amazonas Transmissora de Energia, S.A. (1) CEREDES CHILE Celeo Redes Operación Chile, S.A. (2) CRC Transmisión, SpA (2) CRC Transmisión, SpA (2) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	11,697 11,939 (28) <b>122,852</b> 42,767 14,562 <b>57,329</b>	23,565 43,932 184,483 <b>547,954</b> 505,434 181,421	5,965 19,605 33,599 <b>128,838</b> 27,312 4,616	17,600 24,327 150,885 <b>419,117</b> 478,122	940 181 240 <b>4,740</b>	_ _	34% 25.50%
Cachoeira Paulista Transmissora de Energia, (1) 6.A. Parintins Amazonas Transmissora de Energia, (1) 6.A.  CREDES CHILE Celeo Redes Operación Chile, S.A. (2) CRC Transmisión, SpA (2)  Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	11,939 (28) <b>122,852</b> 42,767 14,562 <b>57,329</b>	43,932 184,483 <b>547,954</b> 505,434 181,421	19,605 33,599 <b>128,838</b> 27,312 4,616	24,327 150,885 <b>419,117</b> 478,122	181 240 <b>4,740</b>	_	25.50%
Alto Jahuel Transmisora de Energía, S.A.  Charrúa Transmisora de Energía, S.A.	(28)  122,852  42,767 14,562  57,329	184,483 <b>547,954</b> 505,434 181,421	33,599 <b>128,838</b> 27,312 4,616	150,885 <b>419,117</b> 478,122	240 <b>4,740</b>		
Parintins Amazonas Transmissora de Energia, S.A.  REDES CHILE Celeo Redes Operación Chile, S.A. (2) CRC Transmisión, SpA (2) Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	122,852 42,767 14,562 57,329	<b>547,954</b> 505,434 181,421	27,312 4,616	<b>419,117</b> 478,122	4,740	_ 	25.50%
REDES CHILE Celeo Redes Operación Chile, S.A. (2) CRC Transmisión, SpA (2) Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	122,852 42,767 14,562 57,329	<b>547,954</b> 505,434 181,421	27,312 4,616	<b>419,117</b> 478,122	4,740	_ 	25.50%
Celeo Redes Operación Chile, S.A. (2) CRC Transmisión, SpA (2)  Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	42,767 14,562 <b>57,329</b>	505,434 181,421	27,312 4,616	478,122	_	_	
Celeo Redes Operación Chile, S.A. (2) CRC Transmisión, SpA (2)  Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	14,562 <b>57,329</b>	181,421	4,616		_	_	
CRC Transmisión, SpA (2)  Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	14,562 <b>57,329</b>	181,421	4,616		_	_	
CRC Transmisión, SpA (2)  Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	14,562 <b>57,329</b>	181,421	4,616				51%
Alto Jahuel Transmisora de Energía, S.A. (1) Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	,	686,855	24.020		_	_	25.50%
Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	,	000,033		654,927	_	_	
Charrúa Transmisora de Energía, S.A. (1) Casablanca Transmisora de Energía, S.A. (1)	21,581	(4.242)	•	,			E4.0/
Casablanca Transmisora de Energía, S.A. (1)	16 000	(1,212)	7,374	(8,586)		_	51%
		1,491	7,003	(7,003)		_	51% 25.50%
		1,491	3,231 1,099	(1,740) 869	110 387		25.50%
Diago do Almagra Transmisora do Enorgía		1,909	·				
S.A.	4,521	_	637	(637)	52	_	25.50%
Alfa Transmisora de Energía, S.A. (1)	64,097	979,196	54,447	924,749	899	_	10.20%
Fransquillota Electrica de Quillota Limitada (1)	2,234	· –	2,529	,	8	_	10.20%
	110,945	981,444	76,320	907,652	1,910	_	
REDES PERÚ							
Juanto Maldonado Transmisora do Energía							
S.A.C. (1)	(186)	4,086	70	4,016	162	_	51%
	(186)	4,086	70	4,016	162	_	
REDES ESPAÑA							
Celeo Redes, S.L. (1)	(81)	4,284	195	4,089	_	_	51%
	(81)	4,284	195	4,089	_	_	
SPAIN RENEWABLES							
Celeo Fotovoltaico, S.L.U. (1)	5,725	30,942	4,906	26,036	_	15	51%
Dioxipe Solar, S.L. (1)	16,864	157,062	12,888	144,174	_	50	49.76%
Aries Solar Termoelectrica, S.L. (1)	30,791	325,533	18,731	306,802	_	100	51%
BRAZIL RENEWABLES							
Celeo São João Do Piaui FV I, S.A. (6) (1)		69,685	4,437	65,248	_	180	51%
	61,994	583,222	40,962	542,260	_	345	
OTHER (2)	53,240	_	55,083	_	_	_	-
	53,240	_	55,083	_	_	_	
TOTAL	430,750	2,868,202	334,887	2,590,927	6,812	345	
(*) Excluding IFRS and IFRIC 12 (EBITDA excluding			,		,		

	2023					
Enerfín subgroup	EBITDA (*)	Gross debt	Cash	Net debt	Mw	% shareholding
National Projects:						
Eólica Montes del Cierzo, S.L.	3,886		1,242	1,242	60	100%
Eólica Páramo de Poza, S.A.	4,365		1,497	1,497	100	70%
Parque Eólico Malpica, S.A.	3,190				17	96%
Aerogeneradores del Sur, S.A.	7,495		588	588	54	100%
Galicia Vento, S.L.	6,118		1,105	1,105	128	91%
Parque Eólico Cofrentes, S.L.U. Renovables del Cierzo, S.L.U.	4,317 (16)	0,781) (127,261)	4,609 8,242	6,172) (119,019)	50 139	100% 100%
Cobertura de precio energía contrata por Enerfín Sociedad de Energía, S.L.	4,662	7,961)	3,636	5,675	_	-
Brazil projects:						
Ventos do Sul, S.A.	0,953	2,214) (2	1 1,614	0,600) (1	150	80%
Parques Eólicos Palmarés, S.A.	6,312	9,731)	5,047	4,684)	58	90%
Ventos da Lagoa, S.A.	5,384	0,463)	2,114	8,349)	58	90%
Ventos do Litoral Energia, S.A.	4,617	0,518) (1	5,356	5,162)	58	90%
Ventos dos Índios Energia, S.A.	2,551	4,230) (1	3,641	0,589)	53	90%
Ventos do São Fernando I Energia, S.A.	2,217	7,282) (4	2,260	5,022) (4	76	100%
Ventos do São Fernando II Energia, S.A. Ventos do São Fernando III Energia,	3,121	9,153) (3	1,864	7,289) (3	73	100%
S.A.		4,934) (1	4,078	0,856) (1	24	100%
Ventos do São Fernando IV Energía, S.A.	3,146	5,442) (4	3,784	1,658) (4	83	100%
Canada Projects:						
Éoliennes de L'Érable, SEC.	9,558	3,348) (11	6,019	7,329) (10	100	51%
Colombia Project:						
Parque Solar Portón, S.A.S.	1,698	(63,236)	13,548	(49,688)	129	100%
Structure		_	9,211	9,211		-
Developments and other investees.		_	0,289	0,289	324	-
	5,047	(56 6,554)	0,708	(45 5,846)	1,734	

	2022						
Enerfín subgroup	EBITDA (*)	Gross debt	Cash	Net debt	Mw	% shareholding	
National Projects:							
Eólica Montes del Cierzo, S.L. Eólica Páramo de Poza, S.A. Parque Eólico Malpica, S.A. Aerogeneradores del Sur, S.A.	15,529 14,825 9,370 20,911	_ _ _ (3,671)	1,607 1,067	1,607 1,067	60 100 17 54	100% 70% 96% 100%	
Galicia Vento, S.L.	44,160	(8,565)		1,083)	128	91%	
Parque Eólico Cofrentes, S.L.U. Renovables del Cierzo, S.L.U.	8,853 (20)	(57,950) (52,000)	6,741	(51,209) (49,605)	50 139	100% 100%	
Cobertura de precio energía contrata por Enerfín Sociedad de Energía, S.L.	(46,235)	(21,579)	1,544	(20,035)	_	-	
Brazil projects:							
Ventos do Sul, S.A.	31,155	(30,513)	9.313	1,200) (2	150	80%	
Parques Eólicos Palmarés, S.A.	6,465	(11,038)		7,362)	58	80%	
Ventos da Lagoa, S.A.	5,484	(11,787)	2.218	9,569)	58	80%	
Ventos do Litoral Energia, S.A.	4,692	(11,757)		7,959)	58	80%	
Ventos dos Índios Energia, S.A.	2,854	(15,205)	, ·	2,179) (1	53	80%	
Ventos do São Fernando I Energia, S.A.	3,072	(46,014)		2,874) (4	76	100%	
Ventos do São Fernando II Energia, S.A.	6,379	(39,524)	4,062	5,462) (3	73	100%	
Ventos do São Fernando III Energia, S.A.	1,878	(15,031)	4,513	(10,518)	24	100%	
Ventos do São Fernando IV Energía, S.A.	2,878	(45,692)		(40,257)	83	100%	
Canada Projects:							
Éoliennes de L'Érable, SEC.	25,630	(124,775)	6,645	(118,130)	100	51%	
Structure	(161)	_	2,579	2,579	_	-	
Developments and other investees.	(3,229)		7,749	7,779	271		
	154,490	(495,101)	0,184 8	(41 4,918)	1,552		

<sup>(\*)</sup> EBITDA as defined in Note 16.

# 33. Events after the reporting period

Subsequent to year-end, an Extraordinary Shareholders' Meeting was held on 24 January 2024, approving the sale of 100% of Enerfín's share capital to the Norwegian company Statkraft European Wind and Solar Holding AS, as explained in Note 7 "Non-current assets (disposal groups) held for sale and discontinued operations" of these Notes to the Annual Accounts.

At the date of authorisation for issue of these Consolidated Annual Accounts, no significant events have occurred after the close of year-end 2023 that could alter or have any effect on the financial statements for the period ended 31 December 2023.

# Appendix I: Company information

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
Fully consolida	ted method				
ELECNOR, S.A.					
	Elecdal, URL	ALGERIA	Construction and assembly	100.00%	100.00%
	Elecnor Cameroun Société Anonyme	CAMEROON	Construction and assembly	100.00%	100.00%
	Elecnor Servicios y Proyectos, S.A.U.	SPAIN	A broad range of business activities	100.00%	100.00%
	Enerfín Sociedad de Energía, S.L.U.	SPAIN	Management and administration of companies	100.00%	100.00%
<b>ELECNOR SERVICIOS</b> Y PROYECTOS, S.A.U.					
	Aplicaciones Técnicas de la Energía, S.L. (ATERSA)	SPAIN	Solar energy	100.00%	100.00%
	Area 3 Equipamiento y Diseño Interiorismo, S.L.U.	SPAIN	Interior design	100.00%	100.00%
	Audeca, S.L.U.	SPAIN	Environmental restoration and reforestation and operation of roads	100.00%	100.00%
	Central Solar de Muantaia, S.A.(****)	MOZAMBIQUE	Development and promotion of new projects related to solar energy generation	100.00%	-
	Deimos Space, S.L.U.	SPAIN	Analysis, engineering and development of space missions and software	100.00%	100.00%
	Ehisa Construcciones y Obras, S.A.U.	SPAIN	Construction and assembly	100.00%	100.00%
	Elecdor, S.A.	ECUADOR	Construction and assembly	100.00%	100.00%
	Elecen, S.A.	HONDURAS	Construction and assembly	100.00%	100.00%
	Elecnor Argentina, S.A.	ARGENTINA	Construction and assembly	100.00%	100.00%
	Elecnor Australia PTY LTD	AUSTRALIA	Management and administration of companies	100.00%	100.00%
	Elecnor Chile, S.A.	CHILE	Construction and assembly	100.00%	100.00%
	Elecnor Côte D'Ivoire, S.A.	IVORY COAST	Construction and assembly	100.00%	100.00%
	Elecnor de Mexico, S.A.	MEXICO	Construction and assembly	100.00%	100.00%
	Elecnor Do Brasil, L.T.D.A.	BRAZIL	Construction and assembly	100.00%	100.00%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
	Elecnor Energie und Bau, GmbH	GERMANY	A broad range of business activities in the areas of engineering, development, construction, assembly, repairs and maintenance of all types of works, installation work of any kind, particularly in energy efficiency and renewable energies.	-	100.00%
	Elecnor Infrastrutture e Aerospaziale, S.R.L.	ITALY	Construction and assembly	100.00%	100.00%
	Elecnor Infrastrutture, LLC	OMAN	Construction and maintenance	100.00%	100.00%
	Elecnor Perú, S.A.C.	PERU	Construction and assembly	100.00%	100.00%
	Elecnor Philippines Corporation	PHILIPPINES	A broad range of business activities	100.00%	100.00%
	Elecnor Seguridad, S.L.U.	SPAIN	Installation and maintenance of fire prevention and safety systems	100.00%	100.00%
	Elecnor Senegal, SASU	SENEGAL	Construction and assembly	100.00%	100.00%
	Elecnor, INC.	USA	Facilities	100.00%	100.00%
	Elecred Servicios, S.A.U.	SPAIN	Rendering of all manner of services, and development, administration and management of companies	100.00%	100.00%
	Electrolineas del Ecuador, S.A.	ECUADOR	Construction and assembly	100.00%	100.00%
	Elecven Construcciones, S.A.	VENEZUELA	Construction and assembly	99.88%	99.88%
	ELEDEPA, S.A.	PANAMA	A broad range of business activities	100.00%	100.00%
	Enertel, S.A. de C.V.	MEXICO	Construction and assembly	99.99%	99.99%
	Guercif Solar Farm, S.A.R.L.(****)	MOROCCO	Production, transmission and distribution of electricity	100.00%	-
	Hidroambiente, S.A.U.	SPAIN	Environmental activities	100.00%	100.00%
	IDDE, S.A.U.	SPAIN	Sales	100.00%	100.00%
	IQA Operatios Group, LTD	SCOTLAND	Electrical installations	100.00%	100.00%
	Jomar Seguridad, S.L.U.	SPAIN	Sale, installation and maintenance of fire prevention and safety systems	100.00%	100.00%
	Kafironda Solar Energy Limited (****)	ZAMBIA	Supply, distribution and generation of electricity, gas, etc.	95.00%	-

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
	Los Llanos Fotovoltaica de Castilla- La Mancha, S.L.U.	SPAIN	Development, construction and generation of electricity	100.00%	100.00%
	Montajes Eléctricos Arranz, S.L.	SPAIN	Electrical installations and other activities	100.00%	100.00%
	Montelecnor, S.A.	URUGUAY	Construction and assembly	100.00%	100.00%
	Omninstal Electricidade, S.A.	PORTUGAL	Construction and assembly	100.00%	100.00%
	Parque Eólico Montañés, S.L.U.	SPAIN	Construction and operation of wind farm	100.00%	100.00%
	TDS, S.A.	ARGENTINA	No activity/In the process of winding up	100.00%	100.00%
	Xunergy FV, S.A.S. (****)	COLOMBIA	Development and promotion of new projects related to power generation	100.00%	-
ATERSA					
DELMOS SDASE	Atersa Senegal, SASU (*)	SENEGAL	Solar energy generation	100.00%	100.00%
DEIMOS SPACE, S.L.U.					
	Deimos Atlantic Launchers, S.A.	ITALY	Space transport, launch of satellites and space vehicles		100.00%
	Deimos Engenharia, S.A.	PORTUGAL	Services in the areas of telecommunications and aeronautic and space energy	100.00%	100.00%
	Deimos Engineering and Systems, S.L.U. (*)	SPAIN	Software development, engineering and technical assistance in the field of remote sensing	100.00%	100.00%
	Deimos Space UK, Limited (*)	ENGLAND	Analysis, engineering and development of space missions and software	100.00%	100.00%
	S.C. Deimos Space, S.R.L. (*)	ROMANIA	Analysis, engineering and development of space missions and software	100.00%	100.00%
ELECNOR AUSTRALIA					
ELECNOD INC	Green Light Contractors PTY, LTD (*)	AUSTRALIA	Construction and assembly	100.00%	100.00%
ELECNOR, INC.	Belco Elecnor Electric, INC. (*)	USA	Electrical installations	100.00%	100.00%
	Elecnor Energy Services, LLC (*)	USA	Electrical installations Facilities	100.00%	100.00%
	Elecnor Hawkeye, LLC (*)	USA	Electrical installations	100.00%	100.00%
ENERFÍN DO BRASIL SOCIEDAD DE ENERGIA, LTDA.					

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022	
	Solar Serrita Energia, S.A. (*)(****)	BRAZIL	Renewable energy generation	100.00%	100.00%	
ENERFÍN ENERGY COMPANY OF CANADA, INC.						
	Investissements Eoliennes de L´Érable, INC. (*)	CANADA	Administration and advisory services	100.00%	100.00%	
	Investissements Eoliennes de L´Érable, SEC. (*)	CANADA	Administration and advisory services	100.00%	100.00%	
	Lambton Enerwind General Partner, Inc. (Gp) (*)	CANADA	Administration and advisory services	100.00%	100.00%	
	Lambton Enerwind Limited Partnership (Sec) (*)	CANADA	Wind farm development	100.00%	100.00%	
	Winnifred Wind Project GP Inc.(*)(****)	CANADA	Renewable energy generation	100.00%	-	
	Winnifred Wind Project LP(*)(****)	CANADA	Renewable energy generation	100.00%	-	
ENERFÍN ENERVENTO EXTERIOR, S.L.U.						
	Éoliennes des Prairies Commandité, Inc. (GP) (*)	CANADA	Management and administration of companies	100.00%	100.00%	
	Guajira Eólica I, S.A.S. (*)	COLOMBIA	Wind farm development	100.00%	100.00%	
	Moose Mountain Wind Projet GP (*)	CANADA	Management and administration of companies	100.00%	100.00%	
	Moose Mountain Wind Projet LP (*)	CANADA	Wind farm development	100.00%	100.00%	
	Rio Grande Energias Renováveis, LTDA. (*)	BRAZIL	Development, construction and generation of electricity	100.00%	100.00%	
	Rio Sul 2 Energia, Ltda. (*)	BRAZIL	Management and administration of companies	100.00%	100.00%	
	SEC Éoliennes des Prairies (LP) (*)	CANADA	Wind farm development	100.00%	100.00%	
	Ventos do São Fernando V Energia, S.A. (*)	BRAZIL	Operation of power plants	100.00%	100.00%	
	Ventos do São Fernando VI Energia, S.A. (*)	BRAZIL	Operation of power plants	100.00%	100.00%	
ENERFÍN	Vientos De Panaba, S.A. de CV (*)	MEXICO	Wind farm development	100.00%	100.00%	
ENERVENTO, S.L.U.	Aerogeneradores del Sur, S.A. (*)	SPAIN	Construction, operation and use of wind farm resources	100.00%	100.00%	
	Eólica Montes de Cierzo, S.L. (*)	SPAIN	Operation of power plants	100.00%	100.00%	
	Eólica Páramo de Poza, S.A. (*)	SPAIN	Operation of power plants	70.00%	70.00%	
	Galicia Vento, S.L. (*)	SPAIN	Operation of power plants	90.60%	90.60%	

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
	Parque Eólico Cofrentes, S.L.U. (*)	SPAIN	Operation of power	100.00%	100.00%
	Parque Eólico Malpica, S.A. (*)	SPAIN	plants Operation of power plants	95.55%	95.55%
ENERFÍN RENEWABLES, INC.	Dry Branch Solar, LLC (*)(****)	USA	Renewable energy generation	100.00%	100.00%
	Enerfín Renewables, LLC (*)(****)	USA	Renewable energy generation	100.00%	100.00%
	Hickory Grove Wind, LLC (*)(****)	USA	Renewable energy generation	100.00%	-
	Mantle Rock Star, LLC (*)	USA	Renewable energy generation	100.00%	100.00%
	Tater Creek Wind, LLC (*)(****)	USA	Renewable energy generation	100.00%	-
	Walnut Creek Solar, LLC (*)	USA	Renewable energy generation	100.00%	100.00%
	West Fork River Solar, LLC (*)	USA	Renewable energy generation	100.00%	100.00%
ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Bookar Wind Farm PTY LTD (*)	AUSTRALIA	Renewable energy generation	100.00%	100.00%
	Córdoba Solar 2, S.A.S. (*)	COLOMBIA	Development, construction, generation, sale and marketing of electricity and any other lawful activity	100.00%	100.00%
	El Roble Solar, S.A.S. (*)	COLOMBIA	El Roble 19.5 Mw solar photovoltaic generation project	100.00%	100.00%
	Enerfera, S.R.L. (*)	ITALY	Construction, operation and use of wind farm resources	100.00%	100.00%
	Enerfín do Brasil Sociedad de Energia, LTDA. (*)	BRAZIL	Development and management of wind farm activities	100.00%	100.00%
	Enerfín Energy Company of Canada, INC. (*)	CANADA	Management and administration of companies	100.00%	100.00%
	Enerfín Energy Services, Pty Ltda. (*)	AUSTRALIA	Management and administration of companies	100.00%	100.00%
	Enerfín Energy Services, Pty Ltda.(*)(****)	SOUTH AFRICA	Renewable energy generation	100.00%	-
	Enerfín Enervento Exterior, S.L.U. (*)	SPAIN	Management and administration of companies	100.00%	100.00%
	Enerfín Enervento, S.L.U. (*)	SPAIN	Administration and advisory services	100.00%	100.00%
	Enerfín Québec Services, INC. (*)	CANADA	Management and administration of companies	100.00%	100.00%
	Enerfín Renewables, INC. (*)	USA	Renewable energy generation	100.00%	100.00%
	Enerfín Renovables II, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
	Enerfín Renovables IV, S.L. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Enerfín Renovables IX, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Enerfín Renovables VI, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Enerfín Renovables VIII, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Enerfín Renovables X, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Enerfín Renovables XI, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Enerfín Renovables, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Enerfín Servicios, S.A.S (*)	COLOMBIA	Management and administration of companies	100.00%	100.00%
	Enermex Gestión, S.A. de C.V. (*)	MEXICO	Management and administration of companies	100.00%	100.00%
	Eólica Alta Guajira, S.A.S. (*)	COLOMBIA	Development, construction and generation of electricity	100.00%	100.00%
	Eolica La Vela (*)	COLOMBIA	Wind farm development	100.00%	100.00%
	Eólica Los Lagos (*)	CHILE	Wind farm development	100.00%	100.00%
	Eólica Musichi (*)	COLOMBIA	Wind farm development	100.00%	100.00%
	Girasol 1, S.A.S. (*)	COLOMBIA	Renewable energy generation	100.00%	100.00%
	Guajira Eólica II, S.A.S. (*)	COLOMBIA	Wind farm development	100.00%	100.00%
	Harbour Atlantis Green Energy 16 (*)	SPAIN	Generation, supply, marketing and sale of any type of energy from renewable sources.	-	51.00%
	Harbour Atlantis Green Energy 17 (*)	SPAIN	Generation, supply, marketing and sale of any type of energy from renewable sources.	51.00%	51.00%
	Harbour Atlantis Green Energy 8 (*)	SPAIN	Generation, supply, marketing and sale of any type of energy from renewable sources.	-	51.00%
	La Cayena Solar, S.A.S. (*)	COLOMBIA	Development, construction, generation, sale and marketing of electricity and any other lawful activity	100.00%	100.00%
	Luzy Energía Renovable, S.L.U. (*)(**)	SPAIN	Generation of wind and photovoltaic energy, and from any other renewable energy sources	100.00%	100.00%
	Parque Eólico Cernégula, S.L.U. (*)	SPAIN	Wind farm development	100.00%	100.00%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
	Parque Eólico Volandín, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Parque Solar Portón, S.A.S.	COLOMBIA	Power generation	100.00%	100.00%
	Planta Solar Sahagun, S.A.S. (*)	COLOMBIA	Development, construction, generation, sale and marketing of electricity and any other lawful activity	100.00%	100.00%
	Promoción Renovables del Bajío, S.A. de C.V. (*)	MEXICO	Construction and assembly	100.00%	100.00%
	Renovables del Cierzo, S.L.U. (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Solar 3 Rayas, S.L.U. (formerly named Enerfín Renovables VII, S.L.U.) (*)	SPAIN	Renewable energy generation	100.00%	100.00%
	Solar São Fernando I Energia, S.A. (*)	BRAZIL	Renewable energy generation	100.00%	100.00%
	Ventos do São Fernando IX Energia, S.A. (*)	BRAZIL	Operation of power plants	100.00%	100.00%
	Ventos do São Fernando VII Energia, S.A. (*)	BRAZIL	Operation of power plants	100.00%	100.00%
	Ventos do São Fernando VIII Energia, S.A. (*)	BRAZIL	Operation of power plants	100.00%	100.00%
	Ventos do São Fernando X Energia, S.A. (*)	BRAZIL	Operation of power plants	100.00%	100.00%
	Vientos de Sucilá, S.A. de C.V. (*)	MEXICO	Wind farm development	100.00%	100.00%
ÉOLIENNES DE L'ÉRABLE COMMANDITAIRE	Vientos De Yucatán, S.A. de C.V. (*)	MEXICO	Wind farm development	100.00%	100.00%
	Eoliennes de L´Érable, SEC. (*)	CANADA	Operation of power plants	51.00%	51.00%
GREEN LIGHT CONTRACTORS PTY LTD.	Éoliennes De L'Érable Commandite, Inc. (*)	CANADA	Administration and advisory services	100.00%	100.00%
	Elecnor New Zealand, LTD.(*)(****)	NEW ZEALAND	Construction and assembly	100.00%	-
	Secure Energy JV (is a temporary business association or UTE)(*)(****)	AUSTRALIA	It is a Joint Venture of Green Light and Clough, for High Voltage power transmission and substation projects	50.00%	-
HIDROAMBIENTE, S.A.	Timco Transmission Lines PTY LTD. (*)	AUSTRALIA	Construction and assembly	100.00%	100.00%
INVESTISSEMENTS ÉOLIENNES DE L'ÉRABLE SEC	Everblue Private Limited	INDIA	Environmental activities	100.00%	100.00%
	Éoliennes L'Érable Commanditaire, Inc. (*)	CANADA	Operation of power plants	100.00%	100.00%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
RIO GRANDE ENERGIAS RENOVÁVEIS, LTDA.					
	Gran Sul Geração de Energía (*)	BRAZIL	Wind farm development	100.00%	100.00%
	Rio Norte I Energia, LTDA. (*)	BRAZIL	Management and administration of companies	100.00%	100.00%
	Rio Norte II Energia, LTDA. (*)	BRAZIL	Management and administration of companies	100.00%	100.00%
	Rio Sul 1 Energia, Ltda. (*)	BRAZIL	Management and administration of companies	100.00%	100.00%
RIO NORTE I ENERGIA, LTDA.					
	Ventos do São Fernando I Energia (*)	BRAZIL	Operation of power plants	100.00%	100.00%
	Ventos do São Fernando II Energia (*)	BRAZIL	Operation of power plants	100.00%	100.00%
	Ventos do São Fernando III Energia (*)	BRAZIL	Operation of power plants	100.00%	100.00%
RIO NORTE II ENERGIA, LTDA.	( )				
	Ventos do São Fernando IV Energia, S.A. (*)	BRAZIL	Operation of power plants	100.00%	100.00%
RIO SUL 1 ENERGIA, Ltda.					
	Parques Eólicos Palmares, S.A. (*)	BRAZIL	Operation of electricity transmission service concessions	90.00%	80.00%
	Ventos da Lagoa, S.A. (*)	BRAZIL	Operation of power plants	90.00%	80.00%
	Ventos do Litoral Energia, S.A. (*)	BRAZIL	Operation of power plants	90.00%	80.00%
	Ventos do Sul, S.A. (*)	BRAZIL	Operation of power plants	80.00%	80.00%
	Ventos dos Índios Energia, S.A. (*)	BRAZIL	Operation of power plants	90.00%	80.00%
<b>Equity method</b>	(Note 12)				
ELECNOR, S.A.					
	Celeo Concesiones E Inversiones, S.L.U.	SPAIN	Management and administration of companies	51.00%	51.00%
	GASODUCTO DE MORELOS, S.A.P.I. (Sdad Anónima Promotora de Inversión) DE C.V.	MEXICO	Operation and maintenance of the Morelos gas pipeline	0.00%	50.00%
	Morelos Epc, S.A.P.I. De Cv	MEXICO	Construction, engineering and supply of the Morelos gas pipeline	50.00%	50.00%
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Morelos O&M, S.A.P.I. de C.V.	MEXICO	Maintenance of the Morelos gas pipeline	0.00%	50.00%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
CELEO			construction and operation of	33.33%	33.33%
CONCESIONES E INVERSIONES, S.L.U.				T. 220	
	Celeo Apolo FV, S.L. (*)	SPAIN	Development	51.00%	51.00%
	Celeo Desarrollo Termosolar, S.L. (*)(****)	SPAIN	Development, construction and operation of solar PV facilities	51.00%	-
	Celeo Energía, S.L. (*)	SPAIN	Development, construction and operation of all types of energy and services, utilities, waste treatment, etc.	51.00%	51.00%
	Celeo Redes, S.L.U. (*)	SPAIN	Management and administration of companies	51.00%	51.00%
	Celeo Termosolar, S.L. (*)	SPAIN	Construction and subsequent operation of solar thermal plants	51.00%	51.00%
	Helios Inversión Y Promoción Solar, S.L.U. (*)	SPAIN	Development, construction and operation of solar PV farms	51.00%	51.00%
CELEO ENERGÍA, S.L.U.					
S.L.U.	Alwa II, SpA (*)	CHILE	Development, construction and operation of electrical facilities	51.00%	51.00%
	Celeo Energía Brasil, LTDA. (*)	BRAZIL	Development, construction and operation of all types of energy and services, utilities, waste treatment, etc.	51.00%	51.00%
CELEO REDES BRASIL, S.A.					
	Brilhante Transmissora De Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%
	Caiuá Transmissora De Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	26.01%	26.01%
	Cantareira Transmissora de Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	26.01%	26.01%
	Celeo Barreiras FV I, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
	Celeo Barreiras FV II, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV III, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV IV, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV IX, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV V, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV VI, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV VII, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV VIII, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Barreiras FV X, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo Redes Expansoes, S.A. (*)	BRAZIL	Holdings in other national or foreign entities and in consortia	25.50%	25.50%
	Celeo Redes Transmissão de Energia, S.A. (*)	BRAZIL	Holdings in other national or foreign entities and in consortia	51.00%	51.00%
	Celeo Redes Transmissao e Renovaveis, S.A. (*)	BRAZIL	Marketing of solar- generated electricity and maintenance of transmission grids	51.00%	51.00%
	Coqueiros Transmissora De Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%
	Encruzo Novo Transmissora De Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%
	Integração Maranhense Tranmissora de Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	26.01%	26.01%
	Estreito Transmissora de Energía, S.A. (*)	BRAZIL	Development, construction and operation of electrical facilities	51.00%	51.00%
	Linha De Transmissão Corumbá, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%
CELEO REDES CHILE	Pedras Transmissora De Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%
EXPANSIÓN, SpA	Alfa Transmisora de Energía, S.A. (*)(**)	CHILE	Development, construction and operation of electrical facilities	10.20%	10.20%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
CELEO REDES CHILE,	Transquillota Electrica de Quillota Limitada (*)(**)	CHILE	Development, construction and operation of electrical facilities	10.20%	10.20%
LTDA.	Celeo Obras de Ampliación, SpA (*)	CHILE	Development, construction and operation of electrical facilities	51.00%	51.00%
	Celeo Redes Operación Chile, S.A. (*)	CHILE	Operation of power plants	51.00%	51.00%
	CRC Transmisión, SpA (*)	CHILE	Operation of power plants	25.50%	25.50%
	Goyo Transmisora de Energía, S.A. (*)	CHILE	Development, construction and operation of electrical facilities	51.00%	-
	Reactiva Transmisora de Energía, S.A. (*)	CHILE	Development, construction and operation of electrical facilities	-	51.00%
	Ruil Transmisora de Energía, S.A. (*)	CHILE	Development, construction and operation of electrical facilities	-	51.00%
CELEO REDES	Nirivilo Transmisora de Energía, S.A.  (*)	CHILE	Development, construction and operation of electrical facilities	51.00%	51.00%
EXPANSOES, S.A.	Cachoeira Paulista Transmissora De Energía, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	25.50%	25.50%
	Jaurú Transmissora de Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	34.00%	34.00%
	Parintins Amazonas Transmissora de Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	25.50%	25.50%
CELEO REDES OPERACIÓN CHILE, S.A.					
	Alto Jahuel Transmisora de Energía, S.A.	CHILE	Development, construction and operation of electrical facilities	51.00%	51.00%
CELEO REDES T. DE	Charrúa Transmisora de Energía, S.A.	CHILE	Assembly, installation, operation of the new 2 x 500 Charrúa – Ancoa line	51.00%	51.00%
ENERGÍA, S.A.	Lt Triângulo, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
CELEO REDES T. E	Vila Do Conde Transmissora De Energia, S.A. (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%
RENOVAVEIS, S.A.	Celeo São João Do Piauí FV I, S.A. (*)	BRAZIL	Generation and sale of	51.00%	51.00%
	Celeo São João Do Piauí FV II, S.A (*)	BRAZIL	solar power Generation and sale of solar power	51.00%	51.00%
	Celeo São João Do Piaui FV III, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo São João Do Piauí FV IV, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo São João Do Piauí FV V, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Celeo São João Do Piauí FV VI, S.A. (*)	BRAZIL	Generation and sale of solar power	51.00%	51.00%
	Serra De Ibiapa Transmissora de Energia, S.A SITE (*)	BRAZIL	Operation of public service concessions for electricity transmission	51.00%	51.00%
CELEO REDES, S.L.U.					
	Celeo Redes Brasil, S.A. (*)	BRAZIL	Development, construction and operation of electrical facilities	51.00%	51.00%
	Celeo Redes Chile Expansión, SpA  (*)	CHILE	A broad range of activities	51.00%	51.00%
	Celeo Redes Chile, Ltda. (*)	CHILE	Operation of power plants	51.00%	51.00%
	Celeo Redes Perú, S.A.C (*)	PERU	Development, construction and operation of electrical facilities	51.00%	51.00%
	Puerto Maldonado Transmisora de Energía, S.A.C. (*)	PERU	Development, construction and operation of electrical facilities	51.00%	51.00%
CELEO TERMOSOLAR					
	Aries Solar Termoeléctrica, S.L. (*)	SPAIN	Development, construction and operation of thermosolar plants	51.00%	51.00%
	Dioxipe Solar, S.L. (*)	SPAIN	Development, construction and operation of thermosolar plants	49.76%	49.76%
CRC TRANSMISION,	Solar Renewables Spain, S.A.R.L. (*)	LUXEMBOURG	Development, construction and operation of thermosolar plants	51.00%	51.00%
SPA	Casablanca Transmisora de Energía, S.A. (*)	CHILE	Development, construction and operation of electrical facilities	25.50%	25.50%

Parent	Company	Registered office	Activity	% direct or indirect ownership 31/12/2023	% direct or indirect ownership 31/12/2022
	Diego de Almagro Transmisora de Energía, S.A. (*)	CHILE	Development, construction and operation of electrical facilities	25.50%	25.50%
	Mataquito Transmisora de Energía, S.A. (*)	CHILE	Development, construction and operation of electrical facilities	25.50%	25.50%
ENERFÍN ENERVENTO EXTERIOR, S.L.U.	Woolsthorpe Holding Trust (*)	AUSTRALIA	Management and administration of companies	50.00%	50.00%
HELIOS INVERSION	Celeo Fotovoltaico, S.L.U. (*)	SPAIN	Development, construction and operation of solar PV farms	51.00%	51.00%
RENOVABLES DEL CIERZO, S.L.U.	Gestión de Evacuación La Serna,	SPAIN	Wind farm	17.93%	17.93%
WOOLSTHORPE ASSET PTY, LTD	S.L. (Gelaserna) (*)	_	development		
WOOLSTHORPE	Woolsthorpe Development PTY (*)	AUSTRALIA	Management and administration of companies	50.00%	50.00%
HOLDING TRUST	Woolsthorpe Asset Trust (*)	AUSTRALIA	Wind farm development	50.00%	50.00%

<sup>(\*)</sup> Indirectly held companies.

<sup>(\*\*)</sup> Additions to the perimeter.

# Appendix II: List of consolidated temporary business associations (UTEs) Thousands of Euros

100% information provided, not taking into account removals

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
UTE PUENTE MAYORGA (*)	50.00%				
UTE ELNR-CONSTUCSA E. HIDROGENO	50.00%				
UTE PARQUESUR OCIO	90.00%				
UTE INSTALACIONES ELÉCTRICAS SINCROTRÓN ALBA	50.00%				
UTE ROTA HIGH SCHOOL	50.00%				
UTE VILLASEQUILLA - VILLACAÑAS	21.00%				
UTE EXPLOTACIÓN ZONA 07-A (*)	60.00%				
CONSORCIO ELECNOR DYNATEC	100.00%			2,324	
UTE ZONA P-2	50.00%				
UTE SUBESTACIÓN JUNCARIL	50.00%				
UTE CASA DE LAS ARTES	50.00%				
UTE CENTRO DE PROSPECTIVA RURAL	20.00%	7			
UTE CENTRO MAYORES BAENA	20.00%				
UTE TERMINAL DE CARGA	50.00%				
UTE LED MOLLET	70.00%				
UTE GALINDO	100.00%				
UTE EXPLOTACIÓN ZONA P2	50.00%				
UTE AS SOMOZAS	50.00%				
UTE JARDINES MOGAN	50.00%				
UTE ELECNOR ONDOAN SERVICIOS	50.00%	1296	1000	1,306	
UTE PATRIMONIO SEGURIDAD	33.33%				
UTE PLAZAS COMERCIALES T4	50.00%				
UTE TRANVIA OUARGLA	49.50%				
UTE ENERGÍA GALICIA	20.00%				
UTE AEROPUERTO DE PALMA	45.00%				
GROUPEMENT INTERNATIONAL SANTÉ POUR HAITI	100.00%	7675		(516)	
UTE ENERGÍA GRANADA	33.34%			33	
UTE MOBILIARIO HUCA	50.00%	:			
UTE ANILLO GALINDO	25.00%				

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
Consorcio Nueva Policlínica de Chitre	100.00%				
Consorcio Nueva Policlínica de Chepo	100.00%	607		159	
UTE CAMPO DE VUELO TF NORTE (*)	70.00%				
UTE VOPI4-ELNR CA L'ALIER	50.00%	55	205	50	260
UTE MANTENIMIENTO AVE ENERGÍA	12.37%	19509	13563	20,184	33,747
UTE ASEGOP IBIZA	32.50%			(4)	21
UTE ELECNOR BUTEC BELLARA	60.00%			17,308	
UTE EDARES SEGOVIA (*)	40.00%				
UTE SICA	50.00%				
UTE MANTENIMIENTO AEROPUERTO DE PALMA	50.00%				
UTE CUETO DEL MORO	25.00%				
UTE Elecnor Alghanim	60.00%	68		700	812
UTE MANTENIMIENTO VALEBU (*)	50.00%				
UTE EMBARQUE DESEMBARQUE T4	50.00%				
UTE CONTAR	95.00%	49		173	
UTE INST. RECERCA SANT PAU	50.00%			141	
UTE INST. MERCAT DE SANT ANTONI	60.00%			66	
UTE TUNELES ABDALAJIS	100.00%	172		2	
UTE TORRENTE - XATIVA	50.00%				
UTE EMPALME II	50.00%	12		(674)	
UTE AEROPUERTO TERUEL	50.00%				
UTE NAVE SESTAO	50.00%				
UTE ENERGÍA GALICIA MANTENIMIENTO	20.00%	2550	20604	2,433	23,154
URBANIZADORA RIODEL	50.00%	0		10	
ELECNOR TARGET LLC, JV (Qurayat)	60.00%	17512	1124	52,274	19,194
UTE TERMINAL E	50.00%				
UTE HERNANI-IRUN	50.00%	4			
UTE CARPIO Y POLLOS	50.00%	128		126	
UTE CAMPO DE VUELOS ASTURIAS	70.00%	33	287	0	319
UTE BIOMASA HUERTA DEL REY	50.00%				
UTE MOPAEL	80.00%			4,139	3,000
UTE OFICINAS GENCAT	60.00%				
UTE UYUNI-YUNCHARA	49.00%				
UTE MANTENIMIENTO SIGMA AENA	50.00%	0		135	

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
UTE EQUIPAMIENTO AGENTE ÚNICO	100.00%	180	495	156	683
UTE EQUIPAMIENTO DE CCTV	30.00%				
UTE UCA	50.00%	88		68	34
UTE SIPA AENA	50.00%	30		326	
JV ELECNOR AL OWN	70.00%				
UTE BILBOPORTUA	50.00%	238		443	
UTE BIZKAIKO ARGIAK	23.00%				
ELECNOR AND RAY, J.V.	60.00%				
UTE MANTENIMIENTO LOTE 1	50.00%				
UTE ELECNOR - EIFFAGE	50.00%	2051			
UTE TIL TIL	50.00%				
UTE EDAR LAGUNA DE NEGRILLOS	80.00%				
UTE PORTUKO ARGIAK	23.00%	35	180	47	215
UTE URBANITZACIÓ MERCAT DE SANT ANTONI	60.00%				
UTE ING PUY DU FOU (*)	50.00%				
UTE SICA 2018-2021	100.00%	0		42	
UTE ELECTRIFICACIÓN VILAFRANCA	90.00%	956	637	11	
UTE TREBALLS PREVIS 1 CAMP NOU	22.50%	0		177	
UTE CLINICA EUGIN BALMES (*)	50.00%	0		20	
UTE SALAS VIP AEROP BCN	50.00%				
JV TAFILAH	70.00%				
UTE ACCESOS BANCO DE ESPAÑA	50.00%				
VARIANTE PAJARES UTE	20.00%				
CONSORCIO CHIELEC DOMINICANA	100.00%				
UTE CASETAS AEROPUERTO DE MÁLAGA (*)	77.00%				
UTE AMPLIACIÓN TRANVÍA VITORIA	50.00%				
ELECNOR - EIFFAGE JV	50.00%	763	395	236	
UTE MANTENIMIENTO AEROPUERTO DE PALMA II	50.00%	1121	52	2,182	
UTE MONTETORRERO	25.00%			191	
UTE MONLORA	30.00%				
UTE MONCAYO	10.00%				
SEP ELECNOR-EIFFAGE GUINEA CONAKRY	50.00%	504		11,825	
UTE ALSTOM RENOVABLES-ELECNOR II	25.64%				
SEP ELECNOR-EIFFAGE GUINEA BISSAU	50.00%	975	2104	1,106	

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
UTE PEDRALBA-OURENSE	50.00%	1763	1163	3,048	
UTE EDIFICI LA PEDROSA	50.00%			379	
UTE BOMBEOS BAKIO-GANDIAS	50.00%				70
UTE ELECTRIFICACIÓN RECOLETOS	50.00%				370
UTE PRESA DE L'ALBAGÉS	50.00%				
UTE LIMPIEZA AEROPUERTO DE PALMA	50.00%	382	118	365	
UTE SICA 2020-2022	100.00%	109		283	
UTE SEG ESTACIONES MADRID	50.00%			105	
UTE NOVA ESCOLA BRESSOL	50.00%	70		238	35
UTE MANT MERCAT DE SANT ANTONI	60.00%	271	29	226	
UTE LINEA 4	20.00%				
UTE INSTAL. TUNEL GLORIES	40.00%	1,798	40	3,143	
UTE EDAR ARRIANDI	50.00%	191		128	
UTE SIPA 2020-2022	50.00%	1,716	560	1,157	
UTE UCA 2020-2022	50.00%	91	6	13	
UTE REGADIO VALORIA FASE I	50.00%		23		
UTE PALMEROLA	56.68%	(111)		8,557	73
UTE GALILEO	100.00%				
UTE COMEDOR BANCO DE ESPAÑA	100.00%				
UTE M.I. MUNDAKA GERNIKA (*)	51.00%	0		69	
UTE LA ESCOCESA	25.00%	2,481	140	23,779	
UTE SEGURETAT L'AMPOLLA	50.00%				
UTE MANTENIMIENTO NORESTE	50.00%	10,519	18,999	9,598	29,518
UTE MANTENIMIENTO CENTRO	50.00%	5,537	13,628	5,200	19,166
UTE OBSOLESCENCIA SISTEMES L9	50.00%	581	38	1,153	262
UTE LOMA DE LOS PINOS	55.63%	1,355		4,642	
UTE CATENARIA ATXURI-BOLUETA	50.00%			30	
UTE CIERRE EL MUSEL	100.00%			(19)	
UTE SEGURIDAD FONTSANTA ITAM	100.00%	209	26	1,052	235
UTE LA COMETA I and II	5.00%			599	
UTE EL FRESNO	50.00%	324	10	2,015	
UTE EDAR ARRIANDI	50.00%	145	130	170	275
UTE Málaga Mantenimiento SICA	50.00%				
UTE BRINKOLA SAN SEBASTIÁN	50.00%	0		199	

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
UTE SEGRISOL	50.00%	107	165	347	272
UTE SOLANS	8.00%	218		4,223	660
UTE ZÁRATE	33.34%	5,627	25,689	2,997	
UTE AMPLIACIÓN EDAR XERESA (*)	20.00%			84	
UTE ILLA FARGI 22@	25.00%	38,154	526	20,392	34,608
Agrupación Sabanitas	100.00%	34,646	26,938	14,618	65,973
UTE EDAR TRASPINEDO	50.00%	1,479	291	27	1,769
UTE CAMBRE	50.00%	220	465	750	685
UTE Microinformática	50.00%	18	5,232		5,250
UTE Monitores TWR MAD	50.00%	134			134
UTE RENOVACIÓN CATENARIA LOTE 3	50.00%	2,205	1,139	546	3,344
UTE RENOVACIÓN CATENARIA LOTE 1	50.00%	1,670	1,188	477	2,858
UTE Mto SCADA AENA	50.00%	30		78	30
UTE BOMBEO GALDAMES	40.00%	294	134		428
UTE REFORMA EDIFICI DIAGONAL 471	50.00%	25,243	4,573	1,552	29,816
UTE CENTRE PENITENCIARI Z.F.	50.00%	321	9,920		10,241
UTE EDAR ALCARAZ Y SAN PEDRO	70.00%	104	3,684	23	3,788
UTE ENERGÍA LÍNEA 9	20.00%	318		2,287	
S.E.I. UTE (ELECNOR,S.ATERRES)	50.00%				
UTE REMOLAR	47.02%				
UTE ELECNOR GONZÁLEZ SOTO	50.00%	-60		99	
UTE VILLAGONZALO, Z - 3	35.00%				
UTE TARAGUILLA	25.00%				
ACCIONA INFRAESTRUCTURAS - ELECNOR HOSPITAL DAVID, S.A.	25.00%	14,351			
DUNOR ENERGÍA, S.A.P.I. de C.V.	50.00%				
PROYECTOS ELÉCTRICOS AGUA PRIETA, S.A.P.I. de C.V.	50.00%				
WAYRA	50.00%	31,388	36,634	25,945	33,320
PROYECTOS ELÉCTRICOS AQUAPRIETA, S.A.P.I. de C.V. (*)	50.00%				
UTE Alimentación L-6 MM	50.00%		2,156		
UTE SAN BLAS-CANILLEJAS	60.00%	121			
UTE UCA 2023-2026	50.00%				
UTE SICA 2022-2024	50.00%				-
UTE SIPA 2023-2026	50.00%				

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
UTE FV CENTELLES	50.00%	915	247		
UTE EDARS ALCOSOL	100.00%	1,851			
UTE EXPLOTACIÓN PRESAS ACUAES	50.00%	1,764	3,540		
UTE CÓRDOBA NORTE III	100.00%	1,063	306		
UTE SET ATALAYA	50.00%		9,106		
UTE NUEVOS CARGADORES PMI	50.00%	145	901		
UTE MANTENIMIENTO PMI	50.00%	1,126	3,472		
UTE EDIFICI ESTEL	35.00%	10,602	21,559		
UTE EDAR BAIX LLOBREGAT	50.00%	521	1,472		
ADAP SCADAS AENA A NTS	32.00%	2	18,899		
UTE CCVC	33.33%				
UTE ELEC.ESTACIONES BARCELONA	40.00%	528	1,189		
UTE CAIXARESEARCH	50.00%	1,153	59,839		
UTE PUENTE ALAMILLO	50.00%		845		
UTE AMER-ELECNOR LIMPIEZA PMI	50.00%	49	723		
UTE MONTELLANO	80.00%	38	1,796		
UTE SANTOS DE LA PIEDRA	51.51%		14,301		
UTE BARCIAL PRADILLO Y ORGAS	60.00%	550	844		
UTE TUNELES SECTOR 3	34.00%		34,158		
UTE BOXES CIRCUIT	60.00%		2,523		
UTE EASO	24.01%		13,835		
UTE TELEMANDO CANTABRIA	50.00%	1	11,542		
UTE CATENARIA MURCIA LORCA	33.33%	1	31,818		
UTE FLIX	50.00%		984		
UTE BOVERA	50.00%		173	-	-
UTE BELLAGUARDA	50.00%		398		
UTE COGENERACIÓN EDAR COSTA DEL SOL	75.00%		5,028		
UTE AUCOSTA CONSERVACION UTE	50.00%				
UTE PARQUE PATERNA	50.00%				
UTE HUELVA SURESTE II	50.00%				
UTE MANZANARES II	50.00%	2,770	1,667	2,827	4,132
UTE PONTENORTE	50.00%	1,093	544	566	726
UTE TALAVERA	50.00%	2,520	929	2,374	3,398
UTE SMA OLVEGA	60.00%	1,009	14,103	992	1,840

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
UTE GUADIX-BAZA	51.00%	46		537	60
UTE PET-TAC ARRIXACA	20.00%	618			
UTE CENTRO DR QUESADA	20.00%	732			
UTE SEVILLA A66	50.00%	2,082	1,193	1,712	2,054
UTE SAN CIPRIANO	70.00%	3,318	1,722	3,258	2,521
UTE MAQUEDA II	50.00%	2,785	1,808	2,739	2,000
UTE CIRCUNVALACIÓN LUCENTUM	50.00%	1,634	697	1,400	344
UTE AUDECA CIVISGLOBAL SECTOR O-03	70.00%	3,014	196	2,845	3,167
UTE MADRID SURESTE	67.00%	2,712	230	2,360	1,839
UTE SANTA ELENA	60.00%	2,483	2,549	2,641	1,041
UTE PONTENORTE II	50.00%	687	330	591	372
UTE LA CAMPANETA	50.00%				
UTE RESIDUOS PUERTO ALICANTE	50.00%	353	253	428	606
UTE PONTESUR II	50.00%	2,146	4,028	2,469	6,174
UTE RSU ALMAZÁN	60.00%	376	2,869	343	3,245
UTE POSTRASVASE MD	50.00%	110		453	59
UTE LEÓN ESTE	70.00%	1,851	4,343	801	6,194
UTE PORTOS GALICIA	70.00%	2,026	740	74	2,766
UTE SEGURIDAD VIAL DIP C	50.00%	520	700		
UTE LOTE 2 CANAL PISUERGA	50.00%	433	3,559		
UTE ESTRUCTURAS MADRID 1	30.00%	1,836	500		
UTE DICIDO	50.00%	141	914		
UTE ESTACIONS ABRERA-IGUALADA	60.00%			6	
UTE SEG,ESTACIONES MADRID	50.00%			105	
Ute Equipamiento CCTV	70.00%				
UTE EST. MOLÍ NOU -QUATRE CAMINS	85.00%			3	
UTE PATRIMONIO SEGURIDAD	33.00%				
UTE Segur L'ampotlla	50.00%			47	
UTE MÁLAGA MTO SICA	50.00%			122	
UTE AGENTE ÚNICO INETUM	50.00%	2,535		708	
UTE PRESONS	65.00%				
UTE BINACED	50.00%				
UTE ALBERO BAJO	50.00%	1,271		3,311	
UTE CERTEST	50.00%	4,615		12,095	4,290

		Production 2023	Backlog not yet settled 2023	Production 2022	Backlog not yet settled 2022
UTE MEDIALABS	55.00%				
UTE NAVENTO DEIMOS, File 2017-02371	27.46%			112	
UTE DEIMOS-INETUM (SIVE) (named before as UTE DEIMOS-IECISA)	50.00%			2,072	
DEIMOS-INETUM (RENFE)	50.00%	3,565		1,529	
DEIMOS-INETUM (SIVE CANARIAS)	50.00%	147		1,725	
UTE INETUM-DEIMOS - SANT ANDREU BCN	50.00%			229	
UTE INETUM- DEIMOS CRONOMETRÍA RENFE_ expte 2021- 00688	50.00%	1,047			
UTE INETUM-DEIMOS CARTELERIA	50.00%	1,587			
UTE DEIMOS-DOMOBILITY	80.00%				
UTE DEIMOS-AXPE	55.00%				

<sup>(\*)</sup> UTEs (temporary business associations) settled in 2023

#### **Appendix III**

#### **ELECNOR, S.A. AND SUBSIDIARIES**

# Condensed financial information of equity-accounted companies 31 December 2023

(Expressed in thousands of Euros)

	Subgroup Celeo Concesiones
Balance sheet information	_
Non-current assets	3,027,536
Non-current liabilities	1,752,718
Non-current financial liabilities	1,379,074
Total non-current net assets	1,274,818
Current assets	267,704
Cash and cash equivalents	161,455
Current liabilities	240,271
Current financial liabilities	160,227
Total current net assets	27,433
Non-controlling interests	127,857
Net assets	1,174,394
Percentage ownership	0.51
Share of net assets	598,941
Carrying amount of the investment (*)	598,878
Information from the income statement	
Revenue	291,880
Depreciation and amortisation	-61,265
Interest income	20,262
Interest expense	-83,259
Income tax expense/(income)	-29,443
Profit/loss from continuing operations	32,391
Profit/loss for the year	32,391
Other comprehensive income (**)	-11,821
Total comprehensive income	20,570

Dividends received

<sup>(\*)</sup> The carrying amount is the value of the company in the consolidated group (equity-accounted value)

<sup>(\*\*)</sup> Other comprehensive income is the change in equity of derivatives and translation difference (and subsidies, where applicable)

#### **Appendix III**

## **ELECNOR, S.A. AND SUBSIDIARIES**

# Condensed financial information of equity-accounted companies 31 December 2022

(Expressed in thousands of Euros)

	Gasoducto de Morelos, S.A. Promotora de Inversión de C.V.	Subgroup Celeo Concesiones
Balance sheet information		_
Non-current assets	250,308	2,983,425
Non-current liabilities	182,609	1,578,724
Non-current financial liabilities	112,516	1,329,270
Total non-current net assets	67,699	1,404,701
Current assets	23,137	256,895
Cash and cash equivalents	19,885	168,366
Current liabilities	11,976	390,378
Current financial liabilities	394	159,922
Total current net assets	11,161	-133,483
Non-controlling interests		121,522
Net assets	78,860	1,149,696
Percentage ownership	50 %	51 %
Share of net assets	39,430	586,345
Carrying amount of the investment (*)	39,430	586,160
Information from the income statement		
Revenue	40,874	306,575
Depreciation and amortisation	-13,057	-61,461
Interest income	90	15,597
Interest expense	-8,499	-86,805
Income tax expense/(income)	-4,760	-51,391
Profit/loss from continuing operations	11,107	33,815
Profit/loss for the year	11,107	33,815
Other comprehensive income (**)	11,181	119,234
Total comprehensive income	22,288	153,049
Dividends received	-	-

<sup>(\*)</sup> The carrying amount is the value of the company in the consolidated group (equity-accounted value)

<sup>(\*\*)</sup> Other comprehensive income is the change in equity of derivatives and translation difference (and subsidies, where applicable)

# Appendix IV

#### **TAX INFORMATION**

# Tax loss carryforwards (reported in thousands of Euros)

	Jurisdiction	Expressed in thousands of Euros
ELECNOR SERVICIOS Y PROYECTOS, S.A.U NIEDERLASSUNG DEUTSCHLAND	Germany	261
ELECNOR, S.A.	Algeria	469
ELECNOR AUSTRALIA PTY, LTD.	Australia	91,444
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Belgium	196
ELECNOR CAMEROUN SOCIETE ANONYME	Cameroon	2,878
TIL TIL CONSORCIO, SpA	Chile	2,854
XUENERGY FV, S.A.S	Colombia	13
ELECNOR SERVICIOS Y PROYECTOS, S.A.U SUCCURSALE DE COTE D'IVOIRE	Ivory Coast	1,642
ELECNOR COTE D'IVOIRE SOCIETE ANONYME	Ivory Coast	420
ELECTRIFICACIONES DEL ECUADOR, S.A. (ELECDOR)	Ecuador	119
WAYRAENERGY, S.A.	Ecuador	4,729
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Spain	25,822
DEIMOS ENGINEERING AND SYSTEMS, S.L.U.	Spain	2,471
PARQUE EÓLICO MONTAÑÉS, S.L.U.	Spain	198
ELECRED SERVICIOS, S.A.U.	Spain	1
APLICACIONES TÉCNICAS DE LA ENERGÍA, S.L.U.	Spain	9,228
HIDROAMBIENTE, S.A.U.	Spain	401
ELECNOR, INC.	United States	626
ELECNOR PHILIPPINES CORPORATION	Philippines	236
ELECNOR SERVICIOS Y PROYECTOS, S.A.U. SUCCURSALE GUINEE	Guinea	352
GROUPEMENT INTERNATIONAL SANTÉ POUR HAITI	Haiti	6,606
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Jordan	2,035
ELECNOR, S.A. SUCCURSALE	Morocco	220
GUERCIF SOLAR FARM, SARLAU	Morocco	16
DUNOR ENERGÍA, S.A.P.I. de C.V.	Mexico	12,563
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Mozambique	3,535
CENTRAL SOLAR DE MUANTUAIA, S.A.	Mozambique	401
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Norway	2,704
ELECNOR, S.A. OMAN BRANCH	Oman	4,712
ELECNOR INFRASTRUCTURE SPC	Oman	185
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Panama	91
ELECNOR PERÚ, S.A.C.	Peru	6,157
ELECNOR SERVICIOS Y PROYECTOS, S.A.U SUCURSAL EM PORTUGAL	Portugal	6,324
ELECNOR SENEGAL, SASU	Senegal	139
ELECNOR, PLC	Zambia	289
KAFIRONDA SOLAR ENERGY LIMITED	Zambia	62
		190,399

#### Elecnor, S.A. and Subsidiaries

Notes to the consolidated annual accounts

# Deductions (thousands of Euros)

	Jurisdiction	IT	R&D	DONATIONS
DEIMOS SPACE, S.L.	Spain	141	1,932	-
APLICACIONES TÉCNICAS DE LA ENERGÍA, S.L.U.	Spain	97	221	-
HIDROAMBIENTE, S.A.U.	Spain	-	119	73
DEIMOS SPACE UK, LTD.	United Kingdom	-	57	-
		237	2,329	73

# Temporary differences in branches (reported in thousands of Euros)

	Jurisdiction	Provisions	Prospetto Manutenzioni	Exchange rate differences	Depreciation and amortisation
ELECNOR SERVICIOS Y PROYECTOS, S.A.U SUCURSAL EM ANGOLA	Angola	1,164	-	(4,393)	-
ELECNOR, S.A.	Algeria	145	-	(15,351)	-
ELECNOR, S.A SUCCURSALE CAMEROUN	Cameroon	126	-	-	526
ELECNOR SERVICIOS Y PROYECTOS, S.A.U SUCURSAL COLOMBIANA	Colombia	603	-	(28)	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U SUCCURSALE DE COTE D'IVOIRE	Ivory Coast	1,639	-	-	17
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Ghana	-	-	(1,205)	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Honduras	1,239	-	-	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Italy	-	498	-	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Jordan	149	-	-	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Mozambique	-	-	274	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Norway	3	-	-	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Panama	4	-	-	-
ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Dominican Republic	169	-	-	-
ELECNOR, S.A ELECNOR, PLC	Zambia	-		(42)	(36)
		8,171	498	(20,746)	507

#### Elecnor, S.A. and Subsidiaries

Notes to the consolidated annual accounts

Temporary differences in domestic subsidiaries (reported in thousands of Euros)

lemporary differences	ELECNOR,	ELECNOR	DEIMOS	DEIMOS	AREA 3	AUDEĆA,	PARQUE	JOMAR	EHISA	ELECNOR	APLICACIONES	
	S.A.	SERVICIOS Y PROYECTOS, S.A.U.	SPACE, S.L.	ENGINEERING AND SYSTEMS, S.L.U.	EQUIPAMIENTO DISEÑO E INTERIORISMO,	S.L.U.	EOLICO MONTAÑÉS, S.L.U.	SEGURIDAD, S.L.U.	CONSTRUCCIONES Y OBRAS, S.A.U.		TÉCNICAS DE LA ENERGÍA, S.L.U.	
					S.L.U							TOTAL
Credit to be offset DA 19°	17,383	-	-	-	-	-	-	-	-	-	-	17,383
Foreign income exemption (art. 22	5,551	71,471	395	-	-	-	-	-	-	-	640	78,056
Corporation Income Tax Law)												
Economic Interest Group (Chap. II of	-	(135)	-	-	-	-	-	-	-	-	-	(135
Title VII Corporation Income Tax Law)												
Deduction of 30% of accounting	-	23	-	10	-	-	-	-	2	-	37	72
depreciation costs (excluding small												
companies) (art. 7 Law 16/2012)												
Impairment losses under art. 13.1	5,484	3,169	-	-	-	-	-	-	-	-	-	8,653
Corporation Income Tax Law not												
affected by art. 11.12 or DT 33a.1												
Corporation Income Tax Law	22.002	1 450		478							4 270	20.100
Impairment losses on IM, investment	22,893	1,458	-	4/8	-	_	_	_	-	_	4,279	29,108
property and II, including goodwill (art.												
13.2 a) and DT 15 Corporation Income												
Tax Law Other provisions not deductible for tax	2,235	13,079	292	284		278	383	75	160	374	544	17,704
purposes (art. 14 Corporation Income Tax Law) not affected by art. 11.12	2,233	15,075	2,52	201		2,0	303	,,,		3,1		17,704
Corporation Income Tax Law												
Accelerated amortisation	-	(65)	-	-	-	-	-	-	-	-	-	(6
Other provisions not deductible for tax purposes (art. 14.1 Corporation Income Tax Law)	34,414	33,205	-	-	-	-	-	-	-	-	-	67,619
Finance lease: special regime (art. 106	-	-	-	-	-	(1,944)	-	-	-	-	-	(1,944
Corporation Income Tax Law)		1.700										1 760
Adjustments for impairment losses on	-	1,768	-	-	-	_	_	_	-	_	-	1,768
shares in capital or equity (art. 13.2 b												
Corporation Income Tax Law)	_	_	50	_	_	_	_	_		_	_	50
Impairment losses on shares in capital												50
or equity (art. 15 k Corporation Income Tax Law)												
	-	-	-	-	-	11	-	-	-	-	-	11
Differences between accounting and tax												
depreciation (art. 12.1 Corporation Income Tax Law)												
Amortisation of intangible assets and	-	-	-	-	-	-	-	-	-	-	1,062	1,062
goodwill (art. 12.2 Corporation Income											'	•
Tax Law) and amortisation of DT 13a.1												
Corporation Income Tax Law												
Elimination by consolidation	-	-	(14)	(74)	(62)	-	-	-	(14)	-	-	(164
,												



2023 Directors' Report – Elecnor Group

For the year ended 31 December 2023



# Contents

1. Purpose and business model	
2. Economic context	
3. Economic and financial performance in the period	5
3.1. Key figures in consolidated profit/loss for the year	5
3.2. Business performance	7
3.3. Financial position	12
3.4. Material changes in accounting policies	15
3.5. Profit/loss of the Elecnor Group's holding company:	15
3.6. Average payment period	15
3.7. Turnover by activity	16
4. Stock market information	16
5. Capital management policy	17
6. Risk management policy	
6.1. Foreign currency risks	
6.2. Interest rate risk	
6.3. Liquidity risk	
6.4. Credit risk	
6.5. Market risk	
6.6. Climate risk	
7. Environmental sustainability	
8. Human Resources	
9. R&D&I	
10. Significant events subsequent to year-end	
11. Outlook for 2024	
11.1. Economic context	
11.2. Elecnor Group	
12. Share capital and acquisition of own shares	
13. Related party transactions	
14. Alternative Performance Measures	
14.1 Alternative measures of the Elecnor Group's performance	
14.2. Alternative debt measures of the Election Group speriormance	
15. Non-Financial Information Statement	
15.1 About this report	
15.2 Progressing in our commitment to sustainability	
15.3 Business model	
15.4 Our people, our best asset	
15.5 We look after our people	
·	
15.7 Committed to the environment	
15.8 Technology and innovation	
15.9 Responsible management	
15.10 Social impact	
Appendix I	
Appendix II	
Appendix III	
Appendix IV	222



# 1. Purpose and business model

The Elecnor Group is a Spanish corporation operating in more than 50 countries. It is an international leader in integrated renewable energy concessions, sustainable infrastructure projects and essential services for the energy transition and digitalisation of cities, distinguished for its profitability, recurrence and moderate risk.

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

The Group's activities are organised into three broad strategic lines:

- Essential services: Integration of energy distribution, telecommunications, maintenance and installation services, essential to drive change and generate well-being in cities and which feed back into the business of sustainable projects.
- Sustainable projects: Development, construction, operation and maintenance of clean energy generation and transmission infrastructure worldwide, improving the living conditions of communities and enhancing sustainable development.
- Concessions and own projects: Development and operation of projects aimed at longterm stability and profitability through concession contracts and strategic investments in projects of its own, strengthening its renewables and energy infrastructure portfolio and boosting the Group's long-term value.

Efficiency, diversification, financial robustness and personal commitment are the Elecnor Group's value generation and expansion levers.

# Fconomic context<sup>1</sup>

The International Monetary Fund (IMF) estimates global growth of 3% in 2023 in its latest edition of the World Economic Outlook report, rising to 2.9% in 2024, slowing for the third consecutive year, before picking up to 3.2% in 2025.

In 2023, the conflict in the Middle East, coupled with the conflict in Ukraine, has increased geopolitical risks. Hostilities between Israel and Palestine could result in increases in energy costs, similar to the conflict in Ukraine, triggering high levels of inflation globally. The IMF estimates that global inflation will fall from 6.9% in 2023 to 5.8% in 2024.

Looking ahead, the IMF notes that, in a context of disinflation and stable growth, global risks to growth are balanced. These positive factors include the possibility of easing financial conditions with rapid disinflation and dynamism in structural reforms. In the short term, and as key issues, the global economy faces the challenge of managing disinflation and tightening monetary policy.

<sup>1</sup>Sources:

International Monetary Fund (IMF). World Economic Outlook of October 2023. World Bank. World Economic Outlook of January 2024. Spanish National Statistics Institute. Quarterly Spanish National Accounts: main aggregates. Fourth quarter of 2023 (January 2023)



In **Spain**, economic activity has remained resilient in 2023, with growth of 2.5% according to the IMF (a figure corroborated by the National Statistics Institute), although the IMF forecast for 2024 is for growth of 1.7%. In a context of high inflation and an uncertain outlook due to the war in Ukraine, the cost of living has increased, driven by rising food and energy prices, reaching 3.5% inflation in 2023, with inflation estimated at 3.9% in 2024. In this context, the Organisation for Economic Co-operation and Development (OECD) would once again place Spanish economic progress at the head of growth in the eurozone, which will expand by an average of 1.5% in 2024, while its three great powers, France, Italy and Germany, would reach 1.2%. "Growth in the Spanish economy is slowing, but will remain solid", it says in its report. It also warns of the need for budgetary adjustment to keep debt under control.

In the **European Union**, the IMF forecasts that growth in the region, which has reached 0.7% in 2023, will increase in 2024 to 1.5%. The main drivers of this growth next year will be private consumption, supported by the reduction in inflationary pressures (expected to fall from 6.5% in 2023 to 3.6% in 2024), and exports, driven by the gradual recovery of the eurozone. However, "uncertainty surrounding the evolution of the Russian invasion of Ukraine is an important factor in shaping the regional outlook", the World Bank added.

In the **United States**, the Federal Reserve (Fed) has begun preparations to start lowering interest rates. The members of the Fed's monetary policy committee expect a 0.75 bps drop in the price of money to take place later this year, although it has not yet been determined when or at what point in the year the first move will occur. The IMF, which has estimated US growth at 2.1% in 2023, anticipates growth of 1.5% in 2024, while inflation is forecast to fall from 4.1% in 2023 to 2.8% in 2024.

In **Ibero-America**, the IMF's economic outlook suggests a gradual recovery in the LAC region, with projected growth of 2.3% in 2024 (similar to 2023) and 2.5% in 2025. The lingering effects of previous monetary tightening are expected to continue to weigh on growth in the near term, but their impact is expected to fade. Central banks are also expected to lower interest rates as inflation declines (from 13.8% in 2023 to an expected 10.7% in 2024), which could reduce barriers to higher investment.

The country-specific projections reveal significant differences. In the case of **Brazil**, growth is expected to slow to 1.5% in 2024 (3.1% in 2023), followed by a recovery to 2.2% in 2025, thanks to lower inflation (from 4.7% in 2023 to an expected 4.5% in 2024) and interest rates.

Growth in **Mexico** is projected by the IMF to lose momentum, falling to 2.1% in 2024 (3.2% in 2023), due to lower inflation and declining external demand. In **Argentina**, it forecasts a recovery to 2.8% growth in 2024 (-2.5% in 2023), after the impact of the drought in 2023. Along these lines, the projections for **Colombia** show an improvement in the growth trajectory of its economy, rising from 1.4% in 2023 to 2% in 2024. In **Chile**, growth is estimated at 1.6% in 2024 (-0.5% in 2023), accelerating to 2.3% in 2025. In addition, the IMF projects that **Peru** will recover from the contraction experienced in 2023, with growth of 2.7% in 2024, supported by rising mining output.



In **Australia**, the Commonwealth Bank of Australia forecasts GDP growth of 1.9% per annum by the end of 2024. These figures contrast with IMF projections for Australia, which point to a slowdown in GDP growth from 1.8% in 2023 to 1.2% in 2024 due to higher borrowing costs. Regarding financial conditions, Australia's inflation decelerated to 5.8% in 2023 (6.6% in 2022), providing some relief from the persistent price pressures that have adversely affected the economy, and is projected to reach 4% in 2024. In addition, the Reserve Bank of Australia (RBA) announced in December its intention to maintain rates at 4.35%, after having raised them by 25 basis points (b.p.) in the previous month.

Furthermore, the World Bank points to the economic upswing in sub-Saharan Africa. The three largest economies in this area **-Angola, South Africa and Nigeria**- recorded growth of 1.3%, 0.9% and 2.9% in 2023 according to the IMF. In these three economies, the growth rate in 2024 is forecast by the agency's experts to be 3.3%, 1.8% and 3.1% respectively. For its part, the IMF forecasts that **North Africa** will fall from 4.2% growth in 2023 to 3.6% in 2024, before recovering to 4.3% in 2025.

# 3. Economic and financial performance in the period

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

On 17 November 2023, Elecnor, S.A. filed an Insider Information communication with the CNMV notifying the signing of the agreement for the sale of 100% of the share capital of its subsidiary ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U. ("Enerfín") to the company Statkraft European Wind and Solar Holding AS. At the date on which these Consolidated Annual Accounts were authorised for issue, the Directors of the Parent consider that the conditions required by IFRS 5 for the classification of this business as "Non-current assets held for sale and discontinued operations" from 31 August 2023 have been met.

Therefore, as the Enerfín subgroup constitutes a complete business segment within the Group, its contribution to each of the Income Statement items has been classified under the heading "Profit/loss from discontinued operations". Likewise, for comparative purposes, the Income Statement for 2022 has been restated. Therefore, the Enerfín subgroup does not contribute sales or EBITDA to the consolidated Income Statements for 2023 and 2022.

At 31 December 2023 and 31 December 2022, the main figures of the Group's Income Statement are as follows:



(Thousands of Euros)	31/12/2023	31/12/2022	Change (%)
Continuing operations:			
Net turnover	3,792,906	3,393,260	11.8 %
Domestic	1,489,436	1,403,651	6.1 %
International	2,303,470	1,989,609	15.8 %
EBITDA	204,862	147,564	38.8 %
Profit/loss before taxes	97,761	80,154	22.0 %
Income tax	(27,284)	(22,062)	23.7 %
Profit/loss from continuing operations	70,477	58,092	21.3 %
Profit/loss from continuing operations attributable to non-controlling interests	(4)	(4)	- %
Profit/loss from continuing operations attributable to shareholders of the Parent	70,481	58,096	21.3 %
Discontinued operations:			
Profit/loss from discontinued operations attributable to shareholders of the Parent	39,577	44,717	(11.5) %
PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	110,058	102,813	7.0 %

The **net turnover** of the Elecnor Group's continuing operations this year amounted to Euros 3,792.9 million, which represents an increase of 11.8% on the previous year. Both the domestic market (which represents 39% of the total) and the international market (which makes up 61%) have experienced significant growth (6.1% and 15.8% respectively). This positive evolution of the figure was driven by increased volume of essential services activities conducted by the Group in the United States and in European countries, mainly Spain and Italy, and by the execution of sustainable projects from Elecnor's businesses in Australia, Brazil and Chile, in particular.

**EBITDA** from continuing operations amounted to Euros 204.9 million, up 38.8% on the previous year, thanks to the contribution of the essential services business and sustainable projects developed by the Group.

This strong EBITDA performance led to a **net profit from continuing operations** of Euros 70.5 million in 2023, compared to Euros 58.1 million in the previous year (21.3% higher).

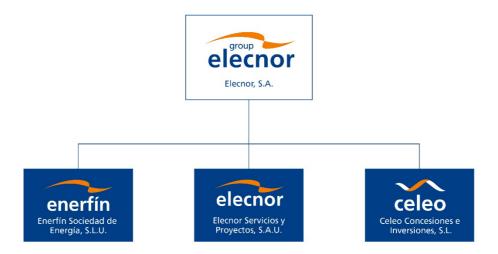
**Discontinued operations**, consisting of the activity of the Enerfín subgroup classified in the balance sheet as non-current assets and liabilities held for sale, contributed to the group a result of Euros 39.6 million, 11.5% lower than last year (mainly due to lower energy prices in Spain).

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



#### 3.2. Business performance

During 2023 the Group has operated through three mutually strengthening and complementary subgroups of companies that set their objectives individually. These subgroups report their key figures as separate segments for a better understanding of the Group's businesses.



# Elecnor (Essential Services and Sustainable Projects)

(Thousands of Euros)	31/12/2023	31/12/2022	Change
Turnover	3,886,590	3,422,866	13.5 %
Domestic	1,507,384	1,422,090	6.0 %
International	2,379,206	2,000,776	18.9 %
EBITDA (*)	220,997	168,928	30.8 %
Profit before tax	122,602	105,914	15.8 %
Attributable consolidated net profit	84,415	77,460	9.0 %

(\*) EBITDA, after deducting the proceeds from the sale of 50% of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. amounted to 199,478 thousand (as explained in Note 12 to the accompanying Notes to the Consolidated Annual Accounts), an increase of 18.1% on the same period of the previous year.

This business, which the Group develops via its subsidiary Elecnor Servicios y Proyectos, S.A.U and that company's subsidiaries, has grown strongly in the year.

Turnover in 2023 amounted to Euros 3,886.6 million, i.e. 13.5% higher than in the previous year.

In the **domestic market**, activity continued to grow on the back of the **essential services** developed for the electricity, telecommunications, water, gas and energy transmission and distribution sectors, where it provides an essential service for all utilities. It is also worth highlighting the maintenance activity carried out for both the public and private sectors. Likewise, during this year, the construction of wind farms and solar PV projects, as well as projects related to self-consumption and energy efficiency, contributed to growth of both the turnover and profit in the Group's **sustainable projects** activity.



In the **international market**, the increased turnover is owing mainly to **sustainable projects** undertaken by the Group in Australia, Brazil and Chile (especially renewable energies and the electricity transmission lines). The construction of solar PV plants in Colombia, the Dominican Republic and Ghana, wind farms in Brazil, hydroelectric plants in Cameroon, substations in Cameroon, Mozambique and Gambia, and transmission lines in Zambia, among many others, also contribute to the Group's sales and profit. Of particular note in these results is the **essential services** business of the US subsidiaries (Hawkeye, Belco and Energy Services).

**EBITDA**, after deducting the contribution to this figure of the proceeds from the sale of 50% of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. (as explained in Note 12 of the accompanying Notes to the Consolidated Annual Accounts), came to Euros 199.5 million. This implies a 18.1% increase with respect to the same period the previous year, reflecting the positive performance by both essential services and sustainable projects.

**Attributable consolidated net profit** amounted to Euros 84.4 million, i.e., 9% higher than in the same period of the previous year. This increase in after-tax profit in the year 2023, coupled with the sound general performance of the various activities carried out by Elecnor Servicios y Proyectos, encompasses the following impacts:

On 24 April 2023, the Parent and Enagás Internacional, S.L.U., as sellers, and MIP V International AIV, L.P., as buyer, the conditions precedent having been fulfilled, completed the sale-purchase transaction to transfer the shares held by the sellers in the share capital of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V., in which each of the sellers held a 50% shareholding. The transaction price amounted to approximately US Dollars 190 million (Euros 172.5 million), calculated using a base price adjusted for certain working capital parameters, the amount corresponding to its shareholding being attributable to the Parent. The Elecnor Group has deducted an amount of US Dollars 26 million (Euros 23.7 million) from the proceeds of the sale to cover certain responsibilities pursuant to the contract, and the relevant provision has been recognised. As a result of this transaction, the Elecnor Group recognised a capital gain of Euros 21.6 million with a credit to "Net profit/loss on disposal of non-current assets and subsidiaries" in the consolidated Income Statement for the year 2023.

The Elecnor Group has continued its project execution activity in Australia. In the year, certain circumstances have increased the cost estimate for some of the contracts that the Group executes in the country, such as execution delays on the back of Covid-19 and the global economic instability unleashed by the disproportionate rise in raw material prices, labour and logistics expenses and local overheads as a result of spiralling inflation. These circumstances have led these contracts to recognise negative margins. Against this backdrop, and with the customer's collaboration, we are together seeking solutions to keep these projects—which are of strategic importance for the country—afloat. It is hoped that this joint work will lead to an improvement in future years in the situation as reflected in the consolidated financial statements for 2023.



#### Elecnor production portfolio that can be executed in the next 12 months

(Thousands of Euros)	31/12/2023	31/12/2022	Change
Domestic	749,580	633,939	18.2 %
International	1,828,073	1,774,464	3.0 %
TOTAL	2,577,653	2,408,403	7.0 %

The production portfolio, which can be executed in the next 12 months, amounts to Euros 2,577.7 million (Euros 2,408.4 million at the end of 2022). Of this portfolio, 71% relates to the international market, for an amount of Euros 1,828.1 million, and 29% to the domestic market, for an amount of Euros 749.6 million. The domestic market portfolio consists of contracts for essential service activities, as well as sustainable projects for the construction of renewable energy plants for the amounts expected to be executed over the next 12 months. The international portfolio includes both European countries (Italy and the United Kingdom), where service-related activities are carried out, and other countries (Australia, the United States and Brazil, mainly) with contracts for major projects for the construction of renewable-energy power generation plants and power transmission projects.

#### Enerfín

As part of the Elecnor Group's strategy of rotating investments that consume high capital requirements, and as explained at the beginning of section 3.1 Key figures in consolidated profit/loss for the year, Elecnor, S.A. (as seller) entered into a purchase and sale agreement with Statkraft (as buyer) on 17 November 2023 for 100% of the shares of Enerfín.

A price is agreed in such an agreement, which is subject to various adjustments that are customary in this type of transaction. The main estimated values for this transaction are as follows:

- an enterprise value of Euros 1.8 billion;
- a cash inflow of Euros 1.4 billion (part of which would cover tax liabilities and other expenses related to the Transaction); and
- a consolidated net capital gain of Euros 0.8 billion.

The Company estimates that the transaction will be completed in mid-2024. Until that date, the assets and liabilities of the Enerfín subgroup will be classified under non-current assets and liabilities held for sale, and their result will be classified as *Profit/loss from discontinued operations* in the Group's Income Statement, as has been done this year.

The figures for this subgroup, which are classified in the Group's Income Statement under *Profit/loss from discontinued operations attributable to shareholders of the parent company*, are as follows:



#### **Enerfin's key figures:**

(Thousands of Euros)	31/12/2023	31/12/2022	Change (%)
Turnover	193,814	220,412	(12.1) %
EBITDA	125,048	154,490	(19.1) %
Profit before tax	69,379	85,777	(19.1) %
Income tax	(22,030)	(27,962)	(21.2) %
Profit/loss for the businesses attributable to non-controlling interests	(7,772)	(13,098)	(40.7) %
Attributable consolidated net profit	39,577	44,717	(11.5) %

These figures were driven by the high energy prices in 2022, which pushed revenue volume in that period to Euros 220.4 million, amply exceeding the amount budgeted. These prices eclipsed those reached in 2023. In addition, this year the electricity production attributed in Spain, Brazil and Canada amounted to 2,678 GWh.

Enerfín holds ownership interests in 1,734 MW (1,552 MW at last year's close) of renewable energy in operation and under construction in Spain, Brazil, Canada and Colombia. Furthermore, its project portfolio currently exceeds 10 GW. During this year, it continued implementing its strong project development activity, enabling it to increase its pipeline in all the geographies where it is present: Spain, Brazil, Canada, United States, Australia, Mexico, Colombia and Chile.

Enerfín is increasing its assets through the construction of a solar PV farm in Brazil: Solar Serrita, with an installed capacity of 68 MWp, expected to enter operation in the final quarter of 2024. In Canada, construction began in 2023 on the Winnifred wind farm, with an installed capacity of 136 MW, which is expected to come on stream in the final quarter of 2024. In Spain, construction began in 2022 on the Ribera Navarra wind farm complex (139.2 MW) consisting of four wind farms (24 generators, each with a unit capacity of 5.8 MW) which have entered into service in January 2024; work also began in 2023 on the Cernégula wind farm (47.2 MW) which is expected to come on stream in the first quarter of 2025.

#### Celeo

**Celeo,** a company managed jointly by the Elecnor Group (51%) and APG, one of the world's largest pension funds, has a stake in 7,942km of electricity transmission lines in operation or under construction in Chile, Brazil and Peru (6,891km at 2022 year end), and in 345 MW of renewable energy (photovoltaic and solar thermal energy) in Spain and Brazil (345 MW at 2022 year end). Overall, it managed around Euros 6,317 million assets in operation at the close of the year (Euros 5,924 million at the close of last year).



In terms of new project awards, 2023 was a landmark year for Celeo, having been awarded 5 new concession projects:

- Celeo Redes Brasil was awarded lot 6 of the ANEEL auction (Leilao 1/2023) which took place on 30 June in São Paulo. The concession comprises the financing, construction and operation of a 500 kV transmission line between the Xingó and Camaçari II substations, measuring 357 km long in dual circuit and including the connection equipment at the respective substations. The line will cross 18 municipalities in the states of Bahia and Sergipe, in the North-east region of Brazil. The concession has a duration of 30 years and an estimated investment by ANEEL of R\$ 1,203 million, and once it comes into operation, it will receive an annual remuneration of R\$ 99.9 million, which will be updated annually in accordance with the IPCA. The regulatory construction period established is of 60 months.
- In the next auction of the year in December, Leilao 2/2023, Celeo Brasil won Lot 3, with the Marimbondo 2-Campinas 500kV TL project. This project consists of a 388 km single-circuit line in the states of Minas Gerais and Sao Paulo.
- In the case of **Chile**, Celeo was awarded **two** new expansion works for the Hualqui and La Pólvora substations, as part of the International Public Tender for Expansion Works contemplated in Exempt Decree No. 200/2022.
- Celeo has also consolidated its presence in **Peru** by being awarded the third Concession Agreement in the country, Piura Nueva-Frontera, a project that includes the extension of an existing substation and the construction of 270 km of 500 kV line that will connect with Ecuador for the exchange of electricity.

#### Aggregate <sup>2</sup> EBITDA of Celeo projects:

	EBITDA <sup>2</sup>		
(Thousands of Euros)	2023	2022	
Transmission networks Brazil	143,910	122,852	
Transmission networks Chile	136,347	110,945	
Transmission networks Peru	(209)	(186)	
Renewable energies	66,924	61,994	
	346,972	295,605	

The projects of Celeo's Transmission Networks business in Brazil have achieved an EBITDA (at 100%) of Euros 143,910 thousand this year (Euros122,852 thousand the previous year) and those of Celeo in Chile have achieved an EBITDA (at 100%) of Euros 136,347 thousand this year (Euros 110,945 thousand the previous year). This good performance has been favoured by the increase in price indices affecting the sale prices applicable to transmission lines with a particular impact on Brazilian projects. In addition, the financial burden at the companies in Brazil improved compared to the previous year.

<sup>&</sup>lt;sup>2</sup> This is the aggregate EBITDA for 100% of the projects in which Celeo participates, and does not take into account the IFRIC 12 impact, as it better reflects the cash generation capacity of each project (see note 32 of the Notes to the accompanying Consolidated Annual Accounts)



The EBITDA of the renewable energy plant business projects that Celeo manages in Spain and Brazil came to Euros 66,924 thousand this year (Euros 61,994 thousand the previous year) thanks to higher production (265,466 MWh) compared to last year (210,808 MWh). Furthermore, in the same period last year, these projects had to record a regulatory liability in their Consolidated Annual Accounts due to high energy prices in the first few months of 2022, which was not the case in 2023. Likewise, during this year there have been enhanced operating and maintenance cost savings.

Celeo is accounted for using the **equity method**. Accordingly, it does not contribute to the Group's consolidated turnover. In this year, it reached an attributable consolidated net profit of Euros 15.4 million (Euros 17.2 million in the previous year) after applying the percentage of ownership and corresponding consolidation adjustments. This profit, due to the consolidation method used, is included in the Group's EBITDA.

#### 3.3. Financial position

In 2023, the Group's operating activity enabled it to generate a cash flow of Euros 206.0 million (Euros 226.9 million in the previous year) and its net investment amounted to Euros 268.1 million (Euros 128.5 million in the previous year).

Total Net Financial Debt (Euros 735.1 million) increased by 34.4% on the previous year's figure (Euros 546.9 million), due to the construction of new renewable energy generation projects in the Enerfín subgroup.

The **Net Financial Debt with recourse** closed at Euros 222.6 million compared to Euros 120.8 million at the end of 2022. This is mainly due to the Group's ongoing investment efforts as described in the previous paragraph.

The indebtedness ratio at year end, calculated as Net Financial Debt with recourse divided by EBITDA with recourse, was 0.91x (0.63x 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 (2.75x).

The positive ratios in the NFD/EBITDA ratios maintained in recent years have 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 Group's investment activity (268.1 in 2023 and 128.5 and 2022), the growth of consolidated turnover (11.8% and 15.7% in 2023 and 2022 respectively) as well as the payment of the dividend to our shareholders (37.1 million and 31.0 million in 2023 and 2022 respectively)

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.

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.



#### **Debt ratios**

(thousands of Euros, at year-end)	2023	2022
Net Financial Debt with recourse	222,613	120,791
EBITDA with recourse + projects dividends	243,525	193,196
Ratio of Debt/EBITDA with recourse + Projects dividend	0.91	0.63
Total Net Financial Debt	735,055	546,913
Total Net Financial Debt  EBITDA Continuing Operations + EBITDA Discontinued	735,055 329,910	546,913 302,054

**Note:** EBITDA with recourse does not include EBITDA corresponding to investment projects financed through debt guaranteed by these projects (EBITDA without recourse) and includes both that corresponding to Continuing Operations and Discontinued Operations (classified under the heading of Profit/loss from Discontinued Operations in the Income Statement of the attached Consolidated Annual Accounts); dividends from projects also correspond to investment projects financed through debt guaranteed by these projects of companies in the Enerfín subgroup (classified under Non-current assets and liabilities held for sale). Similarly, the Total Net Financial Debt includes the debt corresponding to the projects operated by the Enerfín subgroup.

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 first executed in 2014. Since the latest novation in 2021, this 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**. At 31 December 2023, the drawn down amount of this agreement came to Euros 205.6 million and corresponds to Euros 50 million of the loan tranche, Euros 122 million of the credit tranche in Euros drawn down by Elecnor, S.A. and Euros 33.6 million of the credit tranche in Dollars drawn down by Elecdor (Euros 238.1 million in 2022, Euros 50 million of the loan tranche, Euros 156 million of the credit tranche in Euros, Euros 4.5 million of the credit tranche in Dollars drawn down by Elecnor, S.A. and Euros 27.6 million of the credit tranche in Dollars drawn down by Elecdor at 31 December 2022) at nominal value.



- In 2023, 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 programme remains **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 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 nine years, the Group has completed 303 issues for a total of Euros 8.505 billion, making it one of the main issuers of promissory notes in the Spanish market. At the close of 2023, the Group had EUR 239 million available under this programme (EUR 115 million at 2022 year-end).
- 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 B. Sabadell.
  - Euros 30 million at 14 years, as sustainable bonds, also placed by B. 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 to be 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.

The Group's investment activity (Euros 268.1 million invested), as well as the growth experienced in the Services and Projects activity, have required more funds. This need, especially for working capital, is concentrated in some of the Group's ongoing external projects.



#### 3.4. Material changes in accounting policies

The accounting policies and methods used to prepare the Consolidated Annual Accounts in 2023 are the same as those applied to the Consolidated Annual Accounts in 2022.

All accounting principles with a significant effect have been applied in the drawing up of these Separate and Consolidated Annual Accounts.

#### 3.5. Profit/loss of the Elecnor Group's holding company:

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.

In Elecnor, S.A.'s Income Statement, sales mainly consist of dividends received from subsidiaries, as well as invoicing for services and financial interest to Group companies, and the profit/loss also includes Elecnor, S.A.'s structural expenses. In 2023 sales decreased mainly due to the lower dividend received from Elecnor Servicios y Proyectos, S.A.U. (Euros 17 million compared to Euros 55 million received the previous year), although the profit/loss increased due to the capital gain generated at the Group's parent company from the sale of Gasoducto Morelos (Euros 42 million).

The main figures of the Income Statement are as follows:

#### **Key figures**

(Thousands of Euros)	2023	2022
Turnover	63,816	102,237
Operating income	48,357	40,894
Profit before tax	33,391	31,606
Profit after tax	43,238	36,882

#### 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 29 days. The average payment period to suppliers of the Elecnor Group, calculated in the same way, is 59 days.



#### 3.7. Turnover by activity

#### Turnover by activity

(Thousands of Euros)	31/12/2023	31/12/2022 C	hange (%)
Electricity	1,560,084	1,352,435	15.4 %
Power generation	688,013	724,734	(5.1) %
Telecommunications and space	273,314	242,133	12.9 %
Facilities	184,624	232,520	(20.6) %
Construction, environment and water	326,502	285,849	14.2 %
Maintenance	393,128	287,998	36.5 %
Oil & Gas	142,222	165,724	(14.2) %
Railways	225,019	101,867	120.9 %
	3,792,906	3,393,260	11.8 %

Once again this year, the main activity in terms of turnover was Electricity, with Euros 1,560 million, 15.4% higher than in 2022, with a notable increase in other activities such as Maintenance, which with a volume of Euros 393 million was 36.5% higher than in 2022, and Railways, which with Euros 225 million exceeded the previous year's figure by 120.9%. 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

	31/12/2023	31/12/2022
Closing share price (Euros)	19.55	10.60
Total volume of securities (millions)	8.5	6.1
Total cash traded (millions of Euros)	122.7	66.6
Number of shares (millions)	87	87
Market capitalisation (millions of Euros)	1,700.9	922.2
PER	15.5	9.0
Dividend yield	4.1 %	3.5 %

On 31 May 2023, the **supplementary dividend was distributed against profit for 2022**, in a gross amount of Euros 0.36053065 (Euros 0.37040598, including the pro-rata distribution of treasury shares). On 20 December 2023, the **interim dividend against 2023 profit was paid**, in a gross amount of Euros 0.06572862 (Euros 0.06751654, including the pro-rata distribution of treasury shares).

Shares in Elecnor, S.A. closed the year with a price of **Euros 19.55 per share** and market capitalisation stood at Euros 1,700.9 million. The total cash amount traded was Euros 122,7 million.



# 5. Capital management policy

Key to the Elecnor 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

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.

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.

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 at least 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.

#### 6.1. Foreign currency risks

The Elecnor Group is exposed to the risk of exchange rate fluctuations due to its operations in international markets. Part of the revenues and costs incurred are denominated in currencies other than the Group's functional currency (Euro) and in certain projects the economic and financial inflows and outflows are in different currencies, and therefore the outcome of these projects is exposed to exchange rate risk.

To manage and mitigate the risk arising from exchange rate fluctuations, and when it is not possible to design and implement natural hedging structures, such as the use of financing referenced to the currency of the agreement, the Group uses other hedging strategies, such as taking out exchange rate insurance and cross currency swaps.



#### 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 Elecnor Group has arranged external financing to enable it to carry on its operations, both at a corporate level and in connection with the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The guarantee for this project finance is provided by the projects themselves.

With regard to interest rate risk management, the Group uses hedging instruments to hedge the risk of interest rate fluctuations in financing transactions with floating interest rates. On the other hand, and depending on the market conditions prevailing at any given time, the Group assesses and, where appropriate and depending on its financial needs and the financing structure objectives established, arranges financing at fixed interest rates.

#### 6.3. Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to meet its short-term financial obligations within the established deadlines.

In order to mitigate liquidity risk, the Group monitors its operating capital on an ongoing basis to optimise its management and maintains a solid liquidity position in current accounts and credit lines with sufficient limits.

#### 6.4. Credit risk

The Elecnor Group's main credit risk arises from trade receivables, when the counterparty or customer does not meet their contractual obligations.

Given the business and the sectors in which it operates, the Elecnor Group generally has customers of high credit ratings. In any event, and mainly in international projects with non-recurring customers, the Group takes extreme measures to mitigate credit risk (non-payment or default), carrying out exhaustive analyses of the solvency of the counterparty and establishing specific contractual conditions to ensure the collection of the consideration, as well as using other mechanisms such as the collection of advances, irrevocable letters of credit or hedging through insurance policies.

In relation to the Enerfín subgroup classified as non-current assets held for sale during 2023, 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. Wind Farm 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 Energía 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 and entering 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 operated as concessions in Brazil, Operador Nacional do Sistema Elétrico (ONS) —through Celeo CI— 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.

In relation to transmission lines in Chile, Celeo CI participates in both the National Transmission System and the Zonal Transmission System. The National Electricity Coordinator (CEN) is responsible for coordinating the flow of payments to the transmission companies for both systems. The current system remained until December 2018, whereby those responsible for paying the transmission companies were the generating companies. Since 2019, distributors have also been liable for payments, so the portfolio of payers became more diversified from that date on. The payment guarantee 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 regularly analyses its exposure to credit risk and makes the corresponding impairment adjustments.

#### 6.5. Market risk

Revenues and results corresponding to the wind power generation activity, which the Elecnor Group operates through the Enerfín subgroup, are exposed to changes in energy prices.

In order to reduce the Group's exposure to changes in the price of energy to an acceptable level, it maintains a policy of hedging the price of energy for a certain percentage of the estimated production of its assets in Spain, contracting the respective derivative financial instruments. As regards the production of its assets located outside Spain, most of its production is sold at prices determined under long-term power purchase agreements, and is therefore not affected by changes in the price of energy on the market.

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

In the current context of high 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.



#### 6.6. Climate risk

This category would include risks arising from events associated with climate change, whether physical climate risks, which could cause discontinuity or significantly affect certain operations, or transition risks, which would be those related to new legal and/or market requirements in this area (regulations, reporting, third-party expectations, etc.).

Environmental risks are mainly managed through the Environmental Management System, which is integrated into the Group's Integrated Management System and certified according to ISO 14001. This system is based on the following pillars:

- Identification and verification of legal requirements through the use of specific tools that enable the management of compliance with administrative obligations and other commitments acquired, in addition to those required by law.
- Design and deployment of policies and procedures to identify the environmental impacts
  of projects and to mitigate, compensate and avoid, where possible, their negative effects
  on the environment, promoting aspects such as the circular economy and the protection
  and conservation of biodiversity and the natural environment.
- Incorporation of environmental considerations into the decision-making processes, encouraging their being taken into account in cost-benefit analyses.
- Involving different stakeholders in the joint quest for useful solutions to preserving and developing the environment and using natural resources sustainably.

Furthermore, the 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). Two scenarios have been considered in this study: the first part of the study focuses on the impact of climate change on the Elecnor Group's physical assets while the second part focuses on how climate change impacts the construction of infrastructures in countries where the Elecnor Group has a current presence or significant medium- and long-term business opportunities. 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.

The Elecnor Group has also taken another step forward in its commitment to decarbonisation by joining the Science Based Targets (SBT) initiative, establishing corporate emission reduction targets according to science, which were approved in 2022 by this initiative.



# 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, it 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", the Elecnor Group 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 2023. These guiding principles 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.
- Verification of the GHG emissions inventory using the methodology established by the GHG Protocol and applying the principles established in the document "The Corporate Value Chain (Scope 3), Accounting and Reporting standard".



- Obtaining the "Calculo y Reduzco" seal awarded by the Spanish Office for Climate Change (OECC).
- Taking part in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate change. In 2023, the Elecnor Group upheld the score of A- achieved in 2022, 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 (SBTi) 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 by the initiative.
- Review of its analysis of climate-related risks and opportunities following the recommendations of the TCFD, broadening and enhancing the analysis of risks and opportunities carried out the previous year, covering a wider range of activities, increasing the coverage of scenarios used and analysing a wider and more varied range of risks and opportunities.

The Committed to the environment chapter of the Non-Financial Information section of this Directors' Report outlines the goals, strategies and all the initiatives implemented in 2023 in relation to the Group's Climate Action and Environmental Performance.

#### 8. Human Resources

#### Elecnor's workforce (\*)

At 31 December each year	31/12/2023	31/12/2022	Change (%)
Domestic	11,746	11,210	4.8 %
International	10,817	11,138	(2.9) %
	22,563	22,348	1.0 %

<sup>\*</sup>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 2023 year-end, the Group's workforce had remained stable increasing by 215 (1%) to 22,563 employees. In the domestic market, there was an increase of 4.8%. Abroad, there was a general decrease of -2.9%.

The Parent Company had a workforce at 2023 year-end of 456 employees (excluding non-executive directors), 402 employees at the end of the previous year.

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. R&D&I

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 2023, the total investment figure for 2022 for all the Group's R&D&I projects is included, and amounted to Euros 23.3 million.

Innovation is a part of the Group's Integrated Management System. Elecnor, S.A. and its subsidiary Audeca are currently certified in accordance with UNE 166002 standard.

In 2023, the main initiatives undertaken were as follows:

- Launch of INNOVA 2023 call for proposals for R&D&I project funding.
- Standardisation of KPIs in R&D&I for the Group and its organisations.
- Internationalisation of R&D&I taxable profit in foreign subsidiaries.
- Conducting workshops on collaborative/open innovation in conjunction with Tecnalia,
   Spain's largest centre for applied research and technological development.
- Approval by the Provincial Council of Vizcaya of two innovative projects within the framework of the Hazitek call for proposals: Aria de Ferrocarriles (initiated in 2023) and Popin de Sistemas projects.
- Presentation of new proposals from Elecnor Deimos, the Group's technology subsidiary, within the framework of national and European programmes.
- Market presence of green hydrogen production facilities.
- Development of wind, photovoltaic and storage hybridisation projects.
- 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.
- Completion of the development of the Sigidel 4.0 Control system, a system based on the historic Sigidel system but at the forefront of technological innovations and complying with cybersecurity standards.
- Completion of the autonomous vehicle feasibility project subsidised by the Catalan Public Agency for Business Competitiveness (Acció), in collaboration with the UPC and the company Sorigué.
- Advances of the platform for the optimisation of sports infrastructure processes by means of predictive models and energy recovery solutions together with Tecnalia, Tecman, Sedical and Laenk, and subsidised by Hazitek.

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

Subsequent to year-end, an Extraordinary Shareholders' Meeting was held on 24 January 2024, approving the sale of 100% of Enerfin's share capital to the Norwegian company Statkraft European Wind and Solar Holding AS, as explained in Note 7 "Non-current assets (or disposal groups) held for sale" of these accompanying Consolidated Annual Accounts.

At the date of authorisation for issue of these report, no significant events have occurred after the close of year-end 2023 that could alter or have any effect on the financial statements for the period ended 31 December 2023.

#### 11. Outlook for 2024

#### 11.1. Economic context

As explained in section 2 "Economic environment" of this report, in an uncertain global economic scenario, where geopolitical risks have increased, 2024 is expected to see disinflation and a slowdown in global growth for the third consecutive year, before picking up in 2025.

#### 11.2. Elecnor Group

The Elecnor Group's activities will benefit from the three major trends that are expected to drive global economic development:

- Environmental and social sustainability
- Energy transition and electrification of the economy
- Urban planning and digitalisation of society

Following the strong performance this year, and based on the solid portfolio of contracts coupled with geographical diversification and the Elecnor Group's excellent team of professionals, the Group's businesses expect to exceed next year the previous year's sales figures and results from continuing operations, as it has continuously done year after year for the past decade.

# 12. Share capital and acquisition of own shares

At 31 December 2023, the share capital of Elecnor, S.A. was represented by 87,000,000 shares, each with a par value of Euros 0.10, 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 2022, Elecnor, S.A. had a treasury share portfolio of 2,322,384 shares. During the year it acquired 271,026 securities, and sold 293,881. Accordingly, at 31 December 2023 it had a total of 2,299,529 own shares, i.e., 2.64% of all shares in the company, (2,67% 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 Annual Accounts at 31 December 2023, as provided in article 15 of Royal Decree 1362/2007.

#### 14. Alternative Performance Measures

The Elecnor Group 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.

#### 14.1 Alternative measures of the Elecnor Group's performance

#### a) Key figures

(Thousands of Euros)	31/12/2023	31/12/2022	Change
Continuing operations:			
Net turnover	3,792,906	3,393,260	11.8 %
Domestic	1,489,436	1,403,651	6.1 %
International	2,303,470	1,989,609	15.8 %
EBITDA	204,862	147,564	38.8 %
Profit/loss before taxes	97,761	80,154	22.0 %
Income tax	(27,284)	(22,062)	23.7 %
Profit/loss from continuing operations	70,477	58,092	21.3 %
Profit/loss from continuing operations attributable to non-controlling interests	(4)	(4)	- %
Profit/loss from continuing operations attributable to shareholders of the Parent	70,481	58,096	21.3 %
Discontinued operations:			
Profit/loss from discontinued operations attributable to shareholders of the Parent	39,577	44,717	(11.5) %
PROFIT/LOSS FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	110,058	102,813	7.0 %



# b) Turnover by segments

(Thousands of Euros)	31/12/2023	31/12/2022	Change (%)
Elecnor	3,886,590	3,422,866	13.5 %
Domestic	1,507,384	1,422,090	6.0 %
International	2,379,206	2,000,776	18.9 %
Subtotal Businesses	3,886,590	3,422,866	<i>13.5</i> %
Operations between segments	(93,684)	(29,606)	- %
	3,792,906	3,393,260	11.8 %

# c) 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

	31/12/2023	31/12/2022	Change in (%)
EBITDA = Gross Operating Profit:	204,862	147,564	38.8 %
Operating income	121,145	96,061	
<ul> <li>Expense for amortisation, depreciation, impairment and charges to provisions</li> </ul>	83,717	51,503	

## d) EBITDA by segments

(Thousands of Euros)	31/12/2023	31/12/2022	Change (%)
Elecnor (*)	220,997	168,928	30.8 %
Celeo	15,390	17,153	-10.3 %
Subtotal Businesses	236,387	186,081	<i>27.0</i> %
Group Management and Other Adjustments	(23,599)	(29,569)	
Operations between segments	(7,926)	(8,948)	
	204,862	147,564	38.8 %
(*) EBITDA adjusted for the capital gain on the sale of 50% of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. (I) + (II)	199,478	168,928	18.1 %
EBITDA for Elecnor's business (I) Capital gain from the sale of 50% of the Mexican companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. (II)	220,997 21,519	168,928 -	30.8 %



### e) Profit before income tax by segment

(Thousands of Euros)	31/12/2023	31/12/2022	Change (%)
Elecnor	122,602	105,914	15.8 %
Celeo	15,390	17,153	-10.3 %
Subtotal Businesses	137,992	123,067	12.1 %
Group Management and Other Adjustments	(32,305)	(35,960)	
Operations between segments	(7,926)	(6,953)	
	97,761	80,154	22.0 %

# f) Consolidated net profit attributable by segment

(Thousands of Euros)	31/12/2023	31/12/2022 C	hange (%)
Elecnor	84,415	77,460	9.0 %
Enerfín	39,577	44,717	-11.5 %
Celeo	15,390	17,153	-10.3 %
Subtotal Businesses	139,382	139,330	- %
Group Management and Other Adjustments	(23,231)	(30,622)	_
Operations between segments	(6,093)	(5,895)	_
	110,058	102,813	7.0 %

## g) Elecnor Portfolio (Services and Projects)

(Thousands of Euros)	31/12/2023	31/12/2022	Change (%)
Domestic	749,580	633,939	18.2 %
International	1,828,073	1,774,464	3.0 %
TOTAL	2,577,653	2,408,403	7.0 %

#### 14.2. Alternative debt measures of the Elecnor Group

#### a) Net Financial Debt with and without recourse:

(Thousands of Euros, at year-end)	31/12/2023	31/12/2022	Change (%)
With recourse	222,613	120,791	84.3 %
Without recourse	512,442	426,122	20.3 %
Total Net Financial Debt	735,055	546,913	34.4 %

## b) Calculation of Total Net Financial Debt:

In 2023, the Group's Total Net Financial Debt is calculated on the basis of the balance sheet headings indicated in the table below, as well as the same items of the Enerfín subgroup that are reclassified at year-end to Non-current Assets and Liabilities held for sale, as these form part of the Group's net financial debt.



	31/12/2023			31/12/2022
	Debt items on the assets and liabilities side of the balance sheet	Non-current assets and liabilities held for sale	TOTAL	
+ Non-current liabilities. Financial liabilities from issuing bonds and other marketable securities	29,672	11,673	41,345	50,793
+ Current liabilities. Financial liabilities from issuing bonds and other marketable securities	238,818	10,540	249,358	125,158
+ Non-current liabilities. Financial liabilities on loans and borrowings	315,184	495,656	810,840	726,902
+ Current liabilities. Financial liabilities on loans and borrowings	35,642	27,704	63,346	52,780
+ Non-current liabilities. Derivative financial instruments	-	10,589	10,589	17,128
+ Current liabilities. Derivative financial instruments	646	10,391	11,037	37,425
+ Loans granted by public entities	2,256	-	2,256	3,801
- Current liabilities. Derivative exchange rate hedging instruments	(646)	(5,830)	(6,476)	(5,551)
<ul> <li>Non-current liabilities. Derivative exchange rate hedging instruments</li> </ul>	-	-	-	-
Non-current liabilities. Derivative energy price hedging instruments	-	(10,589)	(10,589)	(16,822)
- Current liabilities. Derivative energy price hedging instruments	-	-	-	(31,874)
	621,572	550,134	1,171,706	959,740
- Current investments in related companies	(318)	-	(318)	(761)
- Derivative financial instruments (of Current assets)	(2,136)	(10,050)	(12,186)	(3,905)
- Derivative financial instruments (of Non-current assets)	(170)	(5,746)	(5,916)	(9,639)
- Cash and cash equivalents	(317,019)	(67,153)	(384,172)	(372,525)
- Other current financial investments	(19,531)	(13,606)	(33,137)	(12,076)
<ul><li>Debt service reserve account under "Other cash equivalents"</li></ul>	-	(14,627)	(14,627)	(17,826)
+ Derivative financial instruments (from current assets of the Consolidated Balance Sheet) for exchange rate hedges	69	-	69	2,361
+ Derivative financial instruments (from current assets of the Consolidated Balance Sheet) for price hedges	-	10,050	10,050	1,544
+ Derivative financial instruments (from non-current assets of the Consolidated Balance Sheet) for price hedges	-	3,586	3,586	-
	(339,105)	(97,546)	(436,651)	(412,827)
Total Net Financial Debt			735,055	546,913
(increase on previous year's close)			34.4 %	5.8 %



# c) Indebtedness ratio:

(Thousands of Euros, at year-end)	31/12/2023	31/12/2022
Net Financial Debt with recourse	222,613	120,791
EBITDA with recourse + projects dividends	243,525	193,196
EBITDA Continuing Operations	204,862	147,564
EBITDA Discontinued Operations (ENERFIN)	125,048	154,490
With recourse <sup>1</sup>	40,220	-9,901
Without recourse <sup>2</sup>	84,828	164,391
Dividends from projects	20,367	73,495
Reversal of the effect on EBITDA with recourse of the application of IFRS 16	-21,924	-17,962
Ratio of Debt/EBITDA with recourse + Projects dividend	0.91	0.63

 $<sup>^1</sup>$  EBITDA with recourse is Group EBITDA excluding non-recourse EBITDA (EBITDA corresponding to investment projects financed by debt secured by such projects)

#### d) Ratio of Total Net Financial Debt/ EBITDA:

Ratio of Total Net Financial Debt/ EBITDA	2.23	1.81
EBITDA Continuing Operations + EBITDA Discontinued Operations	329,910	302,054
Total Net Financial Debt	735,055	546,913
(Thousands of Euros, at year-end)	31/12/2023	31/12/2022

 $<sup>^2</sup>$ EBITDA without recourse is EBITDA corresponding to investment projects financed by debt secured by such projects



#### 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 2023. 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 of its activities and its business strategy, as well as its relations with stakeholders.

The Elecnor Group has various policies, approved by the highest level of the organisation, 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, Integrated Management System, 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 2023, the Elecnor Group approved the Internal System Policy on Integrity and Regulatory Compliance and the Procedure for Managing Communications received through the Group's Ethics Channel. This resulted in the updating of the Integrated Management System Policy and the Information Communication Policy, contacts and engagement with shareholders, institutional investors, asset managers, financial intermediaries, proxy advisers and other stakeholders.

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, information security systems and risk management.



#### Sustainability governance GRI 2-13, 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 governing bodies 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 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 Strategic Sustainability Plan 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 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 know-how, 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 holds quarterly meetings to track and evaluate the Group's sustainability actions.

#### **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 4 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 new 2023-2025 Strategic Sustainability Plan, submitted to the Appointments, Remuneration and Sustainability Committee and approved by the Board of Directors, maintains a continuity with respect to the previous 2021-2022 Strategic Sustainability Plan. The new Plan reflects, through different objectives and initiatives, the following strategic challenges of the Elecnor Group: management excellence, strengthening the company's identity, expanding sources of financing, strengthening control, efficiency, technology, cybersecurity, quality, environment, communication and reputation systems. This strategy conveys to the Group's stakeholders its commitment to people, society and the environment, always based on ethical and responsible management.

The five strategic pillars of the previous Strategic Plan have been maintained in the current one, although "Promoting a culture of belonging and respect" is now called "Elecnor Group's identity" for greater alignment with the Group's strategy. In addition, two new lines of action have been added regarding supply chain and biodiversity, and initiatives related to human rights and environmental taxonomy.

The Strategic Sustainability Plan 2023-2025 and the traceability of its core strategies to the Group's material topics is shown below:





## 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
- Service quality and customer satisfaction
- Responsible supply chain
- > Technology and innovation



### Solid governance structure

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

- Corporate Governance
- Compliance

## Elecnor Group's identity

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

- Health and safety
- Enhancing team commitment and loyalty

### Develop sustainable infrastructures

Being one of the key players in the development and progress of society through infrastructure, renewable energy, energy efficiency, water and environmental projects, as well as the commitment to being a Net Zero company in 2050. These are its lines of action:

- > Develop projects and services that contribute to decarbonising the economy.
- Carbon-neutral company
- Biodiversity

## Improve the quality of life of people

With the aim of generating change and well-being, Elecnor Group is committed to fostering the development and progress of society. These are its lines of action:

- Constant dialogue with stakeholders
- > Supporting the communities where the Group operates

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

## 2022-2023 Strategic Plan Milestones

Some achievements of the 2023-2025 Strategic Plan are set out below:

- Progress continued to be made in the area of sustainable financing, with the registration
  of a Multi-currency Promissory Note Programme on the Alternative Fixed Income Market
  (MARF) for up to Euros 400 million. This is the Elecnor Group's second Programme linked
  to sustainability that includes targets for reducing greenhouse gas emissions and
  accidents at work.
- Major progress has been made in the renewable energy projects of wind farm repowering and the green hydrogen pilot project.



- The Digital Transformation index has reached 97% on 2023 projects.
- Within the framework of the Climate Change Strategy, the carbon footprint for Scopes 1, 2 and 3 has been verified and the analysis of climate-related risks and opportunities has been updated following the recommendations of the TCFD.
- The CDP score of A- has been maintained. The renewal of this rating endorses Elecnor's leadership in terms of sustainability, adaptation and mitigation of climate change.
- Progress was made in the deployment of the Quality and Environment System, most notably with the certification of Elecnor Peru.
- In Health and Safety, the Group's frequency rate remained the best since the series commenced

## Elecnor Group material topics GRI 2-29, GRI 3-1, GRI 3-2

The Elecnor Group identifies material topics 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 have formed the basis of the new 2023-2025 Strategic Sustainability Plan 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 topics consisted of the following:

- 1. **Identification of potentially material EGS 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 topics 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 consultation was launched with the key stakeholders via a questionnaire 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.

In this phase, 175 online surveys were sent to all stakeholders: shareholders and investors, customers, employees, suppliers and subcontractors, regulators and administration, lenders and insurers, partners, trade unions, social environment and opinion makers.

# 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 as high, medium and low impact issues. Based on these results, high impact issues are further classified into critical and priority issues. In addition, among the medium-impact issues, other issues that are considered more strategic for the company are identified as relevant.
- 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 have been validated by the Appointments, Remuneration and Sustainability Committee in 2023.

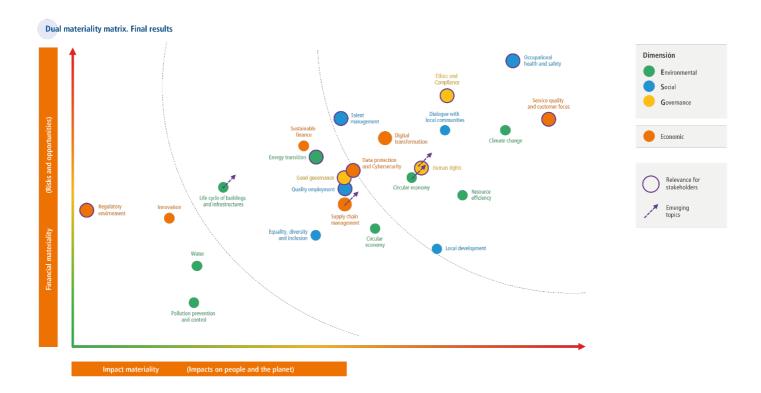
The Y axis of the matrix shows the results of the financial materiality assessment (risks and opportunities that affect or may affect the Elecnor Group's value creation). The X axis displays the results of the materiality of impact (real and potential impacts of the Elecnor Group on people and the planet).

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 were identified that are likely to become more relevant in the medium and long term: human rights, supply chain and biodiversity, so they have been included in the new strategy. 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	Classification	Material topics	Financial materiality	Impact materiality
S	_	Occupational health and safety	x	х
G	- Critical	Service quality and customer focus	X	Х
G	Critical	Ethics and Compliance	X	X
E	-	Climate change	×	х
S	Dialogue with local communities		x	х
G	-	Digital transformation	x	х
S	Dui o with <i>i</i>	Management of skilled people	X	
S	Priority	Human rights		х
Е		Resource efficiency		Х
Е		Biodiversity		Х
S	Local development			X
G	Corporate Governance		X	
Е	Relevant Data protection and cybersecurity		X	
Е	-	Sustainable finance	X	

This year, in addition to the material topics identified in 2022 (Critical and Priority), Relevant topics have been incorporated as a material aspect.

The impacts associated with the material topics are detailed in the following tables



# Positive impacts

MATERIAL TOPIC	DESCRIPTION	TIME HORIZON	LEVEL	SDGs	LINKAGE TO IMPACT
Service quality and customer focus  Developing reliable, sustainable, resilient and quality infrastructure that contributes to economic development and human wellbeing		Short-term	Critical	7 menun	Direct/ indirect ownership
Climate change  The Elecnor Group's energy efficiency and renewable energy projects, as well as its climate change strategy, help build a low-carbon society  Dialogue with local communities  Digital transformation  The implementation of digital technologies is key in the development of the business model and in identifying process improvements for greater efficiency for people and the environment		Medium-term	Critical	7 cmmin 13 cm	Direct/ indirect ownership
		Short-term	Priority	17 ************************************	Direct
		Medium-term	Priority	9 *************************************	Direct
Local development	Infrastructure projects help improve the economic and social development of the influence areas of the projects	Short-term	Priority	8 mm m m.	Direct

**Direct:** The organisation is directly linked to the impact **Indirect:** The organisation is linked to the impact through its business relationships

# Negative impacts

MATERIAL TOPIC	DESCRIPTION	TIME HORIZON	LEVEL	LINKAGE TO IMPACT
Occupational health and safety			Critical	Direct/ indirect ownership
Ethics and Compliance  Failure to comply with the applicable regulations and/or the company's ethical principles may result in the violation of labour, environmental, etc. regulations		Short-term	Critical	Direct
Climate change	Contribution to climate change through the generation of GHG emissions.		Critical	Direct/ indirect ownership
Dialogue with local communities	Generation of negative impacts on the environment and local communities in the development of projects.	Short-term	Priority	Direct
Human rights	Potential violation of some basic rights and freedoms of stakeholders (e.g., rights of indigenous communities, nondiscrimination)	Short-term	Priority	Direct/ indirect ownership
Resource efficiency	Water consumption in water- stressed areas contributes to water depletion / Energy consumption generates GHG emissions.	Medium-term	Priority	Direct
Biodiversity	Impacts on biodiversity at some stage of the project life cycle.	Short-term	Priority	Direct/ indirect ownership



# Alignment of the Strategic Sustainability Plan, material topics and Sustainable Development Goals

Axes of the Strategic Sustainability Plan	Material topics	GRI Content	SDGs	Chapter of this Report where answers are given
Elecnor Group's identity	Occupational health and safety	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8 403-9 403-10	3 OCCO-HEALTH 3 DEPONENT SHEET ROOK AND PROMOTIVE CROWTH	We look after our people
Profitable and forward- looking company	Service quality and customer focus	Elecnor Group own indicator	9 September 12 Sep	Operational excellence
Solid governance structure	Ethics and Compliance	2-9 2-23 2-27 201-4 205-1 205-2 205-3 206-1 207-1 207-2 207-3 207-4 415-1	16 FAME MOTION THE PROPERTY FOR HIS COURSE FOR HIS	Responsible management
Develop sustainable infrastructures	Climate change	201-2 305-1 305-2 305-3 305-4 305-5	7 directors of the state of the	Committed to the environment
Improve the quality of life of people	Dialogue with local communities	203-2 413-2	8 BERST WORK AND PONCHE CROWTH	Social impact
Profitable and forward- looking company	Digital transformation	Elecnor Group's own indicator	9 INDISTRUCTIONS 11 SUSTAINBELORES 10 SUSTAINBELORES 11 SUSTAINBELORES 11 SUSTAINBELORES	Technology and innovation
Elecnor Group's identity	Management of skilled people	401-1 401-3 404-1 404-2 404-3	5 concer 8 monard concerns	Our people, our best asset



Solid governance structure	Human rights	2-23 406-1 407-1 408-1 409-1 411-1	5 STREET	Responsible management
Develop sustainable infrastructures	Resource efficiency	302-1 302-3 302-4 302-5 303-1 303-5 306-1 306-2 306-3 306-4 306-5	12 REPONSIBLE STREET ACTION AC	Committed to the environment
Develop sustainable infrastructures	Biodiversity	304-1 304-2 304-3 304-4	15 UPR. DPLUMB	Committed to the environment
Improve the quality of life of people	Local development	201-1 203-1 204-1 413-1	5 finding 8 fictive arise are finding to the findin	Social impact
Solid governance structure	Corporate Governance	2-9 to 2-21	16 PEACL AUTOR AND THE CONTROL OF THE COLUMN COLUMN CONTROL OF THE COLUMN COLUMN CONTROL OF THE COLUMN COLU	Responsible management
Profitable and forward- looking company	Data protection and cybersecurity	Elecnor Group's own indicator	9 INDOSTICANOPLEMO 11 SUSTAINABLE CITES AND DAMAGNITS	Technology and innovation
Profitable and forward- looking company	Sustainable finance	Elecnor Group's own indicator	7 HERRIAGE AND THE CHARLES ACTION TO THE CHA	Committed to the environment

Information related to policies, measures and monitoring indicators associated with each material topic is included in the chapters that deal with the material topics.



# 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 Channel) 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		
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.		
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. Code of Ethics channel		



Suppliers and subcontractors	Meetings and work groups Corporate websites Social media Code of Ethics channel Audits Management platforms Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.
Public Entities and regulatory bodies	Official filings  Meetings Corporate website e-offices Social media Corporate and financial reporting: Corporate Governance
Lenders/Insurers	Meetings Corporate website Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.
Partners	Meetings Collaboration agreements Forums, fairs and congresses Corporate websites Social media Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.
Unions	Meetings Information briefings Corporate websites Social media Code of Ethics channel Corporate and financial reporting: Corporate Governance
Social environment	Social projects Corporate and financial reporting: Annual Reports, NFIS, Integrated Report, Elecnor Foundation Annual Report Sponsorships and patronage Corporate websites Social media Specific project websites Code of Ethics channel
Environment and environment-related organisations	Environmental projects Corporate and financial reporting: Annual Reports, NFIS, Integrated Report, Elecnor Foundation Annual Report Corporate websites Social media Specific project websites Code of Ethics channel



Press releases

Partnership agreements with the media

Meetings

Corporate website

Opinion generation Corporate and fi

Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.

Social media ESG forms

Thanks to the more than 400,000 followers on social media and the more than 20 corporate websites that the Elecnor Group has worldwide, it is possible to promote the Elecnor Group's external communication channels, the purpose of which is to disseminate the corporate culture, connect with stakeholders and promote awareness of the company's values among customers, shareholders and other stakeholders.

These are some key figures in the Elecnor Group's communication with the various stakeholders in 2023:



# 15.3 Business model GRI 2-6

Information on the company's business model is contained in the Purpose and business model section of this Directors' Report. Information concerning the outlook for 2024 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, sustainable projects, concessions and its own projects.

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 robustness, efficiency and control. All this with the focus on generating value for all of its stakeholder groups and the expansion of the Elecnor Group.



# Our purpose, our reason for existing

We generate change and well-being: we take infrastructures, energy and services to territories all over the world so that they can develop their potential.



#### **Essential services**

Integration of distribution services for power, telecommunications, maintenance and installations, essential for generating change and well-being in cities and feeding the sustainable project business line.



#### Sustainable projects

Promotion, construction, operation and maintenance of infrastructures for worldwide generation and transmission of clean energy, improving living conditions for communities and encouraging sustainable development.



## Concessions and proprietary projects

Development and operation of projects aimed at long-term stability and profitability by means of concession agreements and strategic investments in proprietary projects, by strengthening the portfolio of renewable energy and power infrastructure, and increasing the value of the Group in the long term.

#### **GROWTH DRIVERS**

Efficiency, diversification and robustness

# DIFFERENTIAL BASE

People and values

# 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.

At 2023 year-end, the Group employed more than 22,500 people of 92 nationalities. They form a committed, professional and diverse team.



# **Integrated Human Resources Management GRI 3-3**

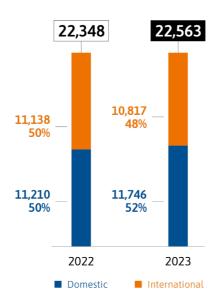
The Group's Integrated Human Resources Management is geared towards attracting the best talent available, as well as deploying, fostering and developing the organisation's existing talent, as described in the following sections on recruitment, training, performance and development.

# 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 international workforce accounts for 48% of the total, and the domestic workforce 52%.

At the end of 2023, the Elecnor Group employed 22,563 people, a 1% increase compared to the previous year (22,348 employees).

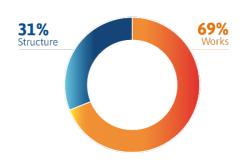
# Employee developments by market





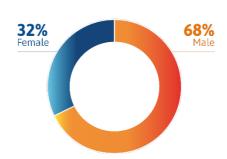
## Workforce breakdown

The Elecnor Group's workforce comprised 31% Structure staff and 69% 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 Works staff, where women only account for 5%. However, in the Structure category, there is a greater balance between men and women (the latter accounting for 32%).



The company's commitment to equality and diversity fosters growth in the number of women at the organisation, and there has been a 3% increase at Group level in the last year. Note also that 46% 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, 41% 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) and by gender are broken down so as to adequately represent the profile of the workforce.

# Structure staff

	2022	2023	% Chan	ge
	6,572	6,944	6	%
Male	4,547	4,751	4	%
Female	2,025	2,193	8	%

## Works staff

	2022	2023	% Change
	15,776	15,619	-1 %
Male	14,900	14,828	0 %
Female	876	791	-10 %



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

	2022		202	3
Geographic area	Male	Female	Male	Female
Spain	2,684	1,225	2,866	1,337
Europe	317	155	309	151
North America	229	46	275	51
Latin America	886	432	811	424
Africa	51	8	15	4
Asia	232	113	213	103
Oceania	148	46	262	123
Total	4,547	2,025	4,751	2,193

The Elecnor Group is committed to enhancing the quality of employment, which is demonstrated by the 2% increase in the number of open-ended contracts compared to the figure for 2022, reaching a permanent contract rate of 79%.

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.

Likewise, the Elecnor Group uses subcontracted staff to carry out projects. GRI 2-8

In 2023, the number of hours of absenteeism in the Elecnor Group totalled 1,937,342 (2,651,853 hours in 2022), implying an absenteeism<sup>3</sup> ratio of 3.77% (5.09% in 2022). This ratio does not include information from the United States for data protection reasons.

## Workforce turnover 4 GRI 401-1

Workforce turnover this year reached 51%. The turnover figures in segment are due mainly to contracts ending due to project completions over the course of the year. However, if we analyse the voluntary turnover of the Structure staff in 2023, it is significant to note that it is 8.5%, compared to 11.1% in 2022.

Appendix I of this Report contains in-depth figures on the whole workforce turnover.

## New hirings GRI 401-1

In order to implement projects, 12,001 new recruitments were made in 2023, which implies a 3% increase compared to 2022 (12,412).

These data include subrogated staff and interns joining the Group during the year.

<sup>&</sup>lt;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



By gender and type of employee

	Structui	re _		Work	(S
	Male	Female	Total	Male	Female
2022	1,316	614	12,412	9,865	617
2023	1,226	587	12,001	9,565	623

# 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. The objective is to capture and attract the best talent available in the market, giving priority to internal talent and following the Group's Internal Selection and Mobility Policy.

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, the LinkedIn profile Elecnor Talento is mainly used to coordinate job vacancy postings. In 2023, impetus continued to be given to capturing skilled staff using specific campaigns on LinkedIn and other employment websites in order to identify talent among those who are not actively seeking work.

This year has continued to be marked by the need to recruit national and international profiles for renewable energy projects, both wind and photovoltaic.

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. In 2023, 633 interns joined the team at the Elecnor Group.

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.



# Developing human capital

One of the Elecnor Group's main lines of action of integrated human resources management is to develop its human capital, working on training, retaining and developing it.

The **Identity Reinforcement Project**, designed the previous year, outlines the lines of work in various areas of people management geared towards attracting, developing and retaining talent in the Elecnor Group.

In 2023, the project continued to make progress with initiatives framed within its main lines of action:

- 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. This year, the following training sessions were provided:
  - New graduates (first year): 229 attendees.
  - Negotiation techniques (second year): 113 attendees.
  - Negotiation with the property (third year): 84 attendees.
- 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 conferences held every two years and aimed at graduates with between 4 and 5 years of seniority from the General Sub-Directorates and Business Divisions. This year, the conference was called *Tune In* and was attended by 254 people.
- Compensation/Performance evaluation and monitoring plan. In 2023, the new Job Map and the new Performance Evaluation process for Structure staff was defined.
- Career plans. Valencia has joined the Development/Career Plan for new university graduates. This Plan defines the salary aspects for the first three years, which are linked to their annual performance.
- Training. We continue with the possibility for each professional to request more personalised training.
- Emotional salary. The Elecnor Group supports the carrying out of activities that promote the well-being of the workforce, as detailed in the Work-Life Balance section of this Report.
- 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 and development GRI 3-3, GRI 404-2

The Elecnor Group has a policy in place called Procedure 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 Training Plan is designed by the Training Department based on the needs detected by the Delegates, Managers and Area Heads of each Directorate or General Sub-Directorate.

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.

In 2023, 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

The third edition of the ESADE Management Development Programme was held, aimed at those holding the position of Delegate, and the Senior Management Programme (SMP) at IESE continued with the "High Impact Communication" training for Managers.

Itineraries on management skills

They include courses related to leadership, finance, sales, communication, negotiation and strategies, work, project management, quality and Manager School, among others. A total of 1,223 attendees took part.

Specialised itineraries

They consist of courses related to the most specific aspects of each position, which have been attended by 802 people (598 through the Pharos digital training tool).

Office automation/technical IT

68 attendees have taken a course to update or learn new office automation tools. Additionally, 30 Office training sessions were held for 1,059 people and 12 Google Workspace sessions for 420 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, 598 participants have completed some of the available courses on technical or specific training.

On the Buenos Días intranet, Elecnor Group employees can access a catalogue of training courses.

Furthermore, Elecnor Group continues with the Manager School initiative, whose objective is to provide the necessary know-how to people who occupy or will occupy the position of manager, to enable them to carry out their duties and achieve the established goals.



To this end, a Training Plan has been established that addresses the following skills: management functions, digital, technical, occupational risk prevention and management systems. In 2023, the following courses were given to Managers and Skilled Workers Team Leaders:

- It is also up to me. Sessions on occupational risk prevention aimed at works managers with a participation of 110 attendees in 7 sessions.
- Being a manager at Elecnor. Sessions on key issues, challenges and performance skills.
   9 sessions were held with a total of 144 attendees.

# Training indicators

Item	2022	2023	Changes
Investment in training (€)	9,839,989	11,413,657	16%
Training hours	344,005	393,607	14%
No. of attendees*	35,123	35,914	2%
Training hours/employee	15.39	17.44	13%

<sup>\*</sup>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 staff tailored to the needs of their job descriptions:

- **Structure**. In 2023, 9,257 people attended training events, such as: management, technology, IT, languages, quality and environment, and occupational risk prevention.
- **Works**. Works staff 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, 26,657 people have received some of the aforementioned training.

Structure staff

2022

	Attendees					Hours	
Area	No. of courses	Male	Female	Total	Male	Female	Total
Managemen +	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 Environmen	129	422	265	687	1,877	1,987	3,864
Occupationa	325	2,954	1,110	4,064	26,363	9,123	35,486
Total	1,128	5,662	2,374	8,036	52,498	21,294	73,792



# Works staff

			Attendees			Hours	
Area	No. of courses	Male	Female	Total	Male	Female	Total
Manageme	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 Environme	22	426	31	457	735	53	787
Occupation	1,951	17,598	290	17,888	147,520	1,836	149,355
Total	3,215	26,732	355	27,087	267,861	2,353	270,214

# 2023

# Structure staff

	Attendees					Hours	
Area	No. of courses	Male	Female	Total	Male	Female	Total
Manageme	137	1,268	581	1,849	17,800	6,123	23,922
Technology	386	1,474	659	2,133	13,106	3,910	17,016
IT	18	70	38	108	927	505	1,432
Languages	643	402	258	660	9,772	6,713	16,484
Quality and Environme nt	119	439	238	677	2,347	1,592	3,938
Occupation al health	938	2,897	933	3,830	34,792	9,961	44,753
Total	2,241	6,550	2,707	9,257	78,743	28,802	107,544

# Works staff

	Attendees					Hours	
Area	No. of courses	Male	Female	Total	Male	Female	Total
Managemen +	46	441	15	456	7,980	1,871	9,851
Technology	1,455	9,922	56	9,978	124,492	412	124,904
IT	9	27	3	30	294	60	354
Languages Quality and	9	13	1	14	226	21	247
Environmen t	31	374	9	383	1,622	26	1,648
Occupationa	2,045	15,583	213	15,796	146,548	2,512	149,060
Total	3,595	26,360	297	26,657	281,162	4,902	286,064



Training hours and attendees by professional category and type of employee

2022	2023

Professional category	Attendees	Hours	Attendees	Hours
Structure	8,036	73,791	9,257	107,545
Management	133	1,638	143	2,111
Executive	1,520	13,056	1,649	21,161
Technician	6,383	59,098	7,465	84,273
Works	27,087	270,214	26,657	286,063
Basic	27,087	270,214	26,657	286,063
Total	35,123	344,005	35,914	393,608

Training hours by gender and type of employee

Structure				Worl	<b>KS</b>
	Male	Female	Total	Male	Female
2022	52,498	21,294	344,005	267,861	2,353
2023	78,743	28,802	393,608	281,162	4,901

Average hours of training by category and gender GRI 404-1

2022

	Ma	ale	Fem	ale	Tot	:al
Category	Number	Average	Number	Average	Workforce	Average
Structure	4,547	11.55	2,025	10.52	6,572	11.23
Management	143	10.02	18	11.39	161	10.17
Executive	1,184	8.11	225	15.33	1,409	9.26
Technician	3,220	12.88	1,782	9.90	5,002	11.82
Works	14,900	17.98	876	2.69	15,776	17.13
Basic	14,900	17.98	876	2.69	15,776	17.13
Total	19,447	16.47	2,901	8.51	22,348	15.39



2023

	Ma	ile	Fem	ale	Tot	al
Category	Number	Average	Number	Average	Workforce	Average
Structure	4,751	16.57	2,193	13.13	6,944	15.49
Management	141	13.84	19	8.37	160	13.19
Executive	1,270	13.51	261	15.36	1,531	13.82
Technician	3,340	17.86	1,913	12.88	5,253	16.04
Works	14,828	18.96	791	6.20	15,619	18.32
Basic	14,828	18.96	791	6.20	15,619	18.32
Total	19,579	18.38	2,984	11.29	22,563	17.44

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.

# Performance management GRI 404-3

Performance management is the process of analysis of the actions and results of each person in their job, as well as the identification of improvement areas. The aim is a maximum commitment to existing potential in the Group in order to offer employees opportunities for growth and improvement over the course of their career.

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 2023, the performance management process continued to be implemented for new university graduates from Madrid and Barcelona within the framework of the Career Plan, being joined this year by new university graduates from Valencia. In total, 259 graduates took part in the evaluation process.

Progress was also made in the design of the Group's new performance management model based on the achievement of business objectives and competencies.

During 2023, 4,015 people were assessed (process completed in January 2024), taking into account the aspects of job development and attitudes towards customer service, teamwork and communication/interaction.

Professional category	Male	Female	Total	% of assessment*
Structure	2,707	1,262	3,969	57%
Management	114	14	128	80%
Executive	761	166	927	61%
Technician	1,832	1,082	2,914	55%
Works	35	11	46	0.3%
Basic	35	11	46	0.3%
Total	2,742	1,273	4,015	18%

<sup>\*</sup>Calculated on the total of each professional category



# 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 2023, a new job map was defined for Structure staff.

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 GRI 2-19

Within the framework of Integrated Human Resources Management, the Elecnor Group's 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 fixed average wage of men and of women, over the average wage of men.

Category	2022	2023
Management	13 %	14 %
Executive	17 %	16 %
Technician	21 %	22 %
Basic	47 %	38 %
Employee type	2022	2023
Structure	33 %	32 %
Works	47 %	38 %

Moreover, it is worth representing the wage gap in Spain, where 52% of the workforce is located.



#### Spain

Category	2022	2023
Management	8 %	9 %
Executive	2 %	3 %
Technician	10 %	10 %
Basic	0.3 %	3 %
Employee type	2022	2023
Structure	21 %	21 %
Works	0.3 %	3 %

The average remunerations and its evolution thereof by gender, age and professional category are exposed in Appendix I.

# 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, in the form of various work schedules negotiated and approved with the Workers' Legal Representation.

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 outside of the recipient's working hours, he/she receives it during his/her 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 staff 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, transport passes, pension plans and kindergarten. 1,071 people joined in 2023.

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 2023, 3,215 employees benefited from this assistance quantified at Euros 584,913. 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.

The Elecnor Group also supports the carrying out of activities that promote the health and well-being of the workforce, including the following in 2023:

- Agreements with physiotherapy clinics and insurance companies.
- Weekly information on health tips and good practices.
- To promote and encourage sport, the company subsidises participation in sports activities and company races. A total of 224 people took part in the races in Bilbao, Madrid, Palma de Mallorca, Seville and Valencia.
- Apartments. 108 apartments were raffled among the Structure and Works staff in Spain to enjoy during 15 days in summer.
- "Moana" surf camp in Vizcaya. 47 children, children of Elecnor Group employees, attended this surf camp for a week.

In addition, note that the Más Elecnor digital platform includes special offers and discounts on products and services for the entire workforce and their direct relatives.

# 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.



If employees want to send any type of suggestion or resolve a conflict, the following mailbox is available as a communication channel: codigoetico@elecnor.com. In 2023, no complaints have been received in terms of equality or discrimination of treatment on the grounds of sex or similar matters. GRI 406-1

In line with historical trends regarding gender in the sector, men are more widely represented in the Group, especially among Works staff. However, Structure staff is of great balance: at 31 December 2023, 32% were women and 68% men; while in Works, 5% were women and 95% men.

During this year, 381 male employees (524 in 2022) were entitled to paternity leave and 85 female employees (110 in 2022) were entitled to maternity leave. 100% of these groups (98% in 2022), took the leave.

In Spain, out of the 327 people who took leave (265 men and 62 women), 320 returned at the end of their leave (261 men and 59 women), which corresponds to a return rate of 98% (98% men and 95% women).

On the other hand, out of the 320 employees who returned, 310 were in active employment at the end of the year (255 men and 55 women), corresponding to a retention rate of 97% (98% men and 93% women).

Entidad adherida a la alianza



The Elecnor Group has maintained the "Empresa adherida a la Alianza #CEOPorLaDiversidad" 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 Elector Group counts with the 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, 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, 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 Group 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 performed for persons holding positions of responsibility in each business area.

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.

Representation of women in executive positions*	2022	2023
% of women in executive positions*	11.2 %	11.9 %
% of women on the Boards of Directors**	21.4 %	21.4 %

<sup>\*</sup> Considering Management category of Elecnor Group

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 92 people with various disabilities (90 in 2022), accounting for 0.78% of the national workforce and for 0.4% of the total workforce of the Group. 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 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 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 5.4 million.

<sup>\*\*</sup>The Board in December of the reporting year



Suppliers	Amount
Protec & Marti, S.L.	€3,817,262
Comercial M. Unceta	€282,989
Integra PMC	€57,860
Gelim	€146,358
I.L. Sijalon	€334,574
Apunts	€1,427
Cemi Norte	€118,776
S. Arza	€716,131
Total	€5,475,377

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.

Since 2021, the Elecnor Group has had 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.

In addition, the company is committed to creating inclusive, barrier-free spaces that facilitate participation.

# About our people

Internal communication is key in the Elecnor Group as it is the link between the company and its people. The main objective is to foster dialogue, collaboration and understanding between the different areas of the Group, as well as staff involvement.

During 2023, the Group launched new initiatives in addition to those started in the previous year. Thanks to these actions, the more than 22,000 people who today make up the Elecnor Group can stay connected through the different communication channels, both internal (Buenos Días) and external (social networks).

## Noteworthy initiatives

## To get home

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, which was broadcast in all countries where the Group operates, aimed to highlight the importance of complying with safety regulations in order to return home with one's family through the slogan "Return home".

### Hackers vs Locky

The Cybersecurity area launched a campaign with the aim of raising awareness of the importance of improving digital security skills. It was implemented through a game, so that people could learn about the reality of cybersecurity by playing.



## GoodBye Plastic

This year's World Environment Day focused on the importance of providing solutions to plastic pollution, encouraging people to inspire others to join the cause and providing a channel where each participant could send a video with plastic-free actions. This initiative has also sought to demonstrate the great impact of individual choices.

#### The Q team

On the occasion of World Quality Week, the Corporate Services area launched The Q Team campaign, with the aim of raising awareness of the lessons learned on the Elecnor Group's path to excellence and disseminating the importance of quality in all its processes.

#### 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.

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 Company Race ("Carrera de las Empresas") is an initiative that also encourages teamwork, a good atmosphere and camaraderie.

#### Advent Calendar

This initiative provided the opportunity to discover, by opening a window in the calendar each day, an inspirational message about sustainability, together with related information about the Group. A daily raffle was held among all participants who opened a window.

#### Let's talk about Safety

As part of the Elecnor Group's commitment to health and safety, a video has been sent out every week in which, in a simple and accessible way, a lesson learned about a specific accident or incident that occurred in the past has been shown to raise awareness of the importance of learning in order to avoid a repetition.

# Social dialogue GRI 2-30

In Spain, 100% of the workforce is covered by collective bargaining agreements. Considering that the concept of the Collective Bargaining Agreement stems from the Spanish Constitution and is developed by the Workers' Statute, and is therefore local and difficult to extrapolate, in the rest of the countries where the Group is present, employees are not covered by such agreements, but they are all are under the framework of labour relations set out in the corresponding local labour legislation. Comparable legislation exists in Argentina, Brazil, Cameroon, Lithuania, Portugal, Italy, Uruguay and the USA, under which employees are covered, although it is not of the same nature as in Spain.

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 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 periodically 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 2023, two agreements were signed with workers' representatives to improve conditions (on-call and standby, bonuses, working hours, etc.) for Eastern Andalusia and Vizcaya Distribution. Likewise, the Metal Collective Bargaining Agreement of Córdoba, Castellón, Valencia, Balearic Islands, Valladolid, Albacete, Pontevedra, Murcia, Palencia, Soria, Granada, Lleida, Lugo, Cáceres, Gipuzkoa, Vizcaya, Jaén, Almería, Navarre, Barcelona, Gerona, Zaragoza and Burgos has been reviewed.

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 addresses codigoetico@elecnor.com and subdireccionrrhh@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, information security and risk management. These seven 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 guiding principles reflected in the Integrated Management System Policy are as follows:

- Provision of the necessary material resources.
- Focus on training in prevention techniques.
- Eliminate hazards and minimise risks
- Development of awareness campaigns for the entire Group.
- Continuous performance of inspections and audits on site and adoption of the appropriate corrective measures 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 rules, instructions and procedures, to use the individual or collective protection equipment provided, to use equipment, tools and vehicles appropriately, 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 14 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 132 technicians<sup>5</sup>, with different levels and specialities (most of them have the three specialities required by Spanish legislation), mainly dedicated to health and safety tasks. In the international market, there are 253 technicians from various categories, depending on the legislation of each country, and 59 people with a health profile (including doctors, nurses, paramedics, etc.).

A total budget of Euros 26.6 million (Euros 14.6 million in Spain and Euros 12 million for the international market) was allocated for the development of health and safety activities during 2023.

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.

Each of the Elecnor Group's activities involves different types of risks, which are identified, minimised/eliminated with the preventive measures provided for in the risk assessment.

 $<sup>^{\</sup>rm 5}$  They do not include health technicians hired specifically for large projects.



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 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 corrective 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 includes the right of workers to refrain from performing work where there is serious 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 corrective 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.

Additionally, there are two other procedures. On the one hand, the Improvement Management procedure, which defines the process for providing opportunities for improvement and, on the other hand, the Ideas Management+ procedure, which establishes the rewarding of employees to encourage their participation in continuous improvement.

In 2023, Spain, Argentina, Brazil, Chile, Italy, Mexico, United Kingdom and Uruguay have been audited externally and keep the certificate in accordance with the requirements of ISO 45001:2018. 59% of turnover is certified in accordance with international ISO 45001 standard (65% in 2022).



In 2023, 37 internal audits (28 in 2022) 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, Ehisa, Elecnor Infrastructure, 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, 28 internal audits (20 in 2022) and 14 external audits (13 in 2022) were conducted in various countries, also with satisfactory results.

Among other actions, 99,297 safety inspections (95,116 in 2022) were conducted throughout the Group, as a result of which 78,277 corrective measures (75,413 in 2022) were implemented, and 1,233 internal works audits (1,057 in 2022) 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

89% of the Group's employees are represented in formal health and safety committees (93% in 2022), 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 main 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 occupational health and safety GRI 403-5

In 2023, 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			
	2022	2023	Changes	2022	2023	Changes
Spain	16,390	16,606	1 %	163,644	179,077	9%
International	66,967	760,652	1036 %	377,613	523,238	39%
Total	83,357	777,258	832 %	541,257	702,315	30%

Training actions were undertaken in Spain for a collective of 16,606 attendees (15,639 men and 967 women), most of whom attended more than one training action. A total of 179,077 training hours were provided (168,823 hours by men and 10,254 hours by women), 9% up compared to 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 increase in training hours is largely due to the recovery of the activity. Furthermore, the significant increase in attendees and training hours in the international market has its origin in the increased implementation and monitoring of induction training in large projects.

The most notable training actions in Spain are:

Courses	Participants	Hours
Basic course	934	56,040
First cycle of the TPC	2,023	16,184
Second cycle of the TPC	3,995	24,174
Working at heights	3,196	27,076
Confined spaces	1,858	14,534
First aid	1,219	5,318
Leadership courses	1,075	8,487
The Risk Factor course	617	4,305
Total	14,917	156,118

Training actions were held internationally for a collective of 760,652 attendees (702,957 men and 57,695 women), most of whom attended more than one training action. In terms of total training hours, the figure stood at 523,238 hours (481,506 hours by men and 41,732 hours by women). These figures include the induction actions given for entry to the major projects.

One of the most significant initiatives in 2023 was the World Day for Safety and Health at Work campaign, titled "To get home" ("Volver a casa"), which was held on 28 April to commemorate the event. This year, the campaign's presentation event was organised globally over streaming for all the countries, which was attended by more than 4,600 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 the Group's social networking sites.

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/posted), an emergency notification service has been contracted that channels the action to enable the worker to receive information on where to go. 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 2023, the frequency rate remained the same as in the previous year and was the best since the series commenced, while the severity rate was the second best since the rates were first measured. In particular, its frequency rate was 1.70 and its severity rate was 0.10.

Accident rates	2022	2023
Frequency rate	1.70	1.70
Severity rate	0.08	0.10

Frequency rate = (number of accidents involving more than one day's leave, not counting those on way to or from work/hours worked)  $\times$  10^6

Severity rate = (number of days lost/hours worked)  $x 10^3$ 

In Spain, the frequency rate stands at 2.30, which is the best figure in the historical series, compared to 2.60 in 2022, and the severity score was 0.16 compared to 0.14 in 2022. In 2023, there were no fatal work-related accidents, marking a total of seven years with this important achievement. Additionally, there were fewer accidents, 54 accidents vs. 58 in 2022.

In the international market, the final frequency rate was 1.2, compared with 1.1 in 2022. On the other hand, the severity rate was 0.05, down from 0.03 in the previous year. This year there has been 35 accidents (32 in the previous year). There were no fatal accidents, while in 2022 there was one fatal accident involving own staff in Latin America. This tragedy served to spur the Group on in its firm commitment to working to reach its target of zero accidents.



# Figures broken down by gender

	2022		2023	
	Male	Female	Male	Female
Frequency rate	1.95	0.00	1.94	0.31
Severity rate	0.09	0.00	0.11	0.01
Occupational illness rate*	0.04	0.00	0.08	0.00

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

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

Location		ecordable ted injurie		work-re	injuries delated acc	idents		Hours work	ed
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain	54	0	54	2	0	2	20,162,632	3,079,595	23,242,227
Europe	11	0	11	0	0	0	3,142,903	383,716	3,526,619
North America	0	0	0	0	0	0	1,561,753	126,274	1,688,027
Latin America	19	1	20	0	0	0	14,826,088	2,052,311	16,878,399
Africa	3	1	4	0	0	0	4,352,370	651,252	5,003,622
Asia	0	0	0	0	0	0	271,242	13,101	284,343
Oceania	0	0	0	0	0	0	518,027	222,012	740,039
Total international	33	2	35	0	0	0	24,672,383	3,448,666	28,121,049
Total	87	2	89	2	0	2	44,835,015	6,528,261	51,363,276

<sup>(1)</sup> 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.

Only including accidents involving more than one day's leave, not counting those on way to or from work.

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 (on way to/from work or during work): risk of crashes, being run over, fire...

The main and most serious injuries resulting from the occupational hazards described above are: deaths, amputations, hemiplegia, paraplegia, severe fractures and burns, among others.



Appendix I of this report contains a detailed comparison of the accident rate of employees compared to the previous year.

# Committed to prevention in subcontractors

The Elecnor Group extends its culture and commitment to the health and safety of subcontractors by monitoring accident rates. In particular, its frequency rate was 2.58 and its severity rate was 0.08.

Accident rates	2022	2023
Frequency rate	2.53	2.58
Severity rate	0.04	0.08

Frequency rate = (number of accidents involving more than one day's leave, not counting those on way to or from work/hours worked)  $\times$  10^6

Severity rate = (number of days lost/hours worked)  $\times 10^3$ 

# Figures broken down by gender

	2022		2	023
	Male	Female	Male	Female
Frequency rate	2.53	0.00	2.58	0.00
Severity rate	0.04	0.00	0.08	0.00

# Accident rate at subcontractors

Coographic	No. of wo	rk-related ing	juries	H	ours worke	d
Geographic area	Men	Women	Total	Men	Women	Total
Spain	38	0	38	10,759,546	0	10,759,546
Europe	4	0	4	821,915	0	821,915
North America	0	0	0	4,446	0	4,446
Latin America	9	0	9	5,112,837	0	5,112,837
Africa	1	0	1	2,338,001	0	2,338,001
Asia	0	0	0	435,004	0	435,004
Oceania	0	0	0	680,236	0	680,236
Total	14	0	14	9,392,439	0	9,392,439
Total	52	0	52	20,151,985	0	20,151,985

Of the total number of accidents, five were recorded as work-related accidents with major consequences. Only including accidents involving more than one day's leave, not counting those on way to or from work.

Elecnor deeply regrets to have to report that there was a fatal accident involving a subcontracted staff member in Spain and another in Latin America. This further reinforces the Group's strong commitment to continue working towards the goal of 0 accidents.

Appendix I of this report contains a detailed comparison of the accident rate of subcontractors compared to the previous year.



# Occupational Health and Safety with customers and subcontractors GRI 403-7, GRI 403-8

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 2023, that is there were no serious permanent or life-threatening injuries to employees.

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/posted workers are required to take a health course using the SOS International e-learning platform.

In 2023, awareness initiatives continued to focus 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



		ork-related nd diseases		H	lours worked	
Geographic area	Men	Women	Total	Men	Women	Total
Spain	4	0	4	20,162,632	3,079,595	23,242,227
Europe	0	0	0	3,142,903	383,716	3,526,619
North America	0	0	0	1,561,753	126,274	1,688,027
Latin America	0	0	0	14,826,088	2,052,311	16,878,399
Africa	0	0	0	4,352,370	651,252	5,003,622
Asia	0	0	0	271,242	13,101	284,343
Oceania	0	0	0	518,027	222,012	740,039
Total international	0	0	0	24,672,383	3,448,666	28,121,049
Total	4	0	4	44,835,015	6,528,261	51,363,276

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 (residual risk, which has never materialised).
- Musculoskeletal diseases at construction sites.

In 2023, there were no cases of malaria or dengue fever resulting in occupational sick leave of staff in countries where this type of illness is recognised as a work-related disease.

Moreover, there were 4 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 2023.

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

Depending on the type of activity and risk, the Elecnor Group takes the necessary measures to minimise the occurrence of occupational illnesses: application of procedures, training, control, etc. Likewise, through the agreement with SOS International, information and training activities are carried out.

Appendix I of this report contains a detailed comparison of employees' occupational illnesses compared to the previous year.

# Safety Excellence Project (SEP)

During the year, the implementation of the SEP was completed in Mexico, and significant progress was made in Brazil, Italy, Portugal, the Dominican Republic and the United Kingdom. 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 2023, 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 356,741 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 applicable 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.
- The first module of the training project using virtual reality has been completed, a
  Transformer Station for SF6 cells in a precast concrete, 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

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, information security and risk management. All of them comprise the Group's Integrated Management Policy and encompass the organisation's common goal of ongoing improvement.

In 2023, 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.
- Integration of risk management in the organisation's activities with a preventive approach that enables it to anticipate, manage and control the risks to which the Group is exposed.

In 2023, 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 has been extended to the design and construction of renewable energy parks in the Engineering General Sub-Directorate. In the international sphere, Elecnor Peru was added to the multi-site certification.

This was the second year of implementation of the Corporate Social Responsibility Management System in Spain, Angola and Brazil according to the IQNet SR10:2015 standard. Worth highlighting are the advances and improvements incorporated, the main one being the launch of the Strategic Sustainability Plan 2023-2025, the basis of the CSR Management System.

This year, Elecnor Servicios y Proyectos, S.A.U. obtained the Risk Management System certification according to ISO 31000.

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

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 2023, various activities and initiatives were undertaken to strengthen both customer satisfaction management and the ongoing improvement process. The following can be highlighted:

- Deploying of the Management Systems:
  - Aligning the Management System at Electror Hawkeye and broadening the scope of the multi-site certificate to the Engineering General Sub-Directorate.
  - Obtaining new certifications:
    - Risk Management System Certification
    - Elecnor Peru Certification
- 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.



- Boosting the documentation of lessons learned and opportunities for improvement, identifying, documenting and providing 411 opportunities for improvement and 71 lessons learned.
- Inclusion of quality objectives in the Group's Strategic Plan related to customer satisfaction and non-quality costs.
- First international meeting of the Group's Quality and Environment managers, in which 12 countries took part and lines of work were established in accordance with the objectives of the Group's Strategic Plan.

63% 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 Elecnor Group continues to measure customer satisfaction through surveys, enabling it to gauge the degree of satisfaction with the services offered, as well as to identify strengths and areas for improvement.

In 2023, 2,141 customer satisfaction surveys were sent, with a response rate of 70% (1,495 responses). The results show that Elecnor Group's average score among its customers has improved compared to 2022, rising from 8.62 to 8.71.

Satisfaction survey	2022	2023
Number of surveys	1,217	1,495
Average score	8.62	8.71

The most highly rated aspects in both 2022 and 2023 were compliance with safety requirements, training and technical capacity, and service and communication.

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 corrective 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, management 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 2023, 408 customer complaints were filed, most of which were linked to technical management (39%), materials and equipment (25%) and workforce (15%). All complaints were answered within the defined period (maximum one week) and 54% of them closed with a satisfactory result.

In 2022, 194 customer complaints were filed, most of which were linked to technical management (60%), materials and equipment (18%) and workforce (15%). All complaints were fielded within a defined period and 66% of them are closed with a satisfactory result.

## Supply Chain GRI 2-6

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 three distinct angles. Firstly, they are analysed at a high level by Management; secondly, the analysis is carried out at the operational level after identifying those responsible for the different processes; and finally, it is carried out at the project level by the project managers.

In this field, in 2023, 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, work began on implementing the Fullstep procurement platform nationally in the subsidiaries. This platform enables all parties involved in the procurement process to view the status of their processes in real time. Some relevant figures of 2023 are set out below:

- Upwards of 3,390 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. Therefore, by the end of 2023, a total of 19,310 registered suppliers had accepted these requirements.
- More than 3,500 internal procurement platform users.
- More than 13 training sessions have been given to more than 400 internal users.
- More than 350,000 procurement orders have been placed for approximately Euros 1,802 million.



Supply chain management is described in the Materials/Services Supplier Management procedure.

In 2023, both the general procurement conditions and the general terms and conditions of business and the model contracts to subcontractors have been updated to reflect the changes made in these processes.

Depending on the nature and relevance of its suppliers, the Elecnor Group requires compliance with the following requirements:

- To all suppliers: acceptance of the general procurement conditions or acceptance of the general terms and conditions of business.
- To major suppliers: approval process.
- To relevant suppliers: they are subject to the ESG audit process.

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 7,069 approved suppliers: 5,781 in Spain and 1,288 internationally across 19 countries. In 2023, 1,489 new suppliers have been approved, of which 727 (49%) have been proven to be aligned with environmental requirements and 120 (8%) with the sustainability requirements required by the Group.

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

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 58% of its purchasing volume, and audits them by applying environmental, social and governance criteria, since the aim is not only to detect possible risks, but also to develop the weakest areas of suppliers in order to align them with the Group's policies. In this way, relevant suppliers are audited every 3 years, thus keeping information on their performance up to date at all times.

During 2023, 7 audits were carried out on relevant suppliers (the same as in 2022), all of them with a favourable outcome, the result of which directly affects their approval as amajor supplier. For this reason, the relationship with relevant suppliers is constant, requesting corrective action plans if deemed necessary. Therefore, the Elecnor Group is aware that insisting on the resolution of the non-conformities detected during the audit is the way forward to help its distributors improve as a business and mitigate the risks associated with the supply chain. Working with suppliers who comply with standards helps improve performance and generates shared value.

Such is the case that, in 2023, 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.



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

- Fullstep (procurement platform)
  - <u>soporteproveedores@elecnor.es</u>
  - Purchasing Process Manual and Supplier Quality Manual
- > E-coordina (platform for the coordination of business activities)
  - o soporte@e-coordina.com
  - Library for suppliers
- Whistleblowing channel
  - o codigoetico@elecnor.com
  - PO box (apartado de correos) nº 77-48008

# 15.7 Committed to the environment

## Climate action GRI 3-3

# Climate change strategy

The Elecnor Group seeks to actively and decisively contributes to building a sustainable and low-carbon future. Climate change is a strategic priority and challenge that is embodied in both the Strategic Sustainability Plan 2023-2025 and the Climate Change Strategy 2020-2035, which establishes greenhouse gas emission reduction targets in line with the Science Based Targets (SBT) initiative, with the commitment to achieving Net Zero by 2050.

With a comprehensive approach, the organisation effectively analyses and manages both physical and transitional risks associated with climate change, while identifying and capitalising on emerging opportunities. With this approach and backed by a diversified business, the Elecnor Group is firmly positioned to reduce emissions, decarbonise its business model and strengthen its resilience to climate impacts.

The Climate Change Strategy acts as an integrative framework to steer all the Group's actions to reduce greenhouse gas emissions, adapt to climate change impacts and tap into the associated opportunities. Its purpose is to lay the foundations for a decarbonised, profitable and continuously growing business, thus consolidating the Elecnor Group as a leading company on the path to a more sustainable, low on carbon emissions future.



The Strategy, based on the structure of the Task Force on Climate-related Financial Disclosures (TCFD), is based on four overarching areas of action: Governance, Strategy, Risk Management, Metrics and Targets. These areas are intertwined with three cross-cutting lines: People, Assets and Knowledge, with the aim of aligning with best practice in disclosure.

The TCFD's initiative, by enhancing the quality of financial reporting on the potential impacts of climate change, seeks to improve the ability of investors to assess climate-related risks and opportunities.



In 2022, the SBT initiative validated the emissions reduction targets presented by the Elecnor Group in 2021, the year in which it joined this initiative led by CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

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. In addition, over the same period and on the same time basis, it has committed to reduce its Scope 3 emissions from the purchase of goods and services, as well as from fuel and energy-related activities, by 18%. In this context, taking into account that the Elecnor Group has defined the base year (2023) in this financial year, during 2024 the emission reduction targets will be re-validated by the SBT initiative.

It should be pointed out that the Elecnor Group participates in the CDP (Carbon Disclosure Project), presenting its voluntary report on climate change, which strengthens its commitment to sustainability. In 2023, it upheld the score of A- achieved in the two preceding years, 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.

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.
  - Optimising waste collection routes to minimise journeys.
- Renewable energy:
  - Acquiring 100% of electricity from renewable energy by 2035 at Group level.
  - Fostering self-consumption in installations.
  - Use of construction machinery with integrated solar panels.
- Value chain:
  - Setting up a collaboration programme with the main suppliers as regards greenhouse gas emissions, 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. This implies that the commitment to address and manage climate change impacts is shared and integrated across all areas and functions of the organisation.

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

This Committee monitors the company's Strategic Sustainability Plan on a quarterly basis and submits its assessment to the Board of Directors. This Strategic Sustainability Plan addresses climate change issues through a number of strategic initiatives.



**Board of Directors** 

Appointments, Remuneration and Sustainability Committee

**Sustainability Committee** 

In February 2023, the Board of Directors approved a new Integrated Policy on Environmental Management, Quality, Health and Safety, Energy Management, R&D&I Management, Information Security and Risk Management.

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 GRI 201-2

In 2023, the Elecnor Group carried out a review of its analysis of climate risks and opportunities following the recommendations of the TCFD.

This year it broadened and enhanced the analysis of risks and opportunities carried out in 2022, covering a wider range of activities, increasing the coverage of scenarios used and analysing a wider and more varied range of risks and opportunities.

This study considers, on the one hand, how climate change affects the Group's physical assets (Enerfín's renewable energy generation plants) and, on the other, how it affects the construction of infrastructures and transmission lines in Angola, Australia, Brazil, Cameroon, Chile, Colombia, Spain, Gambia, Guinea Bissau, Guinea Conakry, Ghana, Lithuania, Mexico, Mozambique, Panama and the Dominican Republic.

For the Elecnor Group, the analysis of climate risks and opportunities in construction projects is essential, as it allows for more accurate planning, strengthens resilience and favours the execution of more sustainable projects. This approach benefits both the Group and its customers by providing more robust solutions adapted to present and future climate challenges.

The analysis carried out is aligned with the criteria relating to the principle of not causing significant harm to climate change adaptation included in Appendix A of the Commission Delegated Regulation 2021/2139 on European Taxonomy.

In compliance with TCFD recommendations, and in order to be able to analyse a representative range of various future scenarios, the Elecnor Group worked in 2023 with three climate scenarios, analysed in each case for three time horizons: short (2021-2040), medium (2041-2060) and long term (2081-2100):



- a. SSP1-2.6: increase of about 1.5°C by mid-century and about 2.6°C by the end of the century.
- b. SSP2-4.5: increase of about 2.0°C by mid-century and about 4.5°C by the end of the century.
- c. SSP5-8.5: significantly higher increase, exceeding 3°C by mid-century and reaching 8.5°C or more by the end of the century.

The analysis is based on historical data from 1995 to 2014.

These scenarios provide a variety of contexts to assess risks and opportunities, thus establishing a robust basis for decision-making. SSP1 projects a sustainable and equitable future; SSP2 represents an interim trajectory based on historical patterns; and SSP5 illustrates rapid development driven by fossil fuels and technology.

The process of identifying, analysing and managing the risks associated with climate change is developed through a collaborative and cross-functional approach, with the close involvement of the different organisations as well as corporate departments.

The management of physical risks in facilities was focused at the local level, given the specific nature of these risks, which are directly linked to particular climatic, geographical and environmental conditions. On the other hand, transition risks were addressed at the national level, responding to the critical influence of governments and regulators in shaping markets and public sectors. This strategic choice is due to the need to comply with specific national regulatory frameworks and government policies in the countries where Elecnor Group operates.

- a. Physical risks: to identify these risks, a detailed analysis of the evolution of climatic variables at the Elecnor Group's operational locations (construction sites and fixed assets) was carried out. Using GIS software, we worked with specific GIS layers for each climate variable, scenario type and time horizon. The interpretation of the evolution of climatic variables in the different scenarios made it possible to determine the probability of occurrence of climatic events that could pose a risk to the organisation's activities. This analytical approach also includes consideration of all relevant physical hazards identified in Appendix A of the European Commission Delegated Regulation 2021/2139 on European Taxonomy.
- b. Transitional risks and opportunities: a comprehensive analysis of current and emerging climate regulation was carried out, assessing its potential impact on the Elecnor Group in the short, medium and long term. In addition, trends in sustainability and climate action globally and in the company's sector of operation were examined. This analysis encompasses technological and market aspects, considering potential changes in customer and end-consumer behaviour, as well as changes in material prices linked to climate action initiatives.

In this phase, 29 physical risks, 19 transitional risks and 21 opportunities with a certain probability of occurrence were identified.

Subsequently, a prioritisation process was carried out by means of an assessment carried out by the working group, considering the possible impacts that the risks and opportunities could have on the locations where the Elecnor Group operates or on the organisation as a whole. This process was conducted through questionnaires and interviews with the working group, who finally jointly assigned a severity level to the impacts of the risks and opportunities, following pre-established criteria.

For those risks and opportunities with a higher probability and significant severity, a more indepth assessment of their impact on the Group from a financial perspective has been carried out.

The following tables show the most relevant risks and opportunities of the study:



# High-severity risks

# Transitional risks

Description	Potential impact, scope and risk management	Action Plan
Increased stringency or obligations of environmental legislation and regulations	The increase in carbon pricing mechanisms in the various regions where Elecnor or Enerfin operates, as well as the increase in the prices of the current mechanisms, could have a significant impact on the Group's operating costs. This scenario could result in higher costs for the organisation, as it could face higher prices for supplies of materials needed for operations.  This is the case in countries such as Mexico or Spain, where there is already a carbon regulatory market in place; Colombia, where the regulatory market is still under development; or Brazil, where its implementation is being considered.  Horizon: short-term  Affected activities: Elecnor – Projects in Spain, Mexico, Colombia and Brazil. Enerfín - Operations in Brazil and Spain.	To mitigate risk and reduce emissions, the Elecnor Group will focus on improving energy efficiency and promoting the adoption of clean technologies in its operations. Its SBT target is to reduce absolute Scope 1 and 2 GHG emissions by 38%. In addition, the organisation is committed to adopting sustainable practices to achieve the SBT target of reducing Scope 3 emissions by 18% by 2035, using 2020 as the base year.
Border adjustment mechanism	The EU's Carbon-Border Adjustment Mechanism (CBAM) is one of the key instruments of the European Green Pact. It aims to prevent emission reduction requirements on European industry from resulting in a flight of companies to source from jurisdictions with laxer climate legislation and to incentivise greater climate ambition at the global level.  This could affect an increase in the organisation's operating costs by having to pay more for imports of materials related to iron, steel, cement, aluminium, fertilisers, electricity and hydrogen.  Horizon: short-term.  Affected activities: Purchases of the organisation from the European Union to external countries.	Faced with the risk posed by the European Union's CBAM, the Elecnor Group plans to implement a set of strategic measures between 2024 and 2035. These actions will include supplier diversification, process optimisation and close collaboration with strategic partners. The main objective will be to reduce reliance on materials subject to the 'green tariff', thus ensuring continuous adaptation to emerging climate regulations and improving operational efficiency.



# Physical risks

Description	Potential impact, scope and risk management	Action Plan
Heat wave	According to scenarios SSP1-2.6, SSP2-4.5 and SSP5-8.5, a progressive increase in the number of days with temperatures above 35°C is observed. These temperature extremes can affect the quality of work, the well-being and safety of workers and the timing and completion of projects. In addition, there are countries, such as Spain, with sanctions for occupational hazards associated with extreme temperatures. In the specific case of Spain, for example, temperatures between 14° and 25° are recommended for light work and humidity between 45% and 60%, with sanctions for non-compliance.  If risk mitigation measures are not taken, there is a risk of production stoppages due to occupational health and safety regulations or loss of employees due to sick leave because of working conditions.  Horizon: short-term  Affected activities:	To mitigate the risk of extreme temperatures at work, measures such as constant monitoring of working conditions and the adoption of safety protocols, including regular breaks and adequate provision of water and shade, are proposed. In addition, increased investment in infrastructure would be considered to ensure optimal working conditions (2024-2035).
	<b>Elecnor</b> - Some projects in Panama, Brazil, Mozambique, Norway, Australia, Dominican	
	The occurrence of storms and extreme weather events presents a significant financial risk to Enerfín. This risk is broken down into several aspects:	
Storms and extreme events (including blizzards, dust and sandstorms)	<ul> <li>a. Reduced energy production:         during and after these events, the         need to temporarily disable turbines         to avoid damage results in a loss of         direct income.</li> <li>b. Repair and maintenance costs:         affected facilities will require         additional repairs, resulting in         additional maintenance costs. For         example, the repair of broken wind         turbine blades during a storm.</li> <li>c. Insurance and mitigation costs:         increases in insurance costs are         expected to cover potential         damages, in addition to expenses         related to the implementation of         mitigation and resilience measures.</li> <li>Horizon: short-term</li> <li>Affected activities:         Enerfín - Some wind farms in Spain and         Brazil.</li> </ul>	To mitigate the risk of storms and extreme weather events, Enerfin will propose the implementation of measures such as improving infrastructure to withstand adverse climatic conditions, geographic diversification of projects and the review and updating of insurance policies to cover possible damages. In addition, the development of contingency plans and monitoring systems for a faster and more efficient response to adverse climate events will be considered (2024-2035).



Description	Potential impact, scope and risk management	Action Plan
Storms and extreme events (including blizzards, dust and sandstorms)	The occurrence of storms and extreme weather events poses a significant risk to the Elecnor Group's operations. The following describes how these events could impact financially:  a. Stoppage of works: storms and extreme events can force the temporary stoppage of work in progress, resulting in a decrease in productivity and an increase in construction time. This could affect the expected revenues and profitability of projects or the reputation of the company.  b. Repair and replacement costs: infrastructure construction is exposed to damage from these adverse weather conditions, which would generate additional costs related to repairs and, in some cases, the need to replace affected structures.  c. Insurance and mitigation costs: given the likelihood of damage caused by these weather conditions. Insurance costs are expected to rise to cover these risks.  Horizon: short-term  Affected activities: Elecnor - various construction projects in Ghana, Brazil, Gambia, Guinea Bissau, Guinea Conarky, Mozambique, Colombia, Cameroon, Angola, Australia, Mexico and Spain.	To manage the risk of storms and extreme weather events, Elecnor will propose the implementation of measures aimed at strengthening the construction of infrastructures (2024-2028) and the review and updating of insurance policies to cover possible damages (2024-2025). Priority will also be given to establishing a methodology for monitoring climate variables (2024-2035) and early warning systems (2030-2035) to minimise impacts on operations.



Description	Potential impact, scope and risk management	Action Plan
Forest fires	The occurrence of forest fires poses a significant risk to the production and operation of Enerfín's wind farms. How these events could impact financially is detailed here:  a. Repair and maintenance costs:     the need for additional repairs and maintenance would generate added costs, which could affect the company's profit margins and profitability. b. Loss of revenue due to unavailability: the temporary interruption of wind farm operations due to fires would result in a direct loss of revenue associated with power generation. This loss of revenue would affect Enerfín's ability to meet its financial and commercial targets. a. Insurance and mitigation costs:     With the likelihood of damage caused by forest fires, insurance costs are expected to increase to cover these risks.  Horizon: Short-term  Affected activities: Enerfín - Some wind farms in southern and eastern Spain	Enerfin proposes the implementation of constant monitoring of climate variables and the adoption of preventive measures, such as early detection systems and firebreak areas, to mitigate risks in wind farms (2024-2035).



# Climate opportunities

Description	Potential impact, scope and management of opportunities	Action Plan
Returns on investment in low-emission technology	The Elecnor Group's adoption of sustainable practices and production of environmentally-friendly products not only has the potential to generate significant impact, but can also offer a number of tangible and strategic benefits. Some of these benefits include:  a. Improved brand perception: the commitment to sustainability and the production of eco-friendly products strengthens Elecnor's image as a responsible company committed to the environment.  b. Opening up new opportunities in sustainable growth markets: Elecnor could take advantage of this trend to expand its presence in sustainable growth markets and diversify its product portfolio.  c. Increased sales and expansion of market share: growing demand for eco-friendly products could boost the company's growth and strengthen its competitive position in the construction industry.  Horizon: long-term  Affected activities: Elecnor - Projects carried out by the Elecnor Group in all locations.	Elecnor plans to implement sustainable practices and develop eco-friendly products to improve its brand perception, drive customer loyalty and capitalise on opportunities in growing sustainable markets, thereby strengthening its competitive position and increasing its share of the construction market.



Description	Potential impact, scope and management of opportunities	Action Plan
Access to new markets, new locations and facilities	The climate opportunity presents a favourable scenario for Enerfín, as more and more consumers are becoming more environmentally conscious and are looking for sustainable energy. This shift in consumer preferences, coupled with increased regulations and environmental requirements, expands Enerfín's market potential and opens up new business opportunities.  By meeting this growing demand for sustainable energy, Enerfín has the capacity to increase its production and generate higher profits. Expanding into wider markets and positioning itself as a leading renewable energy provider strengthens the company's competitive position and its ability to fully capitalise on this opportunity.  Horizon: medium-term  Affected activities: Enerfín - All locations.	Enerfín plans to boost technological innovation, expand its production, diversify its products and consolidate its brand image to capitalise on the growing demand for sustainable energy and strengthen its competitive position.

#### **Metrics and targets**

In this report, the Elecnor Group presents essential indicators that provide detailed information on climate and the strategy to combat climate change. These indicators are crucial for the ongoing monitoring of the Group's decarbonisation targets and the resilience of the strategy to the climate events analysed.

Below is a description of the key aspects, such as 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.

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 of this Report.

# Monitoring, evaluation and review of the climate change strategy for 2023 $_{\mbox{\footnotesize GRI }302\mbox{\footnotesize -4},\mbox{\footnotesize }\mbox{\footnotesize GRI }302\mbox{\footnotesize -5}$

Below is a description of the main actions carried out in 2023 within the framework of the Elecnor Group's Climate Change Strategy.



Strategic line	Investment (€)	Shares	Emissions avoided tCO <sub>2</sub> e
Fuel	5,153,193	<ul> <li>Conference calls encouraged to avoid journeys.</li> <li>Acquisition of vehicles, machinery with lower fuel consumption.</li> <li>Optimising municipal waste collection routes and other services.</li> <li>Developing preventive maintenance of vehicles.</li> </ul>	796
Energy	482,753	<ul> <li>Renewable energy use.</li> <li>Acquiring efficient IT tools (computers, tablets, etc.).</li> <li>Installation of timers for electronic devices and automatic off switches. LED lighting to replace existing fixtures.</li> <li>Improving the thermal insulation of buildings.</li> </ul>	1,962
Water	8,580	<ul> <li>Developing a plan to reduce water consumption and/or optimise its use.</li> <li>Implementation of technology, practices or systems that reduce, optimise, recycle or reuse water.</li> </ul>	8
Other actions	33,096	<ul> <li>Developing a plan to cut down on the use of plastics.</li> <li>Recovery of waste materials from the construction site for on-site projects.</li> </ul>	0.6
Total	5,677,622		2,767

# Carbon footprint

One of the main objectives of the Elecnor Group's environmental management is aimed at reducing the carbon footprint generated as a result of the organisation's activity.

For the past 10 years, the Elecnor Group has been calculating its carbon footprint in accordance with internationally recognised standards and implementing actions to reduce GHG emissions within the scope of its activity. Each year, the Elecnor Group calculates its footprint using a tool that enables each organisation in the Company to report the consumption data associated with Scopes 1, 2 and 3.

The 2023 inventory has been verified by Aenor using the methodology established by the GHG Protocol and applying the principles established in the document "The Corporate Value Chain (Scope 3), Accounting and Reporting standard". This change in methodology with respect to previous years (until now, ISO 14064-1:2018 was used as the reference standard) responds to the Elecnor Group's adherence to the Science Based Target (SBT) initiative, which uses the GHG Protocol as a reference.



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  $CO_2$  and Demographic Challenge.

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 agency's members and partners. The matters addressed relate to actions to combat climate change (carbon footprint, energy efficiency, decarbonisation, etc.) and related legal developments.

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

Scope	2022	2023	Changes (%)
Scope 1 Stationary and mobile combustion	76,084	82,322	8 %
Scope 2 Consumption of electricity	1,647	1,511	-8 %
Scope 1 & 2 totals	77,731	83,833	8 %
Scope 3 emissions	1,079,714	760,603	-30 %
Total	1,157,445	844,436	-27 %

<sup>\*</sup>Fugitive emissions have been reported in Scope 1

In the calculation of the carbon footprint for this year, the Scope 1 and Scope 2 emission factors have been updated using sources from recognised entities such as DEFRA, International Energy Agency, MITECO, etc.

As a consequence of the change in the carbon footprint calculation methodology (especially Scope 3), the variation of the data for 2022 and 2023 are not comparable.

In line with the Group's increased activity, in 2023 its carbon footprint was 83,833 tCO<sub>2</sub>e for Scope 1 and Scope 2 (77,731 in 2022). Factoring in Scope 3 emissions (deriving from the value chain), the Group's total emissions amounted to 844,436 tCO<sub>2</sub>e (1,157,445 tCO<sub>2</sub>e in 2022), considering the market-based<sup>6</sup> method.

For the information of Elecnor Group stakeholders, GHG emissions have also been calculated using the location-based method<sup>7</sup> totalling 846,176 tCO2e.

For the calculation of the carbon footprint, an operational control approach has been chosen, although a shareholding approach has been used for the emissions included in the Scope 3 Investments category, given that they correspond to emissions from Celeo, a company in which the Elecnor Group has a stake.

The greenhouse gases (GHG) encompassed in the carbon footprint are those which, among those considered in the Kyoto Protocol, are generated by the organisation's activity. These are: carbon dioxide ( $CO_2$ ), methane ( $CH_4$ ) and nitrous oxide ( $N_2O$ ) and, additionally, hydrofluorocarbons (HFCs) associated with refrigerant gas leaks in climate control and refrigeration equipment.

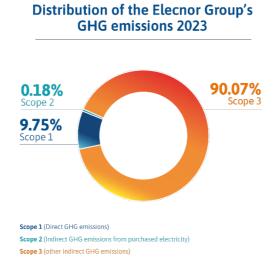
<sup>&</sup>lt;sup>6</sup> Market-based means that, in case of guarantees of origin, in those centres that have them, the emission factor is zero.

<sup>&</sup>lt;sup>7</sup> Location-based. This scenario does not take into account the guarantees of origin that each organisation may have taken out with its marketer. The emission factors used are those of each country's electricity mix.



Initially, the Elecnor Group considered 2014 as the base year, which was later changed to 2020 as it was the first year in which the organisation calculated all its emissions in all relevant categories. Currently, it has been decided to select 2023 as the base year to align with the change in methodology and the Science Based Target (SBT) initiative.

The Elecnor Group's GHG emissions in 2023 were 844,436 tCO<sub>2</sub>e. 90.07% of emissions come from Scope 3, 9.75% from Scope 1, and the remaining 0.18% from Scope 2 emissions.



Of the total Scope 1 and 2 emissions, 98% correspond to direct emissions (Scope 1) and the remaining 2% to indirect emissions from purchased electricity (Scope 2).

At 2023 year-end, for Scopes 1 and 2 the ratio of emissions generated per hour worked was 1.67 kgCO<sub>2</sub>e/hour, the same as that in 2022. Nevertheless, taking 2014 and 2020 as the basis for comparison, the ratio has clearly improved, having fallen by 30% and 10% respectively (2.4 kgCO<sub>2</sub>e/hour in 2014, 1.86 KgCO<sub>2</sub>e/hour in 2020 and 1.67 kgCO<sub>2</sub>e/hour in 2023). With regard to Scope 3, the ratio of emissions generated per hour worked was 15.60 kgCO<sub>2</sub>e/hour, with the previous year being 23.19 kgCO<sub>2</sub>e/hour. GRI 305-4

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 Corporate Value Chain (Scope 3) Accounting & Reporting 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.



Scope 3 emissions by category are detailed below: GRI 302-2

Scope 3* emissions	2022	2023	Changes (%)
Purchase of goods and services	971,355	587,893	-39%
Capital goods		50,959	
Upstream fuel and energy activities	18,976	19,624	3%
Upstream transmission and distribution	25,732	9,208	-64%
Waste generation	942	3,328	253%
Corporate journeys	21,318	15,964	-25%
Commuting	23,243	39,114	68%
Upstream leased assets	5,563	9,135	64%
End of life of products sold	104	43	-58%
Investments**	12,481	25,334	103%
Total	1,067,233	760,603	-29%

<sup>\*</sup>As a result of the change in the carbon footprint calculation methodology, the data for 2022 and 2023 are not comparable.

#### **Emissions related to bioenergy consumption**

In addition,  $547\ tCO_2$  of biogenic emissions from biofuels consumed by the Elecnor Group (biodiesel and ethanol) are reported outside the scope of the carbon footprint calculation. Thus, direct GHG emissions (Scope 1), stationary combustion, from biodiesel consumption were  $107\ tCO_2e$ , and direct GHG emissions (Scope 1), mobile combustion, from ethanol consumption were  $440\ tCO_2e$ .

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

The Group's electricity 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 Enerfín, 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.

<sup>\*\*</sup> The investments correspond to Celeo.



It is worth noting that Enerfin's renewable energy production amounted to 2,660,309 MWh in 2023 (2,875,260 Mwh in 2022), taking into consideration the projects operated in Spain, Brazil and Canada. Greenhouse gas emissions avoided through renewable energy production totalled  $444,156\ tCO_2e$  ( $429,620\ tCO_2e$  in 2022).

By means of its concessions and projects business, the Group has holdings in 2,079 MW of renewable energy facilities in operation and under construction in Spain, Brazil, Canada and Colombia (1,897 MW in 2022), broken down as follows:

Renewable energy (MW)	2022	2023
Wind energy	1,355	1,538
Solar thermal energy	150	150
Solar PV energy	392	391
Total	1,897	2,079

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

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

In order to monitor the areas of Quality and Environmental Management, there is a team of 132 people distributed between the Quality and Environment area of the Corporate Services Department and the various organisations of the Group, both in Spain and internationally, in order to ensure compliance with the company's established Management Systems. During 2023, the first international meeting of the Elecnor Group's Quality and Environment Managers was held, in which 12 countries took part.

The principles of the Environmental Management of the Elecnor Group are set out in the Integrated Management System Policy, which was updated in 2023.

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 2023, multi-site 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 has been extended to the design and construction activities of renewable energy parks in the Engineering General Sub-Directorate. In the international sphere, Elecnor Peru was added to the multi-site certificate.

63% of turnover is certified in accordance with international ISO 14001 standard.

Elecnor has renewed the Verified Aenor Environment  $CO_2$  Certificate, with which the Group obtains an independent and rigorous endorsement of the quantification of its greenhouse gas emissions in its activities, which helps improve its environmental and energy management.



It also renewed the Energy Management System (GE-2013/0033) under the UNE-EN ISO 50001:2018 standard, thereby reinforcing the Group's commitment to sustainability.

In the Group's new Strategic Sustainability Plan 2023-2025, quality and environmental objectives related to customer satisfaction, non-quality costs and reduction of greenhouse gas emissions have been included.

In 2023, the Elecnor Group has allocated a total of Euros 11,400,000 to managing environmental impacts (Euros 11,254,000 in 2022), broken down as follows:

Activity (investment)	2022	2023
Actions to minimise environmental impacts (climate change strategy, waste management, others)	6,916,500	7,207,000
Environmental awareness-raising	12	9,000
People dedicated to environmental activity	4,200,000	3,960,000
Environmental certifications	20	25,000
Environmental consultancy and advice	105.5	199,000
Total	11,254,000	11,400,000

The Elecnor Group took out an environmental liability policy for 2023. This policy covers Elecnor S.A., Elecnor Servicios y Proyectos, Celeo and Enerfín, including all the countries where the Group operates, with a general limit of Euros 20 million.

#### Consumption management

#### Energy consumption GRI 302-1, GRI 302-3

In 2023, energy consumption totals 1,196 TJ, 4% up on the previous year (1,146 TJ). Furthermore, the ratio of energy consumed by the organisation per hour worked was 2.5 J/hour, the same ratio as in 2022.

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)**

	2022	2023
Natural gas	0.21	0.57
Diesel	75	69
Petrol	90	72
Gas oil	906	978
Biodiesel	0.03	1.48
Electricity	71	66
Non-renewable source	30	24
100% Renewable source	41	42
Other fuels	3	8
Total	1,146	1,196

Note. All the electricity consumed by the Elecnor Group's facilities in Spain in 2023 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 293,411 street lights in 102 Spanish municipalities, representing an increase of 4% over the number of street lights managed compared to the previous year.

Meanwhile, internally, over the course of 2023, a number of energy-saving and energy efficiency actions were implemented, most notably:

- Procurement of electricity with renewable origin certificate and improvement of renewable energy self-consumption facilities.
- Acquiring efficient tools (computers, tablets, etc.)
- Fleet renewal, including new hybrid vehicles in the organisation.
- Conference calls encouraged to avoid journeys.
- 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.).
- Design of the Group's new headquarters according to sustainability, optimisation of consumption and reduction of waste generation criteria (e.g., individual light meters, LED screens and sensors for light regulation, blinds, micro-perforated roof and acoustic insulation screens, bicycle parking and electric vehicle charging points in the garage).
- Self-consumption of electricity through photovoltaic solar panels at Atersa.
- Addition of hybrid vehicles to Audeca's fleet.
- One-off modifications to the facilities at water treatment plants to reduce electricity consumption, installing more energy-efficient machines, planned and implemented under ISO 50001 certification.



### Sustainable financing GRI 3-3

Elecnor registered in June 2023 a Multi-currency Promissory Note Programme on the Alternative Fixed Income Market, MARF, for up to Euros 400 million, the objective of which is to allow short and medium-term financing in advantageous conditions compared to alternative sources of financing.

This is the Elecnor Group's second Programme linked to sustainability that includes targets for reducing greenhouse gas emissions and accidents at work. If they are not met, they imply a commitment of contributions to sustainable projects.

The programme, which runs until June 2024, will allow financing in Euros and US Dollars, with maturities of up to 24 months, through the issuance of promissory notes with a nominal value of Euros 100,000 to institutional investors.

The programme is part of the strategy to diversify the sources of financing of working capital and to optimise its costs. In this context, the soundness of Elecnor's business model and reputation is well recognised in the MARF, which is allowing Elecnor to be one of the companies with the highest issued amount and lowest costs in the market. In the last twelve months, the company has made 70 issues, maintaining an average outstanding amount of Euros 226 million.

For this Promissory Note Programme, Elecnor will have Banca March, Banco de Sabadell, Renta 4 and Norbolsa as placement entities, assuming the functions of distributing the issues among qualified investors. Banca March is also the Registered Advisor and Paying Agent. 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 2023 comes from 100% renewable sources.

Furthermore, the subsidiary Audeca has several solar energy generation facilities at road maintenance centres of the Ministry of Transport and Sustainable Mobility. Atersa's self-consumption thanks to the 100 kWp photovoltaic system installed on the roof.

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 topic of low criticality, the company 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.

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.

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 303-3, GRI 303-5	2022	2023
Mains water consumption (MI)	96	188
Water consumption in areas without water stress (MI)	28	121
Water consumption in areas of high water stress (MI)	68	67

Note. Water stressed areas have been identified on the basis of the "WRI Aqueduct 2023"



The increase in water consumption is mainly due to the inclusion of new countries and organisations (Australia, Dominican Republic and Cameroon) in the report, as well as the increase in the Group's activity.

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 considers the consumption of raw materials to be non-material due to the sector to which it belongs. The 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. For the future, work is underway to implement a methodology to consolidate and report this information.

### Waste management GRI 306-1, GRI 306-2

The Elecnor Group's Environmental Management System includes the protocol for managing waste generated by Elecnor's own activity 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 by authorised managers, seeking the best available techniques for recovery wherever possible and optimising the resources used at worksites and work centres. Moreover, in 2023 the company generated a total of 94,312,288 kilograms of waste (35,904,107 kilograms in 2022), 79% of which was recovered (re-use, recycling, soil treatment or other means), 3% less than the previous year.

Although there has been a slight decrease in waste recovery, it is worth noting that the Elecnor Group remains committed to continuous improvement in its waste management practices, as reflected in the recovery percentages in Spain (93%), Italy (100%) and Portugal (100%).

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: GRI 306-3

Waste generation by type	2022	2023
Hazardous waste	338,667	1,065,370
Non-hazardous waste	35,565,440	93,246,918
Total	35,904,107	94,312,288

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 (kilograms)	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	183,532
% Destined for recovery	82	%
Total	35,90	4,107

2023 (kilograms)	Hazardous waste	Non-hazardous waste
Waste not destined for disposal	260,712	74,268,584
Reuse / Preparation for reuse	29,596	37,592,255
Recycling	53,244	27,585,512
Other recovery operations	177,872	9,090,817
Waste destined for disposal	804,658	18,978,334
Incineration (with energy recovery)	26,868	1,198
Incineration (no energy recovery)	75,702	260,136
Transfer to landfill	608,677	18,173,751
Other elimination operations	93,411	543,249
% Destined for recovery	79	9%
Total	94,31	2,288

The increase in total waste generation compared to the previous year is mainly linked to the increase in the number of large projects in the Brazilian business. These projects are responsible for 48% of the total waste generated.

During 2023, projects carried out in Brazil included the construction of transmission lines in the states of Minas Gerais, Rio Grande do Norte, Pará and Amazonas; the construction of the Mutum, Terminal Rio and Boa Sorte substations; and the construction of solar PV farms, such as Boa Sorte, Sol do Piauí, Lar do Sol II and Arinos Sul.

The increase in waste generation is also due to the inclusion of Australia, the United Kingdom and Italy in the report.

Finally, the waste reporting methodology has been improved with the implementation of the digital platform for GRel waste management in Brazil, Uruguay, Chile and Argentina.



#### Other initiatives GRI 306-2

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

Enerfín participates as a partner alongside other developers and industrial companies in the Renercycle project to develop industrial and technological solutions that promote the circular economy in the renewable energy sector.

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/m². 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.

#### 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:

- Goodbye Plastic campaign. On the occasion of World Environment Day, the Goodbye Plastic campaign was launched to encourage commitment and responsibility in reducing plastic pollution.
- Make your footprint positive! ("iQue tu huella sea positiva!")campaign with the aim of
  encouraging good environmental practices within project facilities through different
  activities.
- First Children's Drawing Competition The importance of water in my life ("La importancia del agua en mi vida") in Mexico. The aim of the campaign was to raise awareness among workers and their children about water care.
- Carrying out various awareness campaigns focused on optimising water use and reducing consumption, for example in the Dominican Republic, Montelecnor and Elecnor Angola.
- Audeca has carried out an internal awareness campaign to reduce the use of plastic by eliminating this type of water bottles and distributing glass bottles to workers.

# 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 bioversity 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 2023 to minimise and limit the impact on biodiversity are described below:



#### Related to fauna conservation

 Nueva Alto Melipilla - Nueva Casablanca - La Pólvora - Agua Santa transmission line (Chile). Implementation of measures for the protection of birdlife, such as the installation of flight deterrents to increase the visibility of power lines and prevent birds from being electrocuted.

In addition, prior to carrying out works, a series of measures have been implemented such as scaring off low-mobility wildlife through controlled disturbance, manual and gradual removal of refuges, as well as rocks or vegetation. Removed rocks and vegetation have been used to build new burrows outside the site area.

- Portón del Sol solar PV farm (Colombia). Relocating all the fauna located in the project area through scaring, collection and relocation.
- Santos de la Piedra Wind Farm (Spain). The following actions have been carried out: recovery plan for the common crayfish and removal of animal carcasses.
- Ribera Navarra Wind Farm (Spain). Bird detection cameras have been installed for the automatic shutdown of wind turbines, in the event of detecting a dangerous situation for birds.
- PATE- LT230 kV Oriximiná-Juruti-Parintins e Subestações Associadas (Brazil). Some actions are carried out within the framework of the wildlife conservation programme:
  - Rescue and management of animals during removal of vegetation.
  - Raptor conservation programme.
  - Signalling and monitoring programme for birds susceptible to collision.
- 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.
- 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.
- Yaoundé Lake (Cameroon). Monthly monitoring of biodiversity by identifying native and invasive species of fauna and flora present in the project area.
- NYOM II (Cameroon). The following actions have been carried out:
  - Identification of invasive plant species in the project area.
  - Weeding and clearing of vegetation.
  - Awareness-raising sessions among employees to enable the team to be able to identify this type of species.
- 230 kV Sabanitas Substation Panamá III Substation transmission line (Panama). Rescue of a three-toed sloth (*Bradypus variegatus*).
- 400 kV Segura Centurión transmission line (Spain). Some actions have been taken to help reduce interaction with local wildlife:



- Purchase of multi-purpose nests to accommodate barn owls, kestrels or lesser kestrels.
- Installation of bird deterrents to increase the visibility of the power lines and prevent birds from being electrocuted.

Lastly, during the pre-operational (construction) phase of its projects, the renewable energy subsidiary Enerfin 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 2023 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.
- Sigma solar PV plant. Arco 1-5 farms (Spain). Transplanting of palmetto (Chamaerops humilis) specimens located in the access works to the plants was carried out. In addition, trees and bushes located in the areas affected by the photovoltaic modules have been transplanted.
- New 2x220 Nueva Alto Melipilla Nueva Casablanca La Pólvora Agua Santa (Chile) line. Geophyte specimens were identified for rescue and relocation.
- PATE 230 kV Oriximiná-Juruti-Parintins e Subestações Associadas transmission line (Brazil). Flora rescue programme for the conservation of plant genetic resources, rescuing and saving germplasm and producing herbarium samples of forest species collected in the area affected by the project.
- Boa Sorte solar PV plant (Brazil). Plant germplasm has been rescued to mitigate and compensate for the negative environmental impacts caused by the removal of vegetation in the project area.
- New England Solar Farm (Australia). A Biodiversity Management Plan has been carried out during the implementation of the project. Some of the actions carried out have been the following:
  - Study of the existing flora in the project area.
  - Control and management of vegetation in the project area.
  - Control of vegetation growth on roadside verges.



#### 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:

- Portón del Sol solar PV farm (Colombia). The following restoration actions have been carried out: planting of 405 host trees in addition to those required by the Environmental Management Plan (EMP) to ensure greater survival of individuals in the ecological rehabilitation area for the growth of non-vascular epiphytes. Furthermore, additional maintenance has been contracted to that established in the EMP to ensure the survival of the planted trees.
- The subsidiary Audeca continues to carry out emergency works to mitigate the effects
  of the May 2023 fire in the Hurdes and Gata mountains in Extremadura. These actions
  consist of the extraction of the burnt wood and numerous works for the restoration of
  the ecosystem, in order to minimise the risks of ash and soil possibly being blown and
  swept over the population and the environment.
- 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 addition, and for the first time this year, the Group has analysed the extent to which its activities can be considered eligible under these regulations in relation to the other environmental objectives, such as the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution and the protection and recovery of biodiversity and ecosystems.

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> (1st Delegated Act, expanded by virtue of the 3rd Delegated Act and partially modified by the 4th Delegated Act, in relation to the goals of mitigation of and adaptation to climate change, and 5th Delegated Act in relation to the rest of the environmental goals), regardless of whether it meets any or all the technical selection criteria established so that it can also be considered 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,
  - $_{\circ}$  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, to the sustainable use and protection of water and marine resources, to a circular economy, to the prevention and control of pollution or to biodiversity (without prejudice to the positive effects that they may also generate in this field). In these circumstances, while the analysis of the eligibility of its activities under the taxonomy rules has taken into consideration all environmental objectives, the subsequent analysis of its environmental sustainability has focused on the assessment of its 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 various environmental goals, 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.
- Environment and Water. Sub-activities: water works, distribution networks and water treatment plants and 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 Enerfín 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, and according to the "Renewable Energy Statistics 2023" report from the International Renewable Energy Agency (IRENA), 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.

With regard to the **construction and maintenance of rail transport infrastructure**, this activity refers to actions on electrified infrastructure and associated subsystems, which also proves its substantial contribution to this mitigation goal.

Finally, for **building renovation and related activities**, the substantial contribution is shown through the assessment of the energy performance of the buildings or facilities subject to the corresponding actions.

#### 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 the different eligible activities, the aforementioned activities of electricity transmission and distribution and the construction and operation of renewable generation facilities based on renewable sources, construction and maintenance of infrastructure for railway transport and renovation of buildings and related activities, generally 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 activities, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in accordance with the criteria set out in Appendix A ("Criteria relating to the principle of no significant adverse effect on climate change adaptation") of Appendix I relating to the goal of mitigating climate change of the 1st Delegated Act. 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 findings of this analysis form the basis for the identification and implementation of adaptation solutions to reduce the impact of the most significant physical climate risks to the Group's activities, taking into account their context and their position in the supply chain.

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 Environmental Performance section, 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.

With regard to the analysis of no significant adverse effect on the objectives of sustainable use and protection of water and marine resources and pollution prevention and control, the exposure of the Group's main activities is low. In any case, the Group implements appropriate working procedures to mitigate any negative impact that may occur.



#### 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 2023 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, are considered eligible and potentially sustainable activities.



Also, as a result of the search for an investor to acquire a controlling stake in the Enerfín Subgroup during the current year, which culminated in the signing in November of an agreement for the sale and purchase of all the shares of this subgroup to the Norwegian company Statkraft European Wind and Solar Holding AS, all the income and expenses for 2023 relating to the Enerfín Subgroup were recognised under "Discontinued operations" in the Elecnor Group's consolidated income statement. Furthermore, from the date on which it was considered that the conditions for transferring the net assets of this subgroup to "Non-current assets held for sale" were met (31 August 2023), all of its assets and liabilities were recognised under this heading in the consolidated statement of financial position.

# 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 2023 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 2023 prepared by the Board of Directors on 28 February 2024 – Euros 3,792,906 thousand. From this calculation, the following results have been obtained:

- a. Proportion of turnover corresponding to eligible activities: 67.76%.
- b. Proportion of turnover corresponding to environmentally sustainable activities or projects (based on total consolidated turnover): 54.57%.

As mentioned above, the calculation of these percentages does not take into account the turnover for 2023 corresponding to the Enerfín Subgroup, which amounted to Euros 193,814 thousand and is entirely associated with economic activities that are considered environmentally sustainable, specifically the operation of electricity generation facilities using renewable energy sources, mainly wind power.

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 2023 associated with eligible and environmentally sustainable activities. To do so, it takes the amount corresponding to the capital expenditure made in 2023 by the Enerfín Subgroup (investments in electricity generating facilities from renewable energy sources (wind and solar) and associated use rights) until the date on which, as mentioned above, all of its assets and liabilities have been transferred to the "Non-current assets held for sale" heading of the consolidated statement of financial position, —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 155,639 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 2023 prepared by the Board of Directors on 28 February 2024 — Euros 251,510 thousand. From this calculation, the following results have been obtained:

a. Proportion of capital expenditure (CapEx) corresponding to eligible activities: 61.88%.



b. Proportion of capital expenditure (CapEx) corresponding to environmentally sustainable activities or projects (based on the amount of total consolidated CapEx): 61.88%.

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. However, as mentioned above, all the income and expenses for 2023 relating to the Enerfín Subgroup were recognised under "Discontinued operations" in the Elecnor Group's consolidated income statement and, therefore, "R&D&I expenses", "Leases" and "Repair and maintenance" in the consolidated income statement do not include any amount in relation to the expenses incurred by the Enerfín Subgroup in this connection.

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.



INITIATIVES

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 the Digital Transformation index, achieving 97.1% in 2023.

This new index unifies the previous Digital Development and Implementation indices.

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. During 2023, the Committee met 11 times, during which the most relevant developments and issues of the year were analysed and highlighted.

#### **Achievements 2023**

During 2023, progress was made along two main lines: the Transformation Plan, with 25 initiatives, and cultural change through the promotion of digital skills. The main milestones are set out below:



- Improving operational efficiency, reducing costs and increasing revenues through process automation and the implementation of digital tools that increase efficiency in various areas, reducing production times, optimising the supply chain by simplifying administrative processes, among others.
- Improving the customer experience by facilitating interaction with customers through online platforms, mobile applications and more efficient customer service systems, providing a more satisfying and personalised experience.
- Data-driven decision-making by providing access to large volumes of data. The ability to collect, analyse and act on this data has significantly improved strategic and operational decision-making.
- Greater flexibility and agility to adapt to market changes and customer demands. The implementation of technologies allows for greater flexibility in the way tasks are performed responding to changing needs.
- Cultural change and internal training, fostering collaboration, innovation and continuous training of staff to adapt to new technologies and ways of working.
- Improved safety. With the adoption of appropriate digital solutions, the security of systems and data has been strengthened, with increased protection against cyber threats and associated risks.

#### Office and Google sessions



















#### Highlights of Digital Transformation training







48 demos and trainings



## Information security GRI 3-3

The Elecnor Group includes the information security aspect in its Integrated Management System, as well as in the Integrated Policy. Furthermore, in 2023, the Information Security Management System certification was renewed 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.

Of note in this context is the business continuity plan, which 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.

Cybersecurity in the Elecnor Group is based on a zero trust policy. It is a relevant area for the company due to, 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.

In 2023, the Elecnor Group has undertaken the following projects:

- Implementation of the International Cybersecurity Plan.
- 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, such as:
  - Gamification campaign on the Digflix platform, in which 1,530 employees participated.
  - Cyber awareness campaign to the Brazil office, with a participation rate of 76%.
  - Specific GDPR awareness campaign for Human Resources staff.
  - Security pills via email to all employees of the organisation (+23,000 employees)
- Phishing simulation. A phishing campaign was carried out by sending it to 20,476 users.
- Projects designed to guarantee security in facilities and plants.



- Conducting internal and external audits, obtaining ISO/IEC 27001:2013 certification.
- Active workstation protection with the deployment of a new RBS solution.

## 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.

Innovation is a part of the Group's Integrated Management System. Elecnor, S.A. and its subsidiary Audeca are currently certified in accordance with UNE 166002 standard.

In 2023, the total investment figure for 2022 for all the Group's R&D&I projects is included, and amounted to Euros 23.3 million. In addition, a total of 4.5 million in allowances, grants and deductions were received.

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

#### Infrastructure

- Railway
- Electricity transmission/distribution
- Gas transmission/distribution
- Roads
- Construction and building solutions

#### **Energy**

- Renewable/conventional generation
- Substations
- Energy storage systems
- Hybrid fossil fuel + solar PV systems
- Biomass
- Construction solutions
- Improvements in efficiency, O&M and management of generation plants

#### **Facilities**

- Electrical installations
- Energy services
- Safety
- Buildings and large facilities (ports, airports, industry, hospitals, etc.)
- Construction solutions
- Smart Cities

#### **Environment**

- Management and treatment of waste and waste-to-energy
- Carbon capture systems (CCS)
- Soil decontamination
- Improvements in efficiency, O&M and management of plants

#### Water

- Systems for desalinating sea water and brackish water
- Waste water treatment systems
- Drinking water purification systems
- Water transport and distribution networks
- Improvements in efficiency, O&M and management of plants and water networks

#### Singular projects

Development of projects in which innovation provides a significant qualitative leap.



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 2023**

- Maintenance of UNE 166002 certification for RDI Management Systems of Elecnor and Audeca.
- Launch of INNOVA 2023 call for proposals for R&D&I projects funding.
- Standardisation of KPIs in R&D&I for the Group and its organisations.
- Obtaining tax deductions for R&D&I.
- Internationalisation of R&D&I taxable profit in foreign subsidiaries.
- Conducting workshops on collaborative/open innovation in conjunction with Tecnalia, Spain's largest centre for applied research and technological development.
- Grant from the Provincial Council of Vizcaya for the monographic workshop on collaborative innovation with start-ups.
- Approval by the Provincial Council of Vizcaya of two innovative projects within the framework of the Hazitek call for proposals: Aria de Ferrocarriles (initiated in 2023) and Popin de Sistemas projects.
- Presentation of new proposals from Elecnor Deimos, the Group's technology subsidiary, within the framework of national and European programmes.
- Market presence of green hydrogen production facilities.
- Development of wind, photovoltaic and storage hybridisation projects.
- 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.
- Completion of the development of the Sigidel 4.0 Control system, a system based on the historic Sigidel system but at the forefront of technological innovations and complying with cybersecurity standards.
- Completion of the autonomous vehicle feasibility project subsidised by the Catalan Public Agency for Business Competitiveness (Acció), in collaboration with the UPC and the company Soriqué.
- Advances of a project that consist of a platform for the optimisation of sports infrastructure processes by means of predictive models and energy recovery solutions together with Tecnalia, Tecman, Sedical and Laenk, and subsidised by Hazitek.



#### Innovation projects

During the year, the Elecnor Group was involved in numerous innovation projects which, on several occasions, it performs in collaboration with various universities and technological centres and institutes, such as Railway Innovation Hub, Carlos III University, Madrid's Polytechnic University, University of Leon, 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**

## Development of energy efficiency projects in technical rooms and data centres

The enthalpy or direct freecooling system consists of the cooling of technical rooms by supplying cold air from the outside to the inside of the room, through forced ventilation, using sensors, ducts and regulators, to achieve the appropriate volume intake of outside air to meet the cooling requirements of the technical room.

The aim is to save electricity consumption through proper control of the air-conditioning system, reducing the operating hours of the machines and thus extending their service life.

#### Integration of circular economy criteria

The goal of Enerfín, the Group's renewable subsidiary, 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 in the wind farms that the company plans to repower 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 uninstalled wind turbines.
- Participation in the Ain Circular Platform project driven by the Industrial Association
  of Navarre, 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.
- Participation in the launch of the Renercycle business project, 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.



#### Digital transformation of the remote site business

The main objective of the project is to focus on the management and optimisation of operator routes. To achieve this, a centralised remote management platform using advanced geolocation and data analysis technologies will be implemented.

This platform will enable efficient route allocation for operators, improving logistics and reducing travel times. In addition, artificial intelligence tools will be integrated to anticipate and address potential obstacles on routes, thereby improving operational efficiency and optimising resources.

Expected benefits include improved efficiency of operations at remote sites, reduced operational costs associated with journeys, and increased satisfaction of both operators and end-users by ensuring more efficient and timely service delivery.

# Design and development of a monitoring and control system for electric vehicle charging stations

The Elecnor Group has developed a SCADA system for charging electric vehicles, facilitating the deployment of the infrastructure needed to monitor charging, detect faults and control the power supply in these charging systems. In general terms, the project includes the following actions:

- Collection of information from the facilities where the system is to be developed.
- Requirements engineering for design and implementation.
- Design and development of the electric charging monitoring and control system.

Thus, the aim of the project is to develop a system that integrates the information of the different elements that make up the electric vehicle charging subsystem for public transport, promoting the use of less polluting vehicle fleets, reducing dependence on fossil fuels and the emission of greenhouse gases.



# New catenary and electrification system for the railway sector in the Baltic countries (Elecatenar)

This project is part of the railway sector, a booming industry in terms of innovative development and, more specifically, in the field of energy supply for railway lines, which require increasingly sophisticated infrastructures and power systems capable of meeting the energy demand for a continuous service.

The main objective of the project is the electrification of a 350 km long line (160 km/h) by means of static converters (SFC) for the operation of parallel and synchronised substations, i.e., not including neutral zones.

This need is mainly located in a specific technological context, which corresponds to the scarce development of this type of systems in the Baltic countries, as well as the existing limitations of the geographical area itself, which require a high degree of specification at infrastructure level, due to the particular climatology with characteristics of cold, ice and wind that pose a major engineering challenge.

The proposed solution constitutes a unique solution that combines a new concept of electrification by means of static converters for the operation of parallel and synchronised substations, the specific infrastructure designs necessary to meet both the climatological and orographic requirements of the area and the requirements associated with the set of converters, and the definition of a specific power subsystem for SFC that allows power supply from the electricity grid.

# Design and development of a new hardware for the installation of power lines using drones

The project aims to improve and optimise the power line construction process in order to ensure a more efficient, safe and sustainable infrastructure. Currently, the construction of power lines is a complex and costly process, with risks associated with worker safety and possible interruptions to the power supply.

The main focus of the project is to use innovative technologies and advanced construction methods to speed up the power line installation process. Solutions such as the use of drones for inspection and mapping of installation areas, the implementation of prefabricated construction techniques to reduce assembly times and the use of more efficient and resistant materials are being explored.

In addition, the aim is to integrate monitoring and control systems into the power lines, enabling more efficient management of the grid and early detection of possible faults or breakdowns. This helps to minimise incident response times and improve the quality of the electricity service.



#### i-Signal

Audeca, the Group's subsidiary specialising in the comprehensive maintenance of road infrastructures and environmental conservation, has developed an innovative prototype of mobile signage, with which it has automated the tasks of marking and signposting road works. This signage work was carried out by operators who had to park their vans and walk along the hard shoulder, with the risk to their personal safety and to road safety.

The new autonomous mobile sign will travel in the maintenance van. Its operation has been based on commands launched from the user interface in the hands of the operator. The sensors installed and the communication systems designed and implemented in the sign also allow the operator to be kept informed in real time of the situation, both of the sign itself and of its surroundings.

#### **Alhambra**

Deimos has developed Alhambra, a traveller services software platform designed to meet the demand for up-to-date information required by today's permanently connected society, boosting the use of public transport by rail and improving the traveller's perception of the quality offered, image and credibility.

In 2023, a new product was added to the Alhambra platform: Alhambra DS, a digital signage system that consists of content library management, template management, scheduling and campaign management, panel management, alarm management, etc.

In addition, new functionalities have been added to Alhambra ISS-PIS, such as management of the catalogue of messages for public address systems and monitors with the possibility of classification with labels, improved announcement modes (incident and emergency), TAP mode, among others.

#### Maritime Surveillance and Control System (MSCS)

Maritime control and surveillance system. It is a SW C2 Command and Control Platform developed entirely at Deimos Space which forms the core of the maritime solutions.

The MSCS tool has a flexible design based on open, modular and scalable architecture (OSA), and makes extensive use of COTS elements.

Furthermore, this control system is applicable to both civilian and military operations.



#### **GISAL**

SmartCity platform that allows the monitoring and control of the public lighting infrastructure, detecting possible deviations in consumption or breakdowns at an operational level and allowing the preparation of consumption and savings reports.

GISAL makes it easier for public lighting managers to create geo-referenced inventories and carry out preventive and corrective maintenance of public lighting infrastructure.

The solution is offered in two modalities: remote management at the head of the electric panel (control panel) and point-to-point remote management, with the capacity to integrate with commercial platforms such as Citytouch, Cimelux, Arelsa, etc.

In 2023, major upgrades were made to the system, focusing on the front-end, and significant improvements to the application were implemented, such as the introduction of new APIs. In the mobile application, improvements were made to the user experience.

All these initiatives have contributed to strengthening the continuity and competitiveness of the system, being a reference in public lighting maintenance systems.

### Innova 2023 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 and subsidiaries can apply for funding for their R&D&I projects.

#### **Main indicators:**

- Number of proposals submitted: 3
- Number of projects approved: 1 and 1 in request for additional information by the R&D&I committee to the persons responsible for the proposal.



#### Innova 2023 featured projects

# Data collection system for a platform to optimise infrastructure processes through predictive modelling and energy recovery solutions (POPIN)

The POPIN project proposes working towards the recovery of residual energy in sports centres, for which a robust, modular, compact and configurable substation for heat recovery will be developed for different types of sports centres. The substation will integrate all available low-thermal waste energy streams (swimming pool water renewal, grey water, condensing energy from chillers, etc.) to be used as energy source for the heat pumps in charge of thermal production.

Compared to existing ad hoc solutions, the substation will be an industrialised and easily integrated solution with optimised control that will simultaneously meet the requirements of energy efficiency and process optimisation in sports centres.

In addition, as an extension of the substation, a heat pump solution will be developed, adapted to the use of light bulbs at temperatures above the current limits (20°C) as a source of energy, in order to increase their performance.

POPIN solutions will contribute to the reduction of external energy dependence and the decarbonisation of the building stock. They will also help achieve the targets for reducing energy consumption in buildings, in line with the European directive.

### 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.

Elecnor has collaborated with Multiverse Computing as part of the public-private initiative BIND 4.0, which promotes open innovation to foster interaction between disruptive startups and companies.

The startup provided a quantum random password generator that can be accessed through a real-time, on-demand API. The use of quantum technologies for the generation of random passwords brings an improvement in cyber security through the use of quantum mechanical properties.

In addition, we have participated in the following projects with startups:

- Development of R&D&I tests in road maintenance in the Community of Madrid, together with the company Asimob Artificial Intelligence and IoT for monitoring roads, signposting/marking and potholes. The software allows vertical signs, automatic inventory updating through image recognition, verification of the correct visibility of each and every sign, automatic detection through sensors and geolocation, among others.
  - During 2023, the project has continued to progress until the module for monitoring road markings and safety barriers has been fully developed. The results of the collaboration agreement were presented at the 32nd Madrid Road Week, organised by the Spanish Road Association (AEC) and promoted by the Community of Madrid.
- 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 health and safety tools: PRP, SegurT and Notific@.

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

- 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.
- Member of the UNE-CTN140/SC7 subcommittee whose main objective is the adaptation of Eurocode EC-07 at national level.
- Member of the CTN133/SC1 Infrastructures committee as a stakeholder for the preparation of the specification of GRP fibreglass reinforced polyester poles for telecommunications lines.
- Member of Asociación Nacional de Derivados del Cemento Andece.
- Member of Asociación Española de Fabricantes de Bienes de Equipo Eléctrico de Alta y Media Tensión (Afbel), and member of the board of directors and chairman of the new technologies committee.
- 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; AIN, Navarre Industry Association; AEE, Spanish Wind Energy Association and REOLTEC, Innovation Platform within the Spanish Wind Energy Association.

In the 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.

- Galician Wind Energy Association (EGA).
- Association of Wind Energy Developers of Castilla y León (Apecyl).
- Enercluster (Wind Cluster of Navarre)
- Enertic.Platmform



# Participation in forums and congresses

- Attendance at the Open Innovation Conference at IESE, a meeting between experts and leaders in innovation.
- Rail Live Congress, an event that brings together all those involved in the railway value chain.
- South Summit Brazil and Madrid, a collaborative space for key players in driving business progress and growth.
- Participation at the seventh edition of the BIND 4.0 programme.
- Participation at the International Euro-Latin American and Caribbean Congress, whose main objective is to investigate and analyse the synergies between Latin America and the Caribbean and the European Union for the creation of a Euro-Latin American cultural space.
- Attendance at DCD Connect Madrid, one of the main forums for the main players in the world of data centres.
- First action of the Public Innovation Procurement Programme of the General Directorate of Roads, the Preliminary Market Consultation, providing innovative solutions to several challenges proposed by MITMA, such as Technologies and Artificial Intelligence for the inspection of road assets, advanced management of Road Safety or the proposal of protection measures for vulnerable users.
- Audeca participated in the 32nd Madrid Road Week, organised by the Spanish Road Association (AEC) and promoted by the Community of Madrid, as sponsors, where the results of the collaboration with Asimob for the automation of road inspections with artificial vision were presented.
- Technical seminar on "Installation and removal of construction site signage", where the Elecnor Group's experience in special cases such as autonomous luminous signage, a new form of traffic management that is safer for workers, was conveyed.

# 15.9 Responsible management

# Corporate governance GRI 3-3

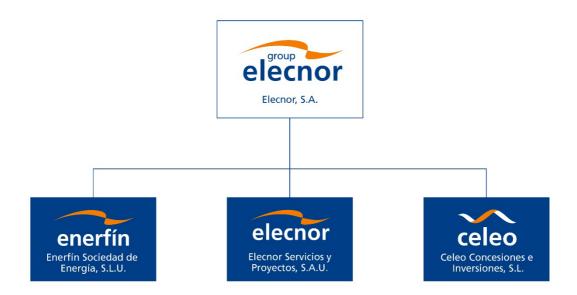
The Elecnor Group meets the requirements established in Spanish Companies Act and is guided by the recommendations in the Code of Good Governance of Listed Companies issued by the National Securities Market Commission ("Code of Good Governance")<sup>8</sup>.

#### 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.

<sup>8</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.

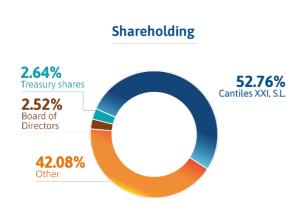




The Board of Directors of the Company informed the Market, by means of an Inside Information communication dated 17 November 2023, of the signing of the agreement for the sale of 100% of the share capital of Enerfín Sociedad de Energía, S.L.U. ("Enerfín"), with Statkraft European Wind and Solar Holding AS (a company belonging to the Statkraft Group), for the acquisition of the entire shareholding of Enerfín which, upon completion of the sale and purchase, will enable it to acquire the status of sole shareholder of Enerfín.

For these purposes, as Enerfín is an essential asset for the purposes of article 160.f of the Revised Text of the Spanish Companies Act, on 24 January 2024 the Extraordinary General Shareholders' Meeting approved the aforementioned transaction, with 99.9997% of the share capital present and represented at the Meeting voting in favour.

#### Ownership structure



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%).

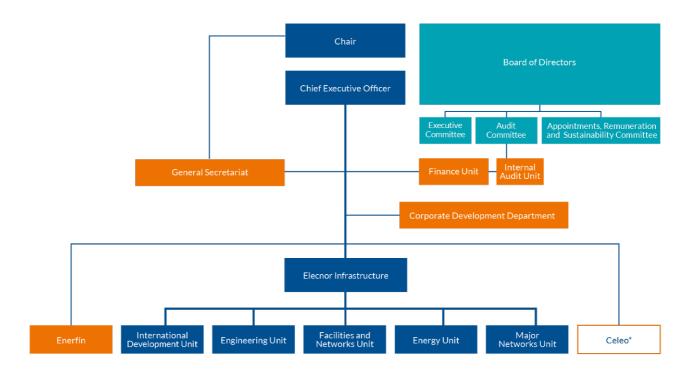
#### Governance structure

The governing bodies of the Parent (Elecnor, S.A.) are its General Shareholders' Meeting and the Board of Directors. The Board of Directors has established within its structure the Executive Committee, Audit Committee and Appointments, Remuneration and Sustainability Committee.

For the second consecutive year, the Ordinary annual General Shareholders' Meeting for 2023 was held, on second call, in "hybrid" format, i.e., with both physical and online attendance of shareholders and their proxies, with 82.53% attendance of the share capital.



## Organisational structure at 31 December 2023



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

## **Board of Directors** GRI 2-9, GRI 2-10, GRI 2-11





Director name	Position on the Board	Category	Date last appointed
Jaime Real de Asúa Arteche	President (non-executive)	Proprietary	18/05/2022
Ignacio Prado Rey-Baltar	Vice-Chair	Proprietary	18/05/2022
Rafael Martín de Bustamante Vega	Director and Chief Executive	Executive	23/06/2021
Cristóbal González de Aguilar Alonso-Urquijo*	Deputy- Secretary	Proprietary	17/05/2023
Miguel Cervera Earle	Member	Proprietary	18/05/2022
Isabel Dutilh Carvajal*	Member	Independent	17/05/2023
Joaquín Gómez de Olea y Mendaro	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- Agero	Member	Independent	18/05/2022
Rafael Prado Aranguren	Member	Proprietary	18/05/2022
Emilio Ybarra Aznar*	Member	Independent	17/05/2023
Pedro Enrile Mora-Figueroa	Secretary non-director		24/06/2020

<sup>\*</sup> Reappointed for a further four years by resolution of the Ordinary General Shareholders' Meeting of 17 May 2023.

# Board of Directors' Committees GRI 2-9, 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.

During 2023, the Executive Committee maintained its composition since the Board of Directors of the Company, at its meeting held after the Ordinary Annual General Shareholders' Meeting of 17 May 2023, agreed to re-appoint Cristóbal González de Aguilar Alonso-Urquijo as member of the Executive Committee for a period of four years.



Name	Position	Category
Jaime Real de Asúa Arteche	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 *Re-appoint on 17/05/2023	Non-Director Secretary	

Executive Committee	Number	% of total
Executive directors	1	16.7%
Proprietary directors	5	83.3%
Committee meetings	20	

The Executive Committee met 20 times in 2023, with all members attending all meetings.

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 2023 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, in 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.

During 2023, the composition of the Audit Committee did not change in terms of members, but has changed in terms of positions. In this regard, the Board of Directors of the Company, at its meeting held after the Ordinary Annual General Shareholders' Meeting of 17 May 2023, agreed, on the one hand, to re-appoint Isabel Dutilh Carvajal as a member of said Committee for a period of four years, and, on the other hand, to appoint Francisca Ortega Hernández-Agero as Chair of the Committee for a period of four years.



In accordance with the above, as of 17 May 2023, the composition of the Audit Committee is as follows:

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

<sup>\*</sup>Re-appointed on 17/05/2023

<sup>\*\*</sup>Appointed on 17/05/2023 as Chair to replace Irene Hernández Álvarez, as the maximum term of four years legally and statutorily established for performing the duties of Chair has expired, who now holds the position of Member.

Audit Committee	Number	% of total
Independent directors	3	60%
Proprietary directors	2	40%
Female directors	3	60%
Committee meetings	12	

The Committee met 12 times in 2023, 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 only 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 Regulations in 2023, by means of the following main actions:

- Supervision and evaluation of the process of drafting and preparation of financial and non-financial information and of the main risks that may affect the completeness and accuracy of this information and review of the information to be published in the markets.
- Supervision of internal audit and internal control.
- Supervision and evaluation of the risk management system, both financial and nonfinancial.
- Supervision and evaluation of the external auditor's performance and independence, and submission to the Board of its fee proposal.
- Supervision of the Compliance System and the activities of the Compliance Committee.
- Supervision of compliance with the company's corporate governance rules and internal codes of conduct.
- Supervision of the actions carried out in application of the internal procedure on related-party transactions.
- Review of the main economic conditions and accounting impacts of the sale of the Enerfin group.
- Information to the General Shareholders' Meeting on matters within its competence.

Comprehensive information on the composition and actions of the Audit Committee in 2023 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.

Committee meetings



#### Appointments, Remuneration and Sustainability Committee

This Committee is in charge, among other functions, of assessing the competencies, know-how and experience necessary in the Board. Additionally, it proposes and reviews the Remuneration Policy for Directors and Management, and reviews the corporate governance system and sustainability of the Company.

The Appointments, Remuneration and Sustainability Committee agreed in 2023 to re-appoint two of its members, Isabel Dutilh Carvajal and Emilio Ybarra Aznar, (the latter being its Chair), thus its composition has not changed during the year, and remains as follows:

Name	Position	Category	
Emilio Ybarra Aznar*	President	Independent	
Jaime Real de Asúa Arteche	Secretary	Proprietary	
Miguel Cervera Earle	Member	Proprietary	
Isabel Dutilh Carvajal*	Member	Independent	
*Re-appointed on 17/05/2023  Appointments, Remuneration and Sustainability	Northern		
Committee	Number	% of total	
Proprietary directors	2	50%	
Independent directors	2	50%	
Female directors	1	25%	

11

The Committee met 11 times in 2023, with all members attending all meetings, and with one of the meetings having been held by circular resolution and without meeting. 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 only address those items on the agenda in relation to which they have been summoned. In particular, the Director of Corporate Development, the Director of Human Resources, the Coordinator of the Sustainability Committee, and the Secretary General and Secretary of the Board have participated in some of the Committee's meetings. 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 2023, 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 re-appointment of Directors. Furthermore, in relation to the members of the management team, the Committee has approved a proposal for the appointment of the new Deputy Director of Finance and Internal Audit of the Elecnor Group; and has issued a favourable report on the proposal for the appointment of a Director representing the Company on the Board of Directors of Celeo Concesiones e Inversiones, S.L.



- The positions on the Board and the Committee, having approved the re-appointment of Emilio Ybarra Aznar as Chair of the Committee. Likewise, the Succession Plan for the Chairman of the Board of Directors and the Chief Executive Officer has been updated, and the Succession Plan for the management team has also been reviewed.
- Remuneration of Directors and members of the management team, proposing fixed and variable annual remuneration for the Executive Director and the long-term incentive system associated with the 2023-2025 Strategic Plan. It also prepared the Annual Report on Directors' Remuneration for 2022, which the Board of Directors submitted to the Ordinary Annual General Shareholders' Meeting for a consultative vote and which was approved by a large majority at the meeting held on 17 May 2023, analysed the degree of compliance with the 2020-2022 Strategic Plan for the purpose of calculating the incentive derived therefrom and its distribution by groups of participants as well as the corresponding individual allocation, and analysed various aspects related to the remuneration of employees and members of the management team.
- The review of corporate governance and sustainability; accordingly, it has overseen the actions of the Sustainability Committee analysing the degree 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, 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 2023 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, know-how, 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 had since February 2018 an Equality Plan, which was updated in January 2022, applicable not only to the Board of Directors but also to the management team and all Group staff, which lays down specific actions to be performed 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 15 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 said Recommendation without affecting the normal functioning of the Board and the suitability of its members as a whole to discharge their duties.

#### Remuneration policy GRI 2-19, GRI 2-20

On 18 May 2022, Elecnor's General Shareholders' Meeting, 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 after 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 (article 12 of the Bylaws) also 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 2023 amounted to Euros 5,404.6 thousand (Euros 4,809.8 thousand in 2022), 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 2023, 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 remunerati on	Gross profit on vested shares or financial instrument s	lemuneratio n from savings schemes	Other items of remunerati on	Total in 2023	Total cash remunera tion	Gross profit on vested shares or financial instrume nts	emunerati on from savings schemes	Other items of remunera tion	Froup total in 2023	Company + Group total in 2023
Jaime Real de Asúa Arteche PROPRIETARY	494.5				494.5	20.0				20.0	514.5
Ignacio Prado Rey-Balta PROPRIETARY	227.0				227.0	20.0				20.0	247.0
Rafael Martín de Bustamante Vega EXECUTIVE	2,362.5			6.7	2,369.2	20.0				20.0	2,389.2
loaquín Gómez de Olea y Mendaro PROPRIETARY	207.0				207.0	20.0				20.0	227.0
Cristóbal González de Aguilar Alonso- Urquijo PROPRIETARY	207.0				207.0	20.0				20.0	227.0
Miguel Cervera Earle PROPRIETARY	194.5				194.5	20.0				20.0	214.5
Isabel Dutilh Carvajal INDEPENDENT	202.0				202.0						202.0
Irene Hernández Álvarez INDEPENDENT	186.5				186.5						186.5
Juan Landecho Sarabia PROPRIETARY	164.5				164.5	20.0				20.0	184.5
Santiago León Domecq PROPRIETARY	174.0				174.0	20.0				20.0	194.0
Miguel Morenés Giles PROPRIETARY	227.0				227.0	20.0				20.0	247.0
Francisca Ortega Hernández- Agero INDEPENDENT	187.4				187.4						187.4
Rafael Prado Aranguren PROPRIETARY	164.5				164.5	20.0				20.0	184.5
Emilio Ybarra Aznar INDEPENDENT	199.5				199.5						199.5
Total	5,197.9			6.7	5,204.6	200.0				200.0	5,404.6

Figures in thousands of Euros



#### Board of Directors' Evaluation GRI 2-18

The company's Board of Directors evaluates annually, 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 corrective 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, the Chair, the Chief Executive Officer and the Secretary.

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 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 was hired to review and update the assessment system.

The annual assessment for 2022, carried out by the members of the Board of Directors during 2023, has been conducted internally, without the assistance of an external consultant, but using the questionnaires reviewed and used by Russell Reynolds during the previous financial year, and has resulted in the development of a proposed Action Plan for 2023, highlighting the following aspects:

- Regular market and competitor information analysis.
- Make progress with the Board's capability matrix and awareness of the risk map, improving the monitoring of key risks (KPIs).
- Further 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 Code of Good Governance and future regulations on parity.
- Continuous improvement in the provision of information to be discussed at meetings of the Board and its Committees.

The Company is also strengthening the necessary coordination between the different Board Committees.

#### 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. Thus, it is reported that the degree of compliance at 31 December 2023 with the recommendations of the aforementioned Code was 95%, maintaining the level of 2022.

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.

In December 2023, the Board of Directors of the Company approved the amendment of the Policy on communication of information, contacts and engagement with shareholders, institutional investors, asset managers, proxy advisers and other stakeholders, in order to adapt it to the new Code of Good Practices for institutional investors, asset managers and proxy advisers in relation to their duties in respect of vested assets or services provided, approved in February 2023 by the CNMV.



## 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 and reputation).



- 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 management and attention to changing customer needs and satisfaction, strategy and management related to business partners, changes in the market, industry and competition, 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 sustainability, physical climate risks, geopolitics, instability and legal insecurity 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. Among these systems, during the year the Group continued to make progress in systematising and improving the management of the risks associated with the process of preparing non-financial information.

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, and share a series of characteristics that define the way in which the Elecnor Group manages, operates and controls its activities:

- Continuous monitoring of risks and operations by the governing body and senior management.
- Organisational structure and allocation of roles and responsibilities in a clear and precise manner and disseminated throughout the organisation.
- Segregation of duties.
- Well-defined power structure in line with the functions assigned to the different organisational levels.
- Development and dissemination of policies and procedures.
- Continuous monitoring and control of operations by the departments comprising the internal audit and control function.

The Elecnor Group's Board of Directors, as part of its general supervisory function, reviews at its monthly meetings the evolution of the Group's main economic figures, the general market situation, and the Group's business position and strategy in order to identify risks in the economic and business environment and adjust its strategic orientation in each case.

# Ethical management and regulatory compliance GRI 3-3, GRI 2-23, GRI 2-

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.



From its beginnings more than 65 years ago, 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 is based. This has earned it a national and international prestige that allows it to develop projects around the world for public and private customers of the highest level.

This success would not be possible without an absolute commitment at all levels to the highest ethical and compliance standards and best practices in corporate governance, which is a strategic priority and for which the Group makes every effort and dedicates all available resources. The international environment in which it operates, the standards demanded by its related parties and its obligations as a listed entity require it to renew this commitment on an ongoing basis.

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.

# Certification to UNE-ISO 37001 anti-bribery management system standard



This is the most updated and stringent international standard on anti-bribery management systems and the adoption of compliance protocols in general.

# Certification to UNE 19601 criminal compliance management system standard



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.

#### The main elements of the Compliance System



Code of Ethics and Conduct



Ethical Code whistleblower cannel



Code of Ethics and Conduct for Suppliers Subcontractors and Collaborators



Training and awareness-raising



Human Rights Policy



Anti-Corruption Policy



Competition Policy



Compliance Policy



Compliance Committee



Map of Compliance Risks and Procedures and mandatory internal controls



Guide to Compliance on Competition



Compliance Management System Manual



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.

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 situation.
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 criminal activity.
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 disclosure 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

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/consortia/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 mentioned in the above paragraph, 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 specialised external databases; 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 and the General Terms and Conditions of Business, 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 Group also uses certain indicators with respect to the main compliance risks identified.

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 Chief Compliance Officer 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 2023, the Compliance Committee held 5 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 ethics 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 believes that, in order for a solid corporate culture of integrity and compliance to exist and be present in the daily decision-making process, it is essential to create an environment and conditions in which all people feel motivated and confident to share their opinions, doubts or concerns regarding any situation they may encounter or witness in the context of their relationship with the Elecnor Group.

In order to facilitate this consultation and communication process, the Elecnor Group has set up an integrity and regulatory compliance Internal Reporting System (as part of the Group's Compliance System), which is designed and operates in accordance with the principles of action and commitments assumed by the Elecnor Group, set out in the Policy of the Elecnor Group's Integrity and Regulatory Compliance Internal Reporting System.

Without prejudice to other mechanisms and communication channels that may be used by interested parties for the same purpose, since 2011 the Elecnor Group's Ethics Channel has been the main confidential communication channel through which its professionals and/or third parties with a legitimate interest may, in good faith, communicate and report any irregular behaviour or conduct contrary to applicable legislation or to the provisions established in its Code of Conduct and Ethics, the regulations on which it is based and the policies and procedures that implement it, as well as express any doubts in this regard or propose improvements to the existing internal control systems. 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. Access to this channel can be obtained through the following email address codigoetico@elecnor.com or from apartado de correos (P.O. Box) no. 77-48008 (Bilbao, Vizcaya - Spain) (FAO: "Ethics Channel").

In 2023, no complaints were received through the Ethics Channel or other available channels in terms of human rights violations, in particular, violations of freedom of association and the right to collective bargaining, forced or compulsory labour, child labour, discrimination or violation of indigenous rights. Likewise, neither have been any complaints received through the Ethics Channel in connection with corruption, bribery or money laundering.

The six 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 2023

- Renewal for a further 3 years (new effective date until April 2026) of the certificates issued by AENOR attesting compliance of the Elecnor Group's Compliance System with the requirements of the UNE-ISO 37001 "Anti-bribery management systems" and UNE 19601 "Criminal compliance management systems" standards.
- Continuing the process of rolling out improvements in compliance risk management and due diligence procedures in relation to third parties (mainly business partners, suppliers and subcontractors), notably including:
  - Launch and deployment of the digital platform for the application and authorisation
    of Temporary Business Associations, Consortia and Joint Ventures (eUTEs), which
    has made it possible to integrate the tools and procedures established for the
    analysis of business partners from a regulatory compliance and integrity
    perspective as an essential part of the process.
  - Incorporation of a new business information solution for companies that improves the analysis capabilities of third parties and, in particular, of related persons (group of companies, shareholders, directors, key staff, etc.).



- Progressive consolidation and enhancement of capabilities for proper analysis of third-party compliance risk (extension of the use of the specialised third-party compliance risk profile reporting solution and improvement of the analysis and reporting structure).
- Requesting and obtaining (since January 2022) 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 2023, more than 19,300 suppliers had expressed their acceptance and adherence to it.
- Adaptation of the Elecnor Group's Integrity and Regulatory Compliance Internal Reporting System ("Ethics Channel") to the requirements of Law 2/2023 on Whistleblower Protection (transposition of the EU "Whistleblowing Directive"), and in particular:
  - Review of the principles of action and commitments that govern and inspire the operation of the system and development, approval and dissemination of the Policy of the Elecnor Group's Integrity and Regulatory Compliance Internal Reporting System.
  - Review of the system for managing communications received through the Elecnor Group's Ethics Channel and development, approval and dissemination of the Procedure for managing communications received through the Elecnor Group's Ethics Channel.
  - Appointment by the governing body of the person responsible for the Elecnor Group's Integrity and Regulatory Compliance Internal Reporting System.
  - Redesign of the corporate website to improve visibility and facilitate access to the Ethics Channel.
- Compliance Training: GRI 205-2

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 were part of the Group's workforce and who have received this kind of training in the last 3 years (since the end of 2020), broken down by professional category and geographical area:

2023

	Manag	gemen	t	Exe	cutive		Tech	nician	
Geographic	No.	%	Hours	No.	%	Hours	No.	%	Hours
area	employees			employees			employees		
Spain	4	1	8	60	0.94	120	334	0.89	668
Europe	0	0	0	1	0.01	2	9	0.03	18
America	0	0	0	3	0.05	6	16	0.04	32
Africa	0	0	0	0	0	0	16	0.04	32
Asia	0	0	0	0	0	0	0	0	0
Oceania	0	0	0	0	0	0	1	0	2
Total (*)	4	1	8	64	1	128	376	1	752



2022

	Manag	Management Executi		cutive	e Technician				
Geographic	No.	%	Hours	No.	%	Hours	No.	%	Hours
area	emplovees			emplovees			emplovees		
Spain	7	0.87	11	201	0.97	260	299	0.96	574
Europe	0	0	0	2	0.01	3	2	0.01	4
America	1	0.13	1	2	0.01	3	2	0.01	4
Africa	0	0	0	2	0.01	3	7	0.02	14
Asia	0	0	0	1	0	1	0	0	0
Oceania	0	0	0	0	0	0	0	0	0
Total (*) (**)	8	1	12	208	1	270	310	1	596

2021

	Mana	gemen	t	Exe	cutive		Tech	nician	
Geographic area	No.	%	Hours	No.	%	Hours	No.	%	Hours
arca	emplovees			emplovees			emplovees		
Spain	126	96%	158	108	89%	154	224	93%	446
Europe	2	2%	3	3	2%	5	5	2%	10
America	1	1%	1	6	5%	8	2	1%	4
Africa	1	1%	1	1	1%	1	8	3%	16
Asia	0	0%	0	2	2%	3	0	0%	0
Oceania	0	0%	0	1	1%	1	2	1%	4
Total (*) (**)	130	100%	163	121	100%	173	241	100 %	480

<sup>(\*)</sup> Compliance training is intended for Structure staff. Works staff, given their lower exposure to compliance risk, are not included in these specific training plans.

During 2023, in addition to other initiatives developed by the Group's various organisations and subsidiaries, the following training activities were carried out:

- A total of 59 Elecnor Group professionals (mainly legal counsel, administration, purchasing and people involved in the application and authorisation process for Temporary Business Associations, Consortia and Joint Ventures) have received specific training on the analysis and management of third-party compliance risks.
- ii. Furthermore, a total of 385 new employees have completed during the "onboarding phase" specific training in compliance through the corresponding digital platform, training which is compulsory for Structure staff joining any of the organisations domiciled in Spain. This training develops the main concepts of compliance, the risks in this area to which the organisation may be exposed, including risks such as corruption, competition and human rights, among others, and the main elements that make up the Elecnor Group's Compliance System.

<sup>(\*\*)</sup> Includes a total of 385 employees in 2023 (287 in 2022 and 264 in 2021), mainly included in geographical area "Spain" and professional category "Technician") who have joined the Elecnor Group in each one of these years and who have received specific training on compliance as part of the on boarding phase training.



Additionally, during 2021 and 2022, around 465 professionals, working both in Spain and in foreign organisations, received specific training in antitrust matters. For the preparation and delivery of these training sessions, the company partnered with a specialised firm (Deloitte).

Likewise, with regard to on-boarding training, in 2021-2022, a total of around 550 new employees in the organisations domiciled in Spain completed the compliance training module specifically designed for this phase of the integration process in the Elecnor Group.

The members of the Board of Directors receive regular training in various areas of their responsibility. With regard to compliance, and without prejudice to any specific training sessions that may be held, in 2023 "compliance pills" were shared at 4 of its meetings on various compliance issues (corruption, politically exposed persons (PEPs), etc.). GRI 2-17

- Launching and completion of 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 Structure staff both national and international. In January 2023, the Group's Chief Executive Officer launched the corresponding communication to the target group of this campaign and almost 3,600 members of the organisation formally renewed during the year their commitment to carry out their responsibilities in accordance with the highest ethical and compliance standards. 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 both on the Group's website and corporate intranet ("Buenos Días") interactive infographics that summarises 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.
- Launch of the project for the design of a long-term compliance training plan and for the
  development of dynamic and interactive training materials to facilitate the process of
  understanding and assimilation of the main risks and behavioural guidelines to be
  considered in this area.
- In line with its commitment to continuous improvement and alignment with best practices in compliance and risk prevention in the field of competition law, an assessment was carried out, with the assistance of a specialised firm (Deloitte), of the design, deployment and implementation of the different processes, procedures and specific controls for the prevention and detection of competition risks currently in operation, identifying new opportunities for improvement that are being implemented. Deloitte's expertise has also been used to improve and update knowledge of the latest trends, standards and requirements for competition compliance systems.
- Reviewing and strengthening the procedure for participation in associations.
- Diagnosis, with the support of a specialised firm, regarding the Elecnor Group's degree of exposure to risks related to the field of international sanctions and export controls and improvement of existing procedures for their proper identification and management.
- Continuous improvement of 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:
  - Publication and presentation of the study on "Compliance and sustainability practice and policies in Latin America - case studies from Brazil, Chile and Mexico".
  - Recording and broadcasting of new 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. Three videopodcasts
    have been released throughout 2023.
  - Continuous improvement of the content of the Observatory's website (articles written by compliance experts, compliance pills...)

## Goals in 2024

In 2024, 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 in different organisations of the enhancements developed and implemented in 2022 and 2023 in relation to compliance risk analysis and third-party due diligence procedures.
- Development and deployment of the long-term compliance training plan and design, development and implementation of the training initiatives planned for 2024 (development of new training materials and implementation of at least one training campaign).
- > Review and update of the compliance training module in the "on-boarding" phase and of the systematic monitoring of its effective operation.
- > Improving the systematic approach to the design, development and implementation of awareness-raising initiatives in the field of compliance.
- Development, implementation and deployment of the improvement opportunities identified in 2023 in relation to the processes, procedures and controls in place for risk management in the area of competition law and international sanctions and export controls.
- Analysis and adaptation of the antitrust compliance system to the requirements of the UNE 19603 Compliance management systems in free-competition matters published at the end of 2023.
- > Improving the system for managing risks related to the defence and protection of human rights.
- Continuation of the consolidation and improvement of the Group's Compliance System at the various subsidiaries in accordance with the "Compliance System Rollout Plan".
- Development and implementation of the scheduled activities of the IE-Elecnor Observatory on Sustainable Compliance Cultures.

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 and 2023, the Group 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, such as mainly accepting or implementing recommendations or collective decisions that could limit competition or exchanging commercially sensitive information. GRI 2-28



# Committed to fighting corruption, bribery and money laundering GRI 205-1

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. GRI 415-1

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 guiding 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 noncompliance 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 the 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, according to a pre-established schedule.

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 suppliers 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. As part of these procedures, the Group identifies those situations and transactions from which a higher exposure to corruption risks may arise and applies enhanced due diligence measures in such cases.



No incidents of corruption or money laundering have been identified in 2023. 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.

# Committed to upholding competition law GRI 415-1, GRI 206-1

The Elecnor Group seeks to compete effectively in all the countries in which it operates, within the legal framework and without the risk of violating competition law.

Under no circumstances shall the Elecnor Group and/or its employees undertake any isolated or concerted initiative that violates antitrust law, a principle that is also applicable to any natural or legal person with whom the Group establishes a business relationship. In particular, and as established in its Antitrust Policy, the Elecnor Group strictly prohibits:

- Entering into agreements or engaging in concerted or consciously parallel practices between competitors which, by their object or effect, may restrict competition between economic operators (e.g., fixing prices or other trading conditions, sharing markets or customers, limiting or controlling production, etc.).
- Anti-competitive public or private bid rigging, whether through unjustified joint ventures or subcontracting, making offers of cover, accompaniment, courtesy, etc., or any other means.
- Accepting or implementing collective recommendations or decisions issued or adopted by associations that could restrict competition between economic operators.
- Exchanging commercially sensitive information with competitors or third parties, including individual and disaggregated data on strategic variables such as current or future prices, discounts, quantities or present and future sales volumes.
- Carrying out actions that could constitute abuse of a dominant position by means, among others, of setting unfair or discriminatory prices or commercial conditions, or unwarranted refusal or restriction of supply.
- Engaging in acts of unfair competition which, due to affecting the public interest, could
  potentially affect the general interest (for example, acts of fraud and deliberate
  misleading, aggressive practices, selling at a loss, breach of secrecy, unlawful
  advertising, etc.).

In order to promote respect for these principles of action by its employees and business partners, the Elecnor Group is firmly committed to disseminating its commitments and requirements in this area, to training and to establishing appropriate communication channels with its employees and other interested third parties.

Likewise, and particularly with regard to this area, the Elecnor Group is committed to ensuring the utmost diligence in the context of public procurement, avoiding any type of irregularity that could be interpreted by the competent authorities as a manipulation of the procedure and to collaborating with official bodies, such as the Spanish National Commission on Markets and Competition (CNMC) and other competition authorities.

In order to prevent, detect and adequately manage any risk relating to competition to which the organisation might be exposed, the Elecnor Group has set up an antitrust compliance system (integrated in the Group's overall Compliance System), fully effective and subject to a continuous review and improvement process to ensure its proper operability and its alignment with the best practices in the matter.



# 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 Code of Ethics and Conduct, 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 assembly 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 assembly 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 2023 in which these rights have been deemed to have been violated or compromised.

Although, as mentioned throughout this section, the Elecnor Group adequately manages risks related to human rights, during 2024, as part of the continuous improvement of its processes and procedures, it plans to carry out a more systematic analysis of these in order to identify potential improvements to these procedures in accordance with best practices in this area.



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-corruption 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 governing 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 2023, the Elecnor Group has submitted the 2022 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

	2022		2023	
Country		Continuing	Discontinued	Total
		operations	operations	
Abu Dhabi		351		351
Germany	-26	178		178
Angola	10,701	6,158		6,158
Algeria	-75	-133		-133
Argentina	1,629	1,659		1,659
Australia	-7,119	-66,719	-2,830	-69,549
Belgium	-3,655	-28		-28
Bolivia	147	501		501
Brazil	75,280	22,606	35,429	58,035
Cameroon	-5,623	-2,822		-2,822
Canada	6,229		10,253	10,253
Chile	14,023	11,881	-1,070	10,811
Colombia	-21	-1,733	-807	-2,540
Ivory Coast	2,630	773		773
Denmark		556		556
Ecuador	-2,072	583		583
El Salvador	165	-100		-100



Spain	7,659	73,290	31,306	104,596
United States	11,996	21845	-2,351	19,494
Philippines	-31	-275	,	-275
Finland	1,011	588		588
Ghana	-2,006	1,693		1,693
Guinea	-124	-301		-301
Honduras	1,763	7,693		7,693
Italy	2,263	10,218	-1	10,217
Jordan	-691	102		102
Kuwait	-25	-12		-12
Lithuania	7,211	12,036		12,036
Morocco	-1,616	15,148		15,148
Mauritania	-600	98		98
Mexico	9,860	-32,090	-550	-32,640
Mozambique	-1,345	-673		-673
Norway	4,800	3,589		3,589
New Zealand		103		103
Oman	2,743	753		753
Panama	5,102	5,721		5,721
Peru	16,164	213		213
Portugal	683	3,346		3,346
United Kingdom	5,871	5,035		5,035
Dominican Republic	3,952	-5,069		-5,069
Romania	79	90		90
Senegal	-1,496	-408		-408
South Africa	60			
Uruguay	536	2,761		2,761
Venezuela	-40	-129		-129
Zambia	-79	-1,315		-1,315
Total	165,913	97,761	69,379	167,140

For figures for 2023, see Note 7 of the Notes to the Consolidated Annual Accounts attached to this Directors' Report.



# Payment of income tax

Figures in thousands of Euros

rigures in thousands or Euros	2022		2023	
Country		Continuing operations	Discontinued operations	Total
Angola	4,257	1,197		1,197
Argentina	113	25		25
Australia	4,685	2,359		2,359
Belgium	29			
Bolivia		24		24
Brazil	16,408	5,741	9,941	15,682
Cameroon	200	1,153		1,153
Canada	92		138	138
Chile	-696	2,088		2,088
Colombia	515	755		755
Ecuador	397	654		654
El Salvador	29			
Spain	8,378	16,034	3,538	19,572
United States	1,564	7,607		7,607
Finland	51	44		44
Ghana	1	30		30
Guinea	5	95		95
Honduras	38	88		88
Italy	322	1,401		1,401
Jordan	5			
Kuwait	46	16		16
Lithuania	127	374		374
Mauritania	315	23		23
Mexico	3	8,410		8,410
Mozambique	5	25		25
Norway	-1,053	2,403		2,403
Panama		30		30
Peru		-233		-233
Portugal	662	683		683
United Kingdom	687	917		917
Dominican Republic	18	793		793
Romania	10	10		10
Senegal		2		2
Uruguay	107	499		499
Venezuela		1		1
Total	37,320	53,280	13,617	66,897



For figures for 2023, see Note 7 of the Notes to the Consolidated Annual Accounts attached to this Directors' Report.

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 2022, and to payments on account of taxes accrued in 2023 which will be settled in 2024.

#### Public grants received GRI 201-4

In 2023, the Elecnor Group received public grants amounting to Euros 4,117 thousand, compared with Euros 3,613 thousand in the previous year, as detailed below.

Figures in thousands of Euros

Country	2022	2023
Spain	2,531	2,878
Canada	130	_
Italy	99	60
United Kingdom	99	245
Portugal	744	924
Romania	10	10
Total	3,613	4,117

# 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 though 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

# 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	2022	2023	
Direct economic value generated	3,714,068	4,168,359	
Revenue1	3,714,068	4,168,359	
Distributed financial value	3,573,529	4,032,505	
Operating costs2	2,454,755	2,802,106	
Personnel expenses3	984,095	1,059,903	
Payments to capital suppliers4	96,580	103,048	
Tax contribution5	37,320	66,897	
Investment in the community6	779	551	
Retained financial value	140,539 135,		

Source. Figures from the income statement in the Consolidated Annual Accounts for 2023, except for dividend payments and income tax payments shown in the statement of cash flows included in the Consolidated Annual Accounts.

For 2023 data, see Note 7 of the Notes to the Consolidated Annual Accounts.

# Job creation

With a team of more than 22,000 people in over 40 countries, people are the main asset for the Elecnor Group, being crucial to the optimum execution of its activities.

At the end of 2023, the Group's workforce had increased by 215 people (up 1% on the previous year).

Workforce	2022	2023	Changes
Domestic	11,210	11,746	5%
International	11,138	10,817	-3%
Total	22,348	22,563	1%

<sup>1</sup> Includes: Amount of turnover + change in inventories + self-constructed assets + other operating income + finance income.

<sup>2</sup> Includes: Materials consumed + external services + taxes + other management expenses.

<sup>3</sup> Includes: Personnel expenses.

<sup>4</sup> Includes: Finance expenses + dividend payments (statement of cash flows).

<sup>5</sup> Includes: Income tax payments (from the statement of cash flows).

<sup>6</sup> Includes: Contributions to the Elecnor Foundation and to various non-profit organisations, associations and foundations.



The Elecnor Group contributes to the employment, development and well-being of local communities by means of direct job creation by hiring local employees and suppliers.

# Local employment

	2022		2023	
Location	Employees	Local	Employees	% local
Spain	10,425	93 %	10,914	93 %
Europe	1,140	78 %	1,340	77 %
America	6,694	98 %	5,988	91 %
Africa	2,259	94 %	1,572	92 %
Asia	93	45 %	12	36 %
Oceania	203	86 %	715	96 %
Total	20,814	93 %	20,541	91 %

# 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 this sense, and whenever possible, priority is given to contracting local suppliers from the countries where the projects are carried out in order to promote the economy of these countries.

Below is the percentage of the volume of purchases made from local suppliers:

	2022	2023
Spain	92%	86 %
Brazil	100%	100 %
Chile	74%	75 %
United States	100%	100 %
Mexico	83%	100 %
United Kingdom	79%	85 %
Other	77%	80 %
Total	89%	86 %

# 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 2023, the dividend yield has been increased compared to the previous year. The dividend yield is calculated on the closing share price of the previous year.

Stock market indicators	2022	2023
Closing share price (€)	€10.60	€19.55
Dividend vield	3.50 %	4.10 %



In 2023, two dividends were paid to shareholders: a supplementary dividend against 2022 profit in a gross amount of Euros 0.36053065 per share (Euros 0.37040598 including the prorata distribution of treasury shares); and an interim dividend against 2023 profit in a gross amount of Euros 0.06572862 per share (Euros 0.06751654 including the pro-rata distribution of treasury shares).

# Elecnor Group social action GRI 203-1, GRI 203-2, GRI 413-1

The Elecnor Foundation is the main vehicle through which the Group carries out its social action.

In 2023, the Elecnor Group donated a total of Euros 534,089 to various associations, foundations and non-profit entities to support a range of social causes (Euros 779,126 in 2022). Of that amount, the Elecnor Group contributed Euros 400,000 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's mission has been to contribute to the progress of society through the implementation of projects that help improve people's living conditions and the conservation of the environment with strong values for all its actions, focused on:

- The design and construction of water and energy infrastructures in those communities that need them most, always respecting the environment and focusing on innovation and sustainability.
- Supporting training and research to nurture the professional projection of young people, stimulating 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, know-how and experience to achieve the best 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 8.3 million. Moreover, the Foundation has obtained other funds totalling Euros 5.9 million. Accordingly, the Elecnor Foundation has led projects worth a total of Euros 14.2 million.

In 2023, the Foundation invested Euros 1.4 million in the various projects (622,195 in 2022).

### Social infrastructure projects

In 2023, the Elecnor Foundation has focused on the following projects:

> 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.

This project, launched in January 2023, consisted of a 250 kilowatt PV solar installation that will reduce the hospital's monthly electricity bill with panels fixed to the hospital's roof that provide between 40% and 50% of the hospital's monthly electricity consumption. Equipped with a remote management system that allows the level of electricity consumption and the quota of each service to be displayed in real time, it will enable savings to be made that will then be redirected to other investments.

During construction, the hospital's maintenance team has been trained to be able to maintain and operate the PV system in the best possible conditions and to obtain the highest possible yield from the panels.

 $>\ \ H_2OMe,\ Brazil.$  Water, electricity, health and education for the Quilombola community

The Quilombola community is made up of 290 people who live in the municipality of Óbidos, in the Brazilian state of Pará. Its public school, which caters for 95 children, has to collect water by hand from an Amazon tributary and has serious power supply problems.

H2OMe Muratubinha, launched in June 2023, is an innovative project that provides a change in the quality of life of families in the Muratubinha community. Its main objectives are to provide access to renewable energy, to drinking water, to offer a medical post to families, as well as to build a social space for the development of various educational and audiovisual activities.

Sunpower health, Mozambique. Access to photovoltaic energy at El Carmelo hospital

The Elecnor Foundation, together with the Daughters of Charity of San Vicente de Paul, is going to develop this project, co-financed with the NGO Manos Unidas, whose objective is to improve health care in the provinces of Gaza and Inhambane, as well as to guarantee the economic sustainability of the Carmel Hospital in Chokwe by installing photovoltaic energy.



The Carmel Hospital was established as a tuberculosis treatment centre and is now a centre of reference for the whole country. Malnutrition, malaria, AIDS and tuberculosis, along with chronic diseases such as diabetes, are the daily struggles faced by the centre's doctors. Today they treat 8,900 people with various diseases, another 3,000 people with chronic diseases and 1,700 people with tuberculosis.

The expected results of the photovoltaic installation on the hospital and laboratory roofs are a reduction in energy consumption, which will reduce dependence on the unstable electricity grid, savings in costs associated with grid consumption (estimated savings of 68%), improved energy efficiency and a reduction in carbon emissions.

# 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. 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:

- Continuation of "Compliance Matters", a video podcast channel to deliver a 360-degree view of the world of compliance, featuring leading professionals. This channel is available on digital audio platforms.
- Publishing articles and compliance information shorts on the Observatory's website.
- Publication and presentation of the "Compliance and Sustainability in Latin America" report, which highlights the high level of compliance with compliance and sustainability regulations in leading companies in Brazil, Chile and Mexico.
- Organisation of the event "AI in business: opportunities and ethical challenges".
- Corporate Leadership in Entrepreneurship and Innovation, Deusto Business School Spain

The Elecnor Foundation has a collaboration agreement with Deusto Business School and Icade Business School to develop this programme, which includes the most innovative entrepreneurial initiatives of major corporations explained by the executives who have led them.

This year, the graduation of the 2022/2023 graduating classes of the Executive Education Programme took place, including two people from Elecnor, and was sponsored by the CEO of the Elecnor Group.

> 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.

By December 2023, some 40,100 children in the Community of Madrid, Castile-La Mancha, Extremadura and the Autonomous Community of Navarre will have benefited from this educational project.



- 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.
  - Specialist course in medium- and low-voltage electrical installations. Vocational training at Colegio Salesianos Deusto.

The eleventh edition of this course has been organised this year, lasting 131 hours.

It is worth noting that the facilities where are trained are also used for the training and recycling of Elecnor workers.

> Ingenia store - Polytechnic University of Madrid. Spain

Collaboration between the Elecnor Foundation and the Foundation for the Promotion of Industrial Innovation to support research into electrical systems based on "ingenia-store" renewable energies.

Within the collaboration between the Elecnor Foundation and the Electrical Engineering Area of the ETSII-UPM in relation to the subject "Engineering an electrical system", it was agreed to carry out a three-year project that aims to incorporate the study of storage systems with lithium batteries linked to the production of electrical energy with renewable sources into the development of this subject.

> 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 2023, three students completed their studies and internships at the Astexol solar thermal power plant and various substations. Two of them have been hired at Elecnor's Southern Branch.

> 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 three scholarships, acknowledging the talent of students who have developed their work in various areas of knowledge linked to the Elecnor Group's activities.

> Agrovoltaic Chair ETSIAMN, Polytechnic University of Valencia

The Agricultural Engineering and Natural Environment Faculty (ETSIAMN) of Valencia's Polytechnic University together with the Department of Agriculture, Rural Development, Climate Emergency and Ecological Transition are the two institutions that have promoted the creation of an Agrovoltaic Chair.



The main objective of the Chair is to promote research, development and implementation of agrovoltaic systems. These systems combine PV solar energy production with agricultural activity, allowing dual use of the land and maximising its productivity.

Some of the specific objectives of the Chair are:

- Research and develop technologies and methodologies for the implementation of efficient and sustainable agrovoltaic systems.
- Promote the education and training of professionals in agrovoltaics.
- Promote the transfer of knowledge and technology between academia, the business sector and farmers.
- Conduct economic, social and environmental feasibility studies and analyses of agrovoltaic systems.
- Collaborate with other national and international institutions and organisations on agrovoltaic related projects.

The Elecnor Foundation participates together with Emin Energy, engineering and consultancy firm; Vaos Sistemas, company specialising in the automation of irrigation systems; Comunidad de Regantes de Lliria; Gestión y Administración Técnica Agraria S.L., an agricultural consultancy; and GSFI Energía, a solar panel installer.

> Collaboration agreement between the Elecnor Foundation and the Integra Foundation

The Elecnor Foundation signed a framework collaboration agreement with the Integra Foundation to improve the conditions and means used in its new classrooms to optimise and strengthen the training they provide to vulnerable groups.

# **Corporate volunteering projects**

In 2023, it was approved that employees in the country where social infrastructure projects are carried out will be the protagonists of Elecnor's corporate volunteering projects. This new approach is therefore underway in Brazil with the  $H_2OMe$  project, so that volunteers in Brazil can directly contribute to the success and sustainability of the project and to the well-being of the local communities.

Volunteers will support the following initiatives:

- Twinning with the Quilombola community with the aim of promoting cooperation.
- $\bullet$  Technical supervision with  $H_2OMe$  operators for preventive maintenance.
- Providing children with school materials.
- Sponsoring children's school education and, where appropriate, higher education.
- Help with equipment to improve the functioning of the health post.
- Hold face-to-face training for children once a year.

# 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 has carried out many actions in the country, some of which are mentioned below:

 Donation of various goods to the community of Bandeira and Sociedade (Zavula)-Ndalatando

During the works carried out on the Zavula transmission line, the precariousness of some members of the Sociedade and Bandeira communities was noticed, so a campaign was conducted to collect various perishable and non-perishable goods to help some of these families, focusing especially on the elderly and children.

In addition to the donations collected, some PPE was also donated, in total 64 pairs of safety boots and 27 rain boots were donated.

Donation of computers and monitors to IMNE-Marista

The equipment is available to students throughout their academic career in the school library, providing them with the necessary support for their education.

 Delivery of medical equipment donated by Elecnor to improve the health services of the Namibe Ngola Kimbanda Provincial Hospital

Donation of useful materials to improve the hospital's healthcare services, creating a very positive impact on the community that the hospital serves.

#### Brazil

Elecnor do Brasil has initiated a series of projects aimed at improving the quality of life of the inhabitants in the areas where it operates, highlighting its commitment in this area.

Oficina dos Sonhos - Edição 3

The "Workshop of Dreams" ("Taller de los Sueños") project aims to promote ideal, innovative and creative conditions for visual arts and design for young people over 18 from low-income families in new Brazilian cities.

Computing for seniors

Collaborate with the enhancement and strengthening of links with the elderly in vulnerable situations, through specific workshops such as basic introduction to computers in the city of Pirapora MG.

The aim of this project is work with social media or social networks through basic computing providing general learning and the use of smartphones and other technological devices.

Garboggini Action

Action to collect food for the local community in need where our projects are located and for the Yanomami indigenous people.

Warm clothing campaign

Aimed at the arrival of winter in Brazil, the campaign is based on the collection of warm clothing donated by employees, and for every 10 items of warm clothing collected, Elecnor do Brasil buys a blanket.

Delivery of wheelchairs and bath chairs to the Arinos Rotary Club



Delivery of a total of 10 wheelchairs and 10 shower chairs to the Rotary Club of the municipality of Arinos. The main objective of the Arinos Rotary Club is to benefit the local population, both urban and rural, by providing this equipment through loan agreements.

The Group's renewable power subsidiary, Enerfín, approved by the Brazilian government and in compliance with tax incentive legislation, contributes to social development, culture and sport.

Through its subsidiary Ventos do Sul, it has approved several social projects in 2023 related to the promotion of sports, culture, prevention and health protection for children and the elderly.

Celeo has continued to develop various initiatives in order to contribute to the quality of life and the development of local human capital through a range of social projects, including the following:

- Project Quipá cultivating knowledge. This is a youth education project aimed at young quilombolas in São João de Piauí.
- Green Ecoe Project ("Ecoe verde"). Project whose objective is to ensure the
  organisation and participation of the Esmeralda Community Space by the residents of
  the neighbourhood, guaranteeing the maintenance of the garden and the cultural
  activities carried out on the CANTE grounds, promoting environmental education and
  sustainable habits that preserve the environment.
- Restore Caatinga ("Restaura Catinga") Project (2022-2024). Developed together with
  the Caatinga Association, Vbio, Universidade Federal do Rio Grande do Norte, FIEC,
  Prefeitura de Carteus and PPPN Neném Barrios. The project promotes the restoration
  of 20 hectares of forest in a semi-arid region, as well as the dissemination of
  sustainable technologies adapted to the biome, research incentives, community
  development through the training of self-employed rural workers, such as the 40 rural
  communities living around the region, among other benefits.
- Green Initiative Project. It aims to protect the remnants of indigenous vegetation and improve the quality and quantity of surface and groundwater in the Itirapina region.

### Canada

Enerfín has collaborated financially with different social, sporting and cultural initiatives in the municipalities included in its areas of action.

## Chile

Celeo's social projects are mainly geared towards environmental education. As part of the School Networks Programme ("Programa de Redes Escolares"), initiatives with environmental content are developed in rural schools. Each school has a programme adapted to its reality and needs.

In addition, Celeo Chile has developed various social investment actions in Rincón de Pataguas and in the municipality of Colbún, such as the donation of a generator set that provides back-up power for the permanent provision of rural drinking water, the delivery of equipment to the Colbún firefighters under a permanent partnership with the institution, the equipment of the headquarters of the Senior Adult Club to improve its facilities and a welding course.

#### Colombia

As part of the social management plan of the Portón del Sol project, Elecnor has donated usable wood material such as pallets and boards to the Santa Helena community to improve their rural areas and residences.



## Enerfín has carried out different activities:

- Donations of material to equip the educational centres of the communities, improving the conditions and facilities of the Purnio educational centre, which is attended by more than 100 students.
- Donation of material to equip the Purnio social centre, which has 200 members.
- Training for the communities of Purnio and Santa Helena for small entrepreneurs, cofinanced by SENA - Servicio Nacional de Aprendizaje, in which 30 people participated.
- Conducting training in recruitment management for a total of 33 municipal officials in La Dorada.
- Donation for the celebration of the children's festival, where a total of 250 children participated, and co-financed by the National Infrastructure Agency (ANI).

## Spain

Elecnor's different organisations have participated in many social actions in collaboration with different local associations, such as food, clothing and toy collection campaigns, among others.

Celeo España has collaborated financially with the ECODES foundation in the "Not a home without power" project which aims to help vulnerable families in the field of energy poverty. Also, with the Padre Piquer Foundation in the financing of school and meal grants for the most disadvantaged pupils at its headquarters in Madrid.

# 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.

#### 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

Within the framework of the Citadelle wind project, which Enerfín is developing in the province of Quebec, a preliminary agreement has been reached with the local communities for them to have a significant shareholding. This agreement also includes a minority holding of the Aboriginal community present in the region.

In addition, open house sessions have been held in the main affected municipalities and a website has been set up so that citizens can keep up to date with the progress of the project and raise their concerns or send their comments. A communication plan, approved by local bodies, has also been drawn up to ensure public information and participation as the project progresses.

In 2023, Enerfín has also completed the environmental impact assessment of two solar generation projects in Alberta, starting the public consultation process.

# Chile

Within the framework of the Los Lagos del Sur project, Enerfín has initiated the Permanent Community Engagement Plan with local communities and indigenous populations. During this process, all 20 local communities and indigenous peoples' groups within the project's area of influence have been contacted.

In addition, meetings were held with two of the three municipalities where the Project is being developed, addressing the progress and schedule of the processing for obtaining the environmental permit and the presentation, analysis and agreement of the voluntary environmental commitments, as well as the compensation measures included in the environmental impact study.

In order to strengthen communication, a new information bulletin has been sent to all the communities on the progress of the project and the compensation measures and voluntary environmental commitments acquired.

Also noteworthy are the donations for the carrying out of local activities and traditional festivals to communities in the areas of influence.

In Chile, Celeo has a Community Engagement Strategy, which shows how to approach communities, carry out diagnoses and needs assessments, and manage social actions. In 2023, such a relations strategy has been implemented in the CASTE and MATE projects.

Thus, Celeo has held a number of meetings with the authorities of the municipality of Cauquenes on MATE. And in CASTE it has developed a community engagement plan, activating permanent communication channels, as well as meetings where projects are explained and doubts are resolved in the community. In addition, the first working group was set up with the residents of Lomas de Manso (SE Nueva Melipilla).

## Colombia

The recently initiated Portón del Sol Solar Park Project has an employment committee made up of the neighbourhood councils of the project's area of influence and the municipality of La Dorada (Caldas). To date, 1,200 jobs have been created, 75% of which are for people in the communities of Purnio and Santa Helena, in the project's area of influence, and in the municipality of La Dorada.

Likewise, open and permanent communication is maintained with the community and the different actors through a point of attention and a system of attention and response to pleas, complaints, claims and requests.



Meetings have also been held with the communities in the areas of influence of the El Espino, El Roble and La Cayena projects.

#### **United States**

As part of the development of the Mantle Rock Solar project (Kentucky), two meetings were held with the local population to inform them about the project and its potential benefits for the community.

# Respect for indigenous communities GRI 2-25

The Elecnor Group occasionally 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.

#### Canada

In 2023, Enerfín carried out several actions with indigenous communities. On the one hand, for the Citadelle project, an agreement has been reached with the aboriginal nation present in the study area, which includes carrying out a specific study of ancestral uses of the territory and possible impacts of the project on them, with the aim of implementing the necessary measures to avoid or minimise them at an early stage of development.

On the other hand, as part of the Winnifred project, the Pikanii Nation has conducted a field investigation of the route of the wind farm's interconnection line. Enerfín accompanied the nation's representatives during the visit.

#### 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 early 2023, the Indigenous Consultation Process was initiated for three potentially affected communities during the construction and operation phase of the Los Lagos project. As part of this process, led by the Environmental Assessment Service, the proposed compensatory measures have been explained, modified and adapted in consensus with these communities.

In parallel to the Indigenous Consultation process and within the framework of the relationship with the indigenous communities, meetings have been held to explain the progress of the project.

## Colombia

The Enerfín's projects located in Colombia are developed under a policy of dialogue and respect for the customs and traditions of the neighbouring indigenous communities. Thus, in 2023, more than 20 prior consultation meetings were held for the El Espino and El Roble projects, as well as several participation and agreement meetings for the environmental licensing of the Trupillo project with the 14 indigenous communities that live in its area of influence. At the same time, permanent communication channels have been maintained with the communities in the area of influence of the Brisas wind farm.



#### 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 (BOEP).

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).

In 2023, several initiatives were carried out with indigenous communities, most notably a Cultural Strengthening Support Programme within the framework of the PBAI CAIUÁ. It consists of the preparation of 17 architectural projects for the construction of Multipurpose Spaces, distributed in the indigenous territories. The building materials for the prayer houses are being donated to the indigenous lands, as agreed at the meeting to present the work plan. In addition, within the framework of ENTE, a community kitchen was built in the indigenous territory, strengthening the relationship with the community and facilitating line maintenance activities in the stretch of territory occupied by them.

#### Mexico

Enerfín holds regular meetings with the indigenous consultation agreement follow-up committees in the communities located within the area of influence of the Panabá-Sucilá Wind Power Complex project in the state of Yucatán. Several meetings have been held throughout the year, reporting on the progress of the project and responding to questions raised by the committees.

Enerfín has continued to finance workshops in the indigenous communities located within the area of influence of the Panabá-Sucilá Wind Power Complex project in the state of Yucatán, with the aim of developing skills to generate alternative income and diversify their livelihoods. Throughout the year, hammock weaving and textile painting workshops were given to 40 and 25 women, respectively.

# 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



**Enerfín** 

Social projects

Celeo

Social projects

**Elecnor Foundation** 

Social infrastructure projects



## Celeo

Social projects



# **Elecnor Group**

Safety Excellence project

ISO 45001 certification

Awareness campaigns

Health and safety training plan

**Elecnor Foundation** 

Social infrastructure projects



# Elecnor Group

Collaboration with universities and vocational training centres

## Enerfín

Training programmes in various projects

# Celeo

Social initiatives

# **Elecnor Foundation**

**Education projects** 



# **Elecnor Group**

Equality plan

CEO Diversity Initiative





## **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





#### **Elecnor Group**

Energy efficiency projects Smart Cities Projects Managing street lighting

#### **Audeca**

Urban waste collection projects

#### **Enerfín**

Wind farms

#### Celeo

Energy transportation projects Solar PV farms



### **Elecnor Group**

Renewable energy projects: wind, solar PV, solar thermal hydroelectric and biomass

Climate change strategy

Analysis of climate change risks and opportunities Calculation and verification of the carbon footprint

Emission reduction plan



#### **Audeca**

Water and waste water treatment projects Projects to preserve natural spaces

# Hidroambiente

Water treatment solutions



### **Elecnor Group**

Initiatives to foster biodiversity

# **Audeca**

Projects to preserve natural spaces

#### **Enerfín**

Plan to monitor bird life in wind projects

#### Celeo

Environmental initiatives



## **Elecnor Group**

Certification to UNE-ISO 37001 anti-bribery management system standard

Certification to UNE 19601 criminal compliance management system standard

Compliance Training

# **Elecnor Foundation**

The IE-Elecnor Observatory on Sustainable Compliance

Cultures



## **Elecnor Group**

Partnerships and collaborations with entities and associations

- Participation in forums

## **Elecnor Foundation**

Partnerships and collaborations with entities and associations



# 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

AAEF, Asociación Andaluza de Empresas Forestales

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

AgH, Asociación Gallega del Hidrógeno

ANCI, Asociación Nacional de Constructores Independientes

ANESE, Asociación Nacional de Empresas de Servicios Energéticos

APECYL, Asociación de Promotores de Energía Eólica de Castilla y Léon

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

ASEJA Asociación de Empresas de Gestión de Infraestructura Verde

ASERPYMA, Asociación de Empresas Restauradoras del Paisaje y Medio Ambiente

Asociación de Acción Ferroviaria

ATC, Asociación Técnica de Carreteras

CEOE, Confederación Española de Organizaciones Empresariales

CONFEMETAL, Confederación Española de Organizaciones Empresariales del Metal

Enercluster, Cluster Eólico de Navarra

EGA, Asociación Eólica de Galicia

FEMEVAL, Federación Metalúrgica Valenciana

**PROTERMOSOLAR** 

Sedigás, Asociación Técnica Española de la Industria del Gas

SEPREM, Spanish Association of Dams and Reservoirs

UNEF, Unión Española Fotovoltaica

# Brazil

ABEEOLICA, Associação Brasileira de Energia Eólica

ABRACEEL, Associação Brasileira de Comercializadores de Energia

ABRATE, Associação Brasileira das Empresas de Transmissão de Energía Eléctrica

ABSOLAR, Associação Brasileira de Energía Solar Fotovoltaica

ABRAMAN, Associação de Manutenção e Gestão de Ativos

Associação Comercial de Osório

AUI Cutural Produção Cultural e Artes Cenicas EIRELI

Spanish Chamber of Commerce in Brazil

CIGRE, Comité Nacional Brasileiro de Produção e Transmissão de Energía Elétrica

ICRIO - Instituto Compliance Rio

IDEC, Instituto Para o Desenvolvimento do Esporte e da Cultura

CERNE, Centro de Estratégias em Recursos Naturais e Energia

FIERGS, Federação das Indústrias do Estado do Rio Grande do Sul



#### 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 Asociación Chilena de Energías CIGRE, Consejo Internacional de Grandes Sistemas Eléctricos Asociación Avanza de Inclusión Socio - Laboral

#### Colombia

ACOLGEN, Asociación Colombiana de Generadores de Energía Eléctrica Asociación de Hidrógeno Spanish Chamber of Commerce in Colombia. Comité de Infraestructura y Energías Renovables de la

#### **United States**

ACP, American Clean Power WRISE, Women of Renewable Industries and Sustainable Energy NAEMA, North American Energy Markets Association

#### Mexico

Cámara Nacional de Manufacturas Eléctricas Spanish Chamber of Commerce AMDEE, Asociación Mexicana de Energía Eólica APER, Agrupación Peninsular de Energías Renovables

## **Portugal**

AECOPS, Associação Emp. Construção Obras Publicas e Serviços APIEE, Associação Portuguesa Ind. Eng. Energética

## Participation in forums

Throughout 2023, 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:

- 1st Self-consumption Forum ("Foro de Autoconsumo") held by the newspaper El Economista, where the Elecnor Group analysed the keys to the launch and the trajectory of this renewable energy model in the company.
- Building The Future Together business meeting, in Angola. The Chairman of the Elecnor Group, Jaime Real de Asúa, accompanied the King and Queen of Spain on their state trip to the African country and took part in several business meetings on behalf of the Group as one of the main organisations in the region.
- Co-responsible Conference. Leadership and innovation, keys to ESG and responsible communication. Over 45,000 online viewers attended the Co-responsible Conference to present the 2023 Yearbook.



- Sustainable Encounters Forum ("Foro Encuentros Sostenibles"), organised by Twenergy, in Madrid. The aim was to discuss and share experiences and know-how among the different foundations currently active in the field of sustainability and environment. Among them was the Elecnor Foundation.
- 2nd Edition of the Canal CEO Dux Awards. Rafael Martín de Bustamante, CEO of the Elecnor Group, participated in these awards, which seek to give visibility to those people and initiatives that promote the creation of more humane and sustainable companies
- "Energy efficiency and investment in housing" ("Eficiencia energética e inversión en vivienda"), organised by Cinco Días and BBVA. Elecnor spoke about the keys to saving and increasing the energy value of homes.
- Spain-Denmark Business Summit. The meeting was held in Copenhagen, where Jaime Real de Asúa, Chairman of the Elecnor Group, accompanied the Spanish Royal Family on their state trip to Denmark to strengthen business relations between the two countries. Elecnor is building the underwater tunnel that will link Denmark with Germany, one of the largest projects in Europe.
- A round table discussion on Energy Renovation, organised by the newspaper La Razón, with six experts in different fields related to the sector, including Elecnor.
- 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.

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 the regular meetings organised by the African Task Force of GWEC, as well as at the 2nd Annual Electricity Wheeling Conference, Cape Town.

#### Brazil

Enerfín participated in the following events:

- Congress on "Hidrogênio Verde um novo camino para o Rio Grande do Sul" promoted by the Government of the State of Rio Grande do Sul, with Enerfín participating as a speaker.
- ESG Business Meeting, promoted by ABEEOLICA
- Brazil Wind Power Wind power generation business congress promoted by ABEEOLICA.
- ENASE National Meeting of the Electricity Sector.
- INTERSOLAR Solar power generation trade fair promoted by ABSOLAR.
- Annual conference of the strategic plan of the Associação Brasileira dos Comercializadores de Energia - Abraceel.

## Canada

Enerfin participated in the Electricity Transformation Canada congress held in Calgary.

#### Colombia

Enerfín stood out with its participation at:

- 6th Latam Renewables Meeting and Trade Fair ("Encuentro y Feria Renovables Latam") organised by Ser Colombia, Barranquilla.
- 15th Annual Energy Congress ("Congreso Anual de Energía") organised by Acolgen, Bogotá.
- Latam Future Energy, Bogotá.
- H2 Tour Colombia, Barranquilla.



- 28th MEM Energy Congress ("Congreso de Energía MEM"), Barranquilla.
- Colombia Investment Summit 2023, Bogotá.
- Working group with Ser Colombia (Asociación Energías Renovables) and companies affiliated to the association, to propose improvements in grid connection processes.
- Working group of the energy sector with the National Environmental Licensing Authority on climate change, to learn about the sector's obligations and experiences in climate change mitigation and adaptation.
- Capacity-building workshop on the preparation of environmental studies in the energy sector, organised by the National Environmental Licensing Authority in conjunction with the Mining and Energy Planning Unit.
- Participation in the Wholesale Energy Market Congress ("Congreso de Mercado de Energía Mayorista"), Barranquilla.

#### **Spain**

In Spain, it is worth highlighting Enerfin's participation in the following events:

- Spanish Wind Energy Congress ("Congreso Eólico Español") 2023 of the AEE, Spanish Wind Energy Association.
- III International Congress of the Industry for Energy Transition in Navarre, CITE23.
- · GE Vernova wind industry meeting.
- Vestas Wind Forum Spain.

The subsidiary Audeca took part in the following initiatives:

- Tecma 2023 and Trafic 2023 environmental conferences.
- 32nd Madrid Road Week ("Semana de la Carretera de Madrid"), organised by the Spanish Road Association (AEC) and promoted by the Autonomous Community of Madrid.
- IX Encontros da Enxeñería de Camiños, Canais e Portos de Galicia.

Finally, Atersa was present at the Gebera 2023 trade fair in Madrid and at the European PV SEC trade fair in Munich.

#### **United States**

Enerfín was present at:

- Infocast Finance and Investment Conference.
- ACP Siting and Environmental Conference.
- CleanPower 2023.
- Texas Clean Energy Conference.
- RE+ 2023.
- RFM 2023.

#### Mexico

Enerfín participated in the WindPower Mexico 2023 Event.

#### Recognition

- Aster Prize, awarded by ESIC Business&Marketing School.
- Planning Leader Award for the Vilnius Klaipeda project in Lithuania, a key project for the development of the railway sector in this country as it is one of the main passenger and freight transport routes in the Baltic countries.
- Prevention and Health Recognition from Orange Salud Laboral.
- DUX Canal Ceo Awards.
- Anese (Asociación Nacional de Empresas de Servicios Energéticos) award to Elecnor in recognition of its lovalty and in gratitude for its support to the institution.
- Financial Times recognises Elector as one of the Climate Leaders of the year.



- The work of Renecycle (a company in which Enerfín participates) in circular economy
  has been awarded by the Periódico de la Energía as the Best Net Zero Initiative at
  national level. Enerfín participates in Renecycle as a partner with other developers and
  industrial companies to develop industrial and technological solutions to boost the
  circular economy in the renewable energy sector.
- Celeo Chile and Celeo Brazil are ranked first 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)

Countries in which the Elecnor Group operates

Geographical area and country	2022	2023	Changes
Spain	11,210	11,746	5%
Europe	1,461	1,743	19%
Germany	1	5	400%
Finland	2	2	0%
The Netherlands	1	2	100%
Italy	805	901	12%
Lithuania	82	215	162%
Norway	25	10	-60%
Portugal	280	331	18%
United Kingdom	243	253	4%
Romania	22	24	9%
North America	805	870	8%
Canada	7	9	29%
United States	798	861	8%
Latin America	6,026	5,711	-5%
Argentina	114	124	9%
Brazil	4,766	3,368	-29%
Chile	453	804	77%
Colombia	31	46	48%
Ecuador	3	2	-33%
El Salvador	1	1	0%
Honduras	51	101	98%
Mexico	97	294	203%
Panama	62	344	455%
Paraguay	1	0	-100%
Peru	49	47	-4%
Dominican Republic	162	379	134%
Uruguay	220	190	-14%
Venezuela	16	11	-31%
Africa	2,403	1,717	-29%
Angola	1,335	871	-35%
Algeria	1	1	0%
Cameroon	610	510	-16%
Ivory Coast	30	31	3%
Ghana	177	40	-77%
Guinea Conakry	0	1	
Mauritania	4	4	0%
Mozambique	225	229	2%
Senegal	13	20	54%
Zambia	8	10	25%
Asia	207	33	-84%



Geographical area and country	2022	2023	Changes
Philippines	0	1	
India	1	1	0%
Jordan	3	3	0%
Oman	203	28	-86%
Oceania	236	743	215%
Australia	236	743	215%
Total	22,348	22,563	1%

Professional		2022			2023	
category	Male	Female	Total	Men	Women	Total
Structure	4,547	2,025	6,572	4,751	2,193	6,944
Management	143	18	161	141	19	160
Executive	1,184	225	1,409	1,270	261	1,531
Technician	3,220	1,782	5,002	3,340	1,913	5,253
Works	14,900	876	15,776	14,828	791	15,619
Basic	14,900	876	15,776	14,828	791	15,619
Total	19,447	2,901	22,348	19,579	2,984	22,563

The professional category of Management includes the Chief Executive Officer. The Basic professional category comprises mainly men because it corresponds to Works staff.

By age

		2022			2023	
Structure	Male	Female	Total	Male	Female	Total
>50	696	181	877	812	226	1,038
From 30 to 50	2,868	1,269	4,137	2,922	1,366	4,288
<30	983	575	1,558	1,017	601	1,618
Total	4,547	2,025	6,572	4,751	2,193	6,944

		2022			2023	
Works	Male	Female	Total	Male	Female	Total
>50	2,951	85	3,036	3,213	95	3,308
From 30 to 50	9,138	515	9,653	9,049	451	9,500
<30	2,811	276	3,087	2,566	245	2,811
Total	14,900	876	15,776	14,828	791	15,619



## Breakdown of information by contract type

By age	2022	2023	Changes
Open-ended	17,447	17,821	2%
>50	3,287	3,597	9%
From 30 to 50	10,704	10,745	0%
<30	3,456	3,479	1%
Temporary	4,901	4,742	-3%
>50	626	749	20%
From 30 to 50	3,086	3,043	-1%
<30	1,189	950	-20%
Total	22,348	22,563	1%

Average by age	2022	2023	Changes
Open-ended	16,708	17,953	7%
>50	3,264	3,653	12%
From 30 to 50	10,346	10,918	6%
<30	3,098	3,382	9%
Temporary	6,252	5,025	-20%
>50	786	742	-6%
From 30 to 50	3,984	3,236	-19%
<30	1,482	1,047	-29%
Total	22,960	22,978	0%

By geographical area	2022	2023	Changes
Open-ended	17,447	17,821	2 %
Spain	9,642	10,745	11 %
Europe	1,022	1,267	24 %
North America	307	196	-36 %
Latin America	5,791	5,060	-13 %
Africa	555	371	-33 %
Asia	6	5	-17 %
Oceania	124	177	43 %
Temporary	4,901	4,742	-3 %
Spain	1,568	1,001	-36 %
Europe	439	476	8 %
North America	498	674	35 %
Latin America	235	651	177 %
Africa	1,848	1,346	-27 %
Asia	201	28	-86 %
Oceania	112	566	405 %
Total	22,348	22,563	1 %



By professional category	2022	2023	Changes
Open-ended	17,447	17,821	2%
Management	161	160	-1%
Executive	1,222	1,353	11%
Technician	4,213	4,450	6%
Basic	11,851	11,858	0%
Temporary	4,901	4,742	-3%
Management	0	0	
Executive	187	178	-5%
Technician	789	803	2%
Basic	3,925	3,761	-4%
Total	22,348	22,563	1%
Average by professional category	2022	2023	
Open-ended	16,708	17,953	7%
Management	161	161	0%
Executive	1,210	1,332	10%
Technician	3,724	4,383	18%
Basic	11,613	12,077	4%
Temporary	6,252	5,025	-20%
Management	0	0	20 70
Executive	186	181	-3%
Technician	1,137	803	-29%
Basic	4,929	4,041	-18%
Total	22,960	22,978	0%
	•	,	
By gender			
Church we shaff		2022	Changes
Structure staff	2022	2023	Changes
Open-ended	5,596	5,963	7%
Male	3,830	4,036	5%
Female	1,766	1,927	9%
Temporary	976	981	1%
Male	717	715	0%
Female	259	266	3%
Total	6,572	6,944	6%
Warden shaff		2022	Changes
Works staff	2022	2023	Changes
Open-ended	11,851	11,858	0%
Male -	11,213	11,261	0%
Female	638	597	-6%
Temporary	3,925	3,761	-4%
Male	3,687	3,567	-3%
Female	238	194	-18%
Total	15,776	15,619	-1%



#### Average by gender

Structure staff	2022	2023	Changes
Open-ended	5,095	5,876	15%
Men	3,484	3,978	14%
Women	1,611	1,898	18%
Temporary	1,323	984	-26%
Men	975	726	-26%
Women	348	258	-26%
Total	6,418	6,860	7%

Works staff	2022	2023	Changes
Open-ended	11,613	12,077	4%
Men	11,075	11,464	4%
Women	538	613	14%
Temporary	4,929	4,041	-18%
Men	4,664	3,832	-18%
Women	265	209	-21%
Total	16,542	16,118	-3%

<sup>\*</sup>In Spain, the category of permanent seasonal employment contracts is included in the category of openended contracts.

#### Breakdown of information by employment type

By age	2022	2023	Changes
Full-time	22,163	22,302	1 %
>50	3,802	4,209	11 %
From 30 to 50	13,744	13,713	0 %
<30	4,617	4,380	-5 %
Part-time	185	261	41 %
>50	111	137	23 %
From 30 to 50	46	75	63 %
<30	28	49	75 %
Total	22,348	22,563	1 %

Average by age	2022	2023	Changes
Full-time	22,759	22,765	0 %
>50	3,926	4,275	9 %
From 30 to 50	14,282	14,097	-1 %
<30	4,551	4,393	-3 %
Part-time	201	213	6 %
>50	124	120	-3 %
From 30 to 50	48	57	19 %
<30	29	36	24 %
Total	22,960	22,978	0 %



By geographical area	2022	2023	Changes
Full-time	22,163	22,302	1 %
Spain	11,058	11,576	5 %
Europe	1,441	1,714	19 %
North America	799	832	4 %
Latin America	6,023	5,695	-5 %
Africa	2,403	1,717	-29 %
Asia	207	33	-84 %
Oceania	232	735	217 %
Part-time	185	261	41 %
Spain	152	170	12 %
Europe	20	29	45 %
North America	6	38	533 %
Latin America	3	16	433 %
Oceania	4	8	100 %
Total	22,348	22,563	1 %

By professional category	2022	2023	Changes
Full-time	22,163	22,302	1%
Management	161	159	-1%
Executive	1,397	1,502	8%
Technician	4,923	5,156	5%
Basic	15,682	15,485	-1%
Part-time	185	261	41%
Management	0	1	
Executive	12	29	142%
Technician	79	97	23%
Basic	94	134	43%
Total	22,348	22,563	1%

Average by professional category	2022	2023	Changes
Full-time	22,759	22,765	0%
Management	160	160	0%
Executive	1,381	1,496	8%
Technician	4,779	5,104	7%
Basic	16,439	16,005	-3%
Part-time	201	213	6%
Management	0	1	
Executive	15	17	13%
Technician	82	82	0%
Basic	104	113	9%
Total	22,960	22,978	0%



## By gender

Structure staff	2022	2023	Changes
Full-time	6,481	6,817	5%
Male	4,494	4,673	4%
Female	1,987	2,144	8%
Part-time	91	127	40%
Male	53	78	47%
Female	38	49	29%
Total	6,572	6,944	6%
Works staff	2022	2023	Changes
Works staff Full-time	2022 15,682	2023 15,485	Changes -1%
	-		_
Full-time	15,682	15,485	-1%
Full-time Male	15,682 14,818	15,485 14,710	-1% -1%
Full-time Male Female	15,682 14,818 864	15,485 14,710 775	-1% -1% -10%
Full-time Male Female Part-time	15,682 14,818 864 94	15,485 14,710 775 134	-1% -1% -10% 43%

### Average by gender

Structure staff	2022	2023	Changes
Full-time	6,321	6,760	7%
Men	4,404	4,645	5%
Women	1,917	2,115	10%
Part-time	97	100	3%
Men	55	59	7%
Women	42	41	-2%
Total	6,418	6,860	7%
Works staff	2022	2023	Changes
Full-time	16,438	16,005	-3%
Men	15,646	15,197	-3%
Women	792	808	2%
Part-time	104	113	9%
Men	93	99	6%
Women	11	14	27%
Total	16,542	16,118	-3%



#### Workforce turnover <sup>9</sup> GRI 401-1

By age range, gender and geographical area

Location	Departures	Average employment	% Turnover	% Turnover	Change in Turnover
Spain	1,978	11,528	17 %	21 %	-4%
Male	1,780	10,019	18 %	22 %	-4%
More than 50	406	2,705	15 %	18 %	-3%
30 to 50	1,017	6,139	17 %	21 %	-4%
Under 30	357	1,175	30 %	37 %	-7%
Female	198	1,509	13 %	17 %	-4%
More than 50 years	19	206	9 %	14 %	-5%
30 to 50	124	993	12 %	14 %	-2%
Under 30	55	310	18 %	30 %	-12%
Europe	453	1,651	27 %	35 %	-8%
Male	410	1,454	28 %	36 %	-8%
More than 50	74	333	22 %	33 %	-11%
30 to 50	220	779	28 %	35 %	-7%
Under 30	116	342	34 %	41 %	-7%
Female	43	197	22 %	26 %	-4 %
More than 50	1	16	6 %	13 %	-7 %
30 to 50	23	103	22 %	30 %	-8 %
Under 30	19	78	24 %	25 %	-1 %
North America	334	830	40 %	38 %	2 %
Male	318	766	42 %	38 %	4 %
More than 50	51	185	28 %	34 %	-6 %
30 to 50	175	442	40 %	37 %	3 %
Under 30	92	139	66 %	49 %	17 %
Female	16	64	25 %	36 %	-11 %
More than 50	0	12	0 %	60 %	-60 %
30 to 50	10	39	26 %	24 %	2 %
Under 30	6	13	46 %	50 %	-4 %
Latin America	7,152	6,279	114 %	105 %	9 %
Male	6,439	5,488	117 %	111 %	6 %
More than 50	590	645	91 %	90 %	1 %
30 to 50	3,725	3,365	111 %	106 %	5 %
Under 30	2,124	1,478	144 %	128 %	16 %
Female	713	791	90 %	59 %	31 %
More than 50 years	31	48	65 %	32 %	33 %
30 to 50	393	439	90 %	63 %	27 %
Under 30	289	304	95 %	56 %	39 %
Asia	186	96	194 %	31 %	163 %
Male	181	90	201 %	31 %	170 %
More than 50 years	24	9	267 %	32 %	235%

 $<sup>^9</sup>$  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	% Turnover	% Turnover	Change in Turnover
30 to 50	116	60	193 %	30 %	163%
Under 30	41	21	195 %	33 %	162%
Female	5	6	83 %	22 %	61%
More than 50 years	0	0	0 %	0 %	0%
30 to 50	3	5	60 %	17 %	43%
Under 30	2	1	200 %	33 %	167%
Africa	1,439	2,124	68 %	42 %	26%
Male	1,277	1,809	71 %	44 %	27%
More than 50 years	53	92	58 %	28 %	30%
30 to 50	811	1,310	62 %	41 %	21%
Under 30	413	407	101 %	54 %	47%
Female	162	315	51 %	28 %	23%
More than 50 years	6	12	50 %	0 %	50%
30 to 50	81	219	37 %	24 %	13%
Under 30	75	84	89 %	41 %	48%
Oceania	186	470	40 %	42 %	-2%
Male	151	372	41 %	39 %	2%
More than 50 years	60	112	54 %	38 %	16%
30 to 50	73	204	36 %	43 %	-7%
Under 30	18	56	32 %	33 %	-1%
Female	35	98	36 %	49 %	-13%
More than 50 years	6	21	29 %	88 %	-59%
30 to 50	25	56	45 %	20 %	25%
Under 30	4	21	19 %	111 %	-92%
Total	11,728	22,978	51 %	50 %	1%

By geographical area, gender and type of employee

### 2022

Struc	cture		Wo	rks
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%	0%
36%	40%	Oceania	54%	150%
23%	26%	Total	61%	43%



2023

Struc	ture		Wo	rks
Men	Women	Location	Men	Women
13%	12%	Spain	20%	22%
23%	21%	Europe	30%	24%
15%	26%	North America	55%	21%
41%	48%	Latin America	132%	144%
41%	29%	Africa	75%	64%
107%	83%	Asia	260%	<b>-</b> %
33%	29%	Oceania	52%	133%
22%	22%	Total	62%	85%

## New hirings GRI 401-1

By gender and geographical area

Structure staff

Location	2022	2023	Changes
Spain	704	735	4%
Male	482	497	3%
Female	222	238	7%
Europe	177	156	-12%
Male	117	106	-9%
Female	60	50	-17%
North America	78	64	-18%
Male	61	52	-15%
Female	17	12	-29%
Latin America	695	473	-32%
Male	444	308	-31%
Female	251	165	-34%
Africa	101	87	-14%
Male	68	65	-4%
Female	33	22	-33%
Asia	42	1	-98%
Male	38	1	-97%
Female	4	0	-100%
Oceania	133	297	123%
Male	106	197	86%
Female	27	100	270%
Total	1,930	1,813	-6%



#### Works staff

Location	2022	2023	Changes
Spain	1,673	1,581	-5%
Male	1,632	1,536	-6%
Female	41	45	10%
Europe	541	632	17%
Male	505	593	17%
Female	36	39	8%
North America	310	394	27%
Male	300	391	30%
Female	10	3	-70%
Latin America	6,969	6,494	-7%
Male	6,543	6,014	-8%
Female	426	480	13%
Africa	891	699	-22%
Male	795	655	-18%
Female	96	44	-54%
Asia	43	21	-51%
Male	43	21	-51%
Female	0	0	0%
Oceania	55	367	567%
Male	47	355	655%
Female	8	12	50%
Total	10,482	10,188	-3 %



Location	2022	2023	Average employment 2023	New hiring rate 2023
Spain	2,377	2,316	11,528	20 %
Male	2,114	2,033	10,019	20 %
Female	263	283	1,509	19 %
Europe	718	788	1,651	48 %
Male	622	699	1,454	48 %
Female	96	89	197	45 %
North America	388	458	830	55 %
Male	361	443	766	58 %
Female	27	15	64	23 %
Latin America	7,664	6,967	6,279	111 %
Male	6,987	6,322	5,488	115 %
Female	677	645	791	82 %
Africa	992	786	2,124	37 %
Male	863	720	1,809	40 %
Female	129	66	315	21 %
Asia	85	22	96	23 %
Male	81	22	90	24 %
Female	4	0	6	0 %
Oceania	188	664	470	141 %
Male	153	552	372	148 %
Female	35	112	98	114 %
Total	12,412	12,001	22,978	52 %

By gender and age range

Structure staff

Age	2022	2023	Changes
>50	142	174	23%
Male	128	141	10%
Female	14	33	136%
From 30 to 50	1,029	949	-8%
Male	717	639	-11%
Female	312	310	-1%
<30	759	690	-9%
Male	471	446	-5%
Female	288	244	-15%
Total	1,930	1,813	-6%



#### Works staff

Age	2022	2023	Changes
>50	975	1,081	11 %
Male	935	1,040	11 %
Female	40	41	3 %
From 30 to 50	5,827	5,759	-1 %
Male	5,519	5,451	-1 %
Female	308	308	0 %
<30	3,680	3,348	-9 %
Male	3,411	3,074	-10 %
Female	269	274	2 %
Total	10,482	10,188	-3 %

Age	2022	2023	Average employment 2023	New hiring rate 2023
>50	1,117	1,255	4,396	29 %
Male	1,063	1,181	4,081	29 %
Female	54	74	315	23 %
From 30 to 50	6,856	6,708	14,153	47 %
Male	6,236	6,090	12,299	50 %
Female	620	618	1,854	33 %
<30	4,439	4,038	4,429	91 %
Male	3,882	3,520	3,618	97 %
Female	557	518	811	64 %
Total	12,412	12,001	22,978	52 %



#### **Dismissals**

This term refers 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, Argentine, Brazil, Cameroon, Chile, Ivory Coast, Ghana, Italy, Mexico, Mozambique, Panama, Peru and Uruguay.

By gender and professional category

		2022					
Category	Male	Female	Total	Male	Female	Total	Changes
Structure	62	31	93	116	62	178	91 %
Manageme nt	0	1	1	0	0	0	-100 %
Executive	7	3	10	17	1	18	80 %
Technician	55	27	82	99	61	160	95 %
Works	986	44	1,030	1,257	77	1,334	30 %
Basic	986	44	1,030	1,257	77	1,334	30 %
Total	1,048	75	1,123	1,373	139	1,512	35 %

By gender and age

Structure staff

	2022 2023							
Age	Male	Female	Total	Male	Female	Total	Changes	
>50	8	2	10	14	6	20	100%	
From 30 to 50	40	16	56	71	38	109	95%	
<30	14	13	27	31	18	49	81%	
Total	62	31	93	116	62	178	91 %	

Works staff

		2022			2023			
Age	Male	Female	Total	Male	Female	Total	Changes	
>50	105	5	110	158	4	162	47 %	
From 30 to 50	591	26	617	743	41	784	27 %	
<30	290	13	303	356	32	388	28 %	
Total	986	44	1,030	1,257	77	1,334	30 %	



#### **Remunerations Policy**

As mentioned in the Chapter on Our people, our best asset, the Elecnor Group's Remuneration Policy respects the criteria of objectivity, fairness and non-discrimination, rewarding and recognising merit.

The theoretical fixed average remuneration by gender, age and professional category is detailed below:

2022

			Str	ucture			Wor	ks
-	Manage	ement	Execu	ıtive	Tech	ınician	Bas	ic
Age	Male	Female	Male	Female	Male	Female	Male	Female
Spain								
>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
Europe (Italy, N	lorway, Port	ugal, United	d Kingdom a	nd Romani	a)			
>50			88,764		45,236	32,787	25,636	19,618
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
North America	(United Stat	es and Can	ada)					
>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
Latin America (Argentina, Boli Uruguay)	via, Brazil,	Chile, Color	nbia, Ecuado	or, Hondura	ıs, Mexico, Pa	ınama, Peru, Do	ominican Rep	ublic and
>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
Africa (Angola,	Algeria, Car	meroon, Gh	ana, Maurita	ania and Se	negal)			
>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
Asia (Jordan ar	nd Oman)							
>50					48,833		35,869	
From 30 to 50			64,888	*	32,940	23,602	18,240	14,634
<30					21,121	14,449	15,434	
Oceania (Austra	alia)							
>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	



#### 2023

			Struc	ture			Works	
	Manag	jement	Execu	utive	Techr	Technician		sic
	Male	Female	Male	Female	Male	Female	Male	Female
Spain								
>50	138,652	130,953	59,483	57,258	35,729	31,705	25,514	25,994
From 30 to 50	114,447	102,996	52,242	52,005	35,439	30,439	23,912	23,276
<30			37,794	39,333	31,429	30,543	21,708	21,132
Europe (Germany	, Finland, Tl	he Netherlar	nds, Italy, Lit	huania, Nor	way, Portug	al, United k	Kingdom and	l Romania)
>50			106,092		45,618	29,047	27,175	*
From 30 to 50			56,811	50,868	41,651	32,493	27,748	26,044
<30					33,027	29,496	24,739	22,894
North America (U	nited States	and Canada	a)				1	
>50	205,261	*	129,886	91,795	126,688	57,730	100,435	77,723
From 30 to 50	200,030		126,127	89,222	110,581	57,770	98,691	84,288
<30			76,135	81,233	66,142	63,803	86,832	74,096
Latin America (Ar Peru, Dominican F	gentina, Bra Republic and	azil, Chile, C d Uruguay)	olombia, Ecu	ıador, El Sal	vador, Hond	luras, Mexic	co, Panama,	Paraguay,
>50			69,839	48,597	37,777	21,039	13,107	10,201
From 30 to 50			50,491	45,598	26,049	17,292	11,073	6,917
<30				*	13,107	10,555	7,799	6,310
Africa (Angola, Al	geria, Came	eroon, Ivory	Coast, Ghan	a, Mauritan	ia, Mozambi	que, Seneg	al and Zaml	oia)
>50			40,596		38,295	10,521	6,720	2,356
From 30 to 50			36,663	35,879	18,483	6,697	5,991	3,081
<30			*		4,233	7,444	3,174	2,239
Asia (Jordan and	Oman)						1	
>50							13,850	
From 30 to 50			94,068		37,935	33,247	21,013	
<30					18,434	*	11,039	
Oceania (Australia	a)						1	
>50			146,398	*	101,366	62,716	59,338	58,483
From 30 to 50			130,334	115,922	85,603	63,786	55,221	55,418
<30					61,633	56,370	50,293	55,386

<sup>\*</sup> 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

2022

	Struc	cture	Works		
	Male	Female	Male	Female	
Spain	42,034	33,092	23,001	22,932	
Europe (Italy, Norway, Portugal, United Kingdom and Romania)	35,923	28,893	25,465	22,870	
North America (United States and Canada)	125,918	73,073	94,736	64,621	
Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruquay)	23,599	13,900	7,917	5,701	
Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)	17,637	9,458	5,088	2,383	
Asia (Jordan and Oman)	35,479	20,170	19,737		
Oceania (Australia)	92,021	58,315	82,069	79,618	

<sup>\*</sup> 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.

#### 2023

	Stru	cture	Works		
	Male	Female	Male	Female	
Spain	44,105	34,754	24,174	23,561	
Europe (Germany, Finland, The Netherlands, Italy, Lithuania, Norway, Portugal, United Kingdom and Romania North America (United States and	42,470	31,790	26,890	24,142	
Canada)	124,243	75,354	96,377	79,718	
Latin America (Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Dominican Republic and Uruguay)	28,975	16,955	10,383	6,961	
Africa (Angola, Algeria, Cameroon, Ivory Coast, Ghana, Mauritania, Mozambique, Senegal and Zambia)	17,788	9,234	5,420	2,875	
Asia (Jordan and Oman)	45,261	29,213	17,852		
Oceania (Australia)	91,053	64,079	55,679	56,434	



#### 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 26.4 (27.8 in 2022). Only the fixed remuneration of the Chief Executive Officer for his executive duties has been taken into account in this ratio. 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.



## We look after our people

#### **Employee accident rate**

#### 2023

Location	No. of recordable work- related injuries			No. of injuries due to work-related accidents with major consequences			Hours worked		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain	54	0	54	2	0	2	20,162,632	3,079,595	23,242,227
Europe	11	0	11	0	0	0	3,142,903	383,716	3,526,619
North America	0	0	0	0	0	0	1,561,753	126,274	1,688,027
Latin America	19	1	20	0	0	0	14,826,088	2,052,311	16,878,399
Africa	3	1	4	0	0	0	4,352,370	651,252	5,003,622
Asia	0	0	0	0	0	0	271,242	13,101	284,343
Oceania	0	0	0	0	0	0	518,027	222,012	740,039
Total	33	2	35	0	0	0	24,672,383	3,448,666	28,121,049
Total	87	2	89	2	0	2	44,835,015	6,528,261	51,363,276

<sup>(1)</sup> 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.

Only including accidents involving more than one day's leave, not counting those on way to or from work.

2022

Geographic area	No. of	f work-relat injuries	ed	а	of workplad ccidents	ce	ŀ	Hours worke	d
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain	58	0	58	1	0	1	19,200,469	2,894,432	22,094,901
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	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
(4) = 1									

<sup>(1)</sup> 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.

Only including accidents involving more than one day's leave, not counting those on way to or from work.



#### **Accident rate at subcontractors**

#### 2023

Geographic area	No. of wo	No. of work-related injuries			Hours worked			
	Men	Women	Total	Men	Women	Total		
Spain	38	0	38	10,759,546	0	10,759,546		
Europe	4	0	4	821,915	0	821,915		
North America	0	0	0	4,446	0	4,446		
Latin America	9	0	9	5,112,837	0	5,112,837		
Africa	1	0	1	2,338,001	0	2,338,001		
Asia	0	0	0	435,004	0	435,004		
Oceania	0	0	0	680,236	0	680,236		
Total	14	0	14	9,392,439	0	9,392,439		
Total	52	0	52	20,151,985	0	20,151,985		

Of the total number of accidents, five were recorded as work-related accidents with major consequences. Only including accidents involving more than one day's leave, not counting those on way to or from work.

2022

Geographic area		. of injuries orkplace accio	lents	Но	urs worked	d
urcu	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	10	0	10	11,492,740	0	11,492,740
Total	60	0	60	23,716,381	0	23,716,381



## **Employee occupational illnesses**

### 2023

		rk-related nd diseases		F	lours worked	
Geographic area	Men	Women	Total	Men	Women	Total
Spain	4	0	4	20,162,632	3,079,595	23,242,227
Europe	0	0	0	3,142,903	383,716	3,526,619
North America	0	0	0	1,561,753	126,274	1,688,027
Latin America	0	0	0	14,826,088	2,052,311	16,878,399
Africa	0	0	0	4,352,370	651,252	5,003,622
Asia	0	0	0	271,242	13,101	284,343
Oceania	0	0	0	518,027	222,012	740,039
Total international	0	0	0	24,672,383	3,448,666	28,121,049
Total	4	0	4	44,835,015	6,528,261	51,363,276

2022

		cupational conditions	medical	Н	ours worked	
Geographic area	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
Africa	0	0	0	4,940,318	730,714	5,671,032
Asia	0	0	0	682,933	19,390	702,323
Oceania	0	0	0	453,644	69,580	523,224
Total international	0	0	0	26,920,717	3,126,536	30,047,253
Total	2	0	2	46,121,186	6,020,968	52,142,154



## Management of biodiversity and protection of the natural environment GRI 304-1

## Projects located in or near protected and high-value areas

		Proximity to protected areas or zones of great va 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	
Australia	New England Solar Farm	PCT 510 - Blakely's Red Gum - Yellow Box grassy woodland	Adjacent	N/A	
Brazil	PATE- LT230 kV Oriximiná- Juruti-Parintins e Subestações Associadas	Áreas Prioritárias para a	Adjacent	N/A	
Brazil	Boa Sorte solar PV plant	Permanent Preservation Area (APP), Legal Reserve area and São Marcos river basin	Inside	900 ha	
Colombia	Portón del Sol	Regional Integrated Management	Inside	200 ha	
Spain	Ribera de Navarra Wind Farm	Habitats of Community interest Aicaena (Areas of Interest for the conservation of steppe birds in Navarre)	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	



		Proximity to prote	ected areas or zones Biodiversity	of great value for
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
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
Spain	400 kV Segura - Centurión transmission line	ZEC Río Ardila Alto	Part-time	5 km
Spain (Audeca)	Forestry work in the region of Padoluengo	ZEC ES4120092 Sierra de la Demanda; ZEPA ES4120012 Sierra de la Demanda; ZEC ES4120075 Banks of the Río Tirón	Inside	326 ha
Spain (Audeca)	Forestry work in the region of Sierra de Ávila	LIC & REN, Sierra Paramera and Serrota (ES4110034) (Sotalbo Monte	Inside	27.2 ha
Spain (Audeca)	Forestry work in Las Hurdes	ES4320011 ZEC Las Hurdes; ES0000355 ZEPA Hurdes; ES4320047 ZEC Sierras de Risco	Inside	81 ha
Spain (Audeca)	Emergency in Las Hurdes and Gata after the forest fire	ES0000370 ZEPA	Inside	953 ha



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## Projects including monitoring of species appearing on the International Union for Conservation of Nature (IUCN) Red List $\,$ GRI $\,$ 304-4

		Class	sificat	ion ac	cordir	ng to I	UCN
Country	Project	CR*	EN*	VU*	NT*	LC*	Oth
Australia	New England Solar Farm			1		6	
Brazil	Boa Sorte solar PV plant			1	2	1	1
Brazil	PATE- LT230 kV Oriximiná-Juruti-Parintins e Subestações Associadas		1	12	3	2	
Cameroon	Yaoundé Lake					3	
Chile	New 2x220 Nueva Alto Melipilla - Nueva Casablanca - La Pólvora - Agua Santa line	1	4	5	1	2	
Colombia	Portón del Sol					74	
Spain	Santos de la Piedra Wind Farm		1			4	
Spain	Aerosur wind farm		1	1		1	
Spain	SIGMA solar PV plant. ARCO 1-5 FARMS					2	
Spain	400 kV Segura - Centurión transmission line					1	
Spain	Emergency in Las Hurdes and Gata after the forest fire				1		
Panama	230 kV Sabanitas Substation - Panamá III Substation transmission line					1	

\*CR: Critically endangered \*EN: Endangered

**Total** 

\*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  $\Box$  related disclosures in the financial services sector (RSFDR) (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:

- 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, five 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 (referred to as the 1st 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 (referred to as the 2nd 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 sectors 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 (the 3rd Delegated Act).



- Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Regulation (EU) 2021/2139 by establishing the additional 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 (referred to as the 4th Delegated Act).
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution, or to the protection and recovery of biodiversity and ecosystems, and to determine whether such economic activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards disclosure of specific public information on these economic activities (5th 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:

				Taxonomy	
ACTIVITY	SUB-ACTIVITIES	NACE Code	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)



				Taxonomy	
ACTIVITY	SUB-ACTIVITIES	NACE Code	Taxonomy Activity	Activity Description	Activity Goal and Type
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 bioenergy 4.10. Electricity storage 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, 4.8 and 4.10 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)



				Taxonomy	
ACTIVITY	SUB-ACTIVITIES	NACE Code	Taxonomy Activity	Activity Description	Activity Goal and Type
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 installations 4531: Electrical installations	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)
Environment and Water	Waterworks, distribution networks and water treatment plants and environmental works	4291: Water works 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)



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 and on-line sales of PV solar equipment	3516: Production of conventional thermal electricity 2711: Manufacture of electric motors, generators and transformers
Oil & Gas	Distribution and transmission, infrastructure operations (domestic grid), domestic services and miscellaneous facilities of gas 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 and development, smart cities (systems)	2630: Telecommunications equipment manufacturing 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	Posts and pre-fabricated in glass reinforced polyester	4211: Construction of roads and motorways 4213: Construction of bridges and tunnels 4299: Construction of other civil engineering projects n.e.c. 2361: Manufacture of concrete elements for construction purposes
Environment and 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 (in thousands of Euros)

Financial year 2023		Year		s	ubstanti	al contri	ibution	criteria		Do No Significant Harm (DNSH) criteria					1)				
Economic activities		Turnover (€ thousand)	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of taxonomy- aligned turnover (A.1.) or taxonomy-eligible turnover (A.2.), 2022	Category of enabling activity	Category of transition activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Generation of electricity using solar photovoltaic technology	CCM 4.1	378.191	9,97%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	13,64%		
Electricity generation from wind energy	CCM 4.3	275.532	7,26%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	10,46%		
Transmission and distribution of electricity	CCM 4.9	1.113.571	29,36%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	26,30%	F	
Electricity storage	CCM 4.10	23.352	0,62%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0,00%	F	
Collection and transport of non-hazardous waste in source-segregated fractions	CCM 5.5	3.230	0,09%	s	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	s	s	s	s	s	0,08%		
Rail transport infrastructure	CCM 6.14	218.068	5,75%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	2,56%	F	
Construction of new buildings	CCM 7.1	1.307	0,03%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0,06%		
Renovation of existing buildings	CCM 7.2	48.863	1,29%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0,36%		T
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	2.014	0,05%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	1,81%	F	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	5.520	0,15%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0,07%	F	
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		2.069.648	54,57%	54,57%	0%	0%	0%	0%	0%	s	s	s	s	s	s	s	55,34%		
Of which: facilitators		1.362.525	35,92%	35,92%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	30,74%	F	
Of which: transitional		48.863	1,29%	1,29%						S	S	S	S	S	S	S	0,36%		Т
A.2. A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy	ny non-aligi	ned activities	)																•
Generation of electricity using solar photovoltaic technology	CCM 4.1	7.927	0,21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,76%		
Electricity generation from wind energy	CCM 4.3	8.103	0,21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,05%		
Electricity generation from hydropower	CCM 4.5	26.932	0,71%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,75%		
Electricity generation from bio-energy	CCM 4.8	0	0,00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,35%		
Transmission and distribution of electricity	CCM 4.9	417.847	11,02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9,29%		
Construction, expansion and operation of water catchment, purification and distribution systems	CCM 5.1	12.692	0,33%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,93%		
Rail transport infrastructure	CCM 6.14	7.235	0,19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,09%		
Construction of new buildings	CCM 7.1	10.353	0,27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	†						0,37%			
Renovation of existing buildings	CCM 7.2	9.338	0,25%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							1,78%			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0,00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0,00%			
Turnover from taxonomy-eligible but not environmentally sustainable activities		500.427	13,19%	13,19%	0%	0%	0%	0%	0%								14.37%		
(taxonomy non-aligned activities) (A.2)		500.427		,			076										· · ·		
A. Turnover from taxonomy-eligible activities (A.1+A.2)		2.570.075	67,76%	67,76%	0%	0%	0%	0%	0%								69,71%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover from taxonomy non-eligible activities (B)		1.222.831	32,24%							30,29%									
TOTAL		3.792.906	100%														100,00%		

	Proportion of turnover/total turnover										
	that are taxonomy-aligned by	that are taxonomy-eligible by									
	objective	objective									
CCM	54,57%	67,76%									
CCA	0,00%	0,00%									
WTR	0,00%	0,00%									
CE	0,00%	0,00%									
PPC											
rrc	0,00%	0,00%									
BIO	0,00%	0,00%									



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

Financial year 2023		Year	ear Substantial contribution criteria Do No Significant Harm (DNSH) criteria																
Economic activities		CapEx (€ thousand)	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of taxonomy- aligned CapEx (A.1.) or taxonomy-eligible according CapEx (A.2.), 2022	Category of enabling activity	Category of transition activity
A. TAXONOMY-ELIGIBLE ACTIVITIES	A TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation from wind energy	CCM 4.3	80.094	31,85%	S	N/EL	N/EL	N/EL		N/EL	S	S	S	S	S	S	S	42,77%		
Generation of electricity using solar photovoltaic technology	CCM 4.1	75.545	30,04%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0,00%		
CapEx from environmentally sustainable activities (taxonomy-aligned) (A.1)		155.639	61,88%	61,88%	0,00%	0,00%	0,00%	0,00%	0,00%	s	s	s	s	s	s	s	42,77%		
Of which: facilitators		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	S	S	S	S	S	S	S	0,00%	F	
Of which: transitional		0	0,00%	0,00%						S	S	S	S	S	S	S	0,00%		Т
A.2. A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy	ny non-aligi	ned activities																	
CapEx from taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities) (A.2)		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	6					0,00%				
A. CapEx from taxonomy-eligible activities (A.1+A.2)		155.639	61,88%	61,88%	0,00%	0,00%	0,00%	0,00%	0,00%	i i					42,77%				
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx from taxonomy non-eligible activities (B)		95.871	38,12%														57,23%		
TOTAL		251.510	100,00%														100,00%		

	Proportion of CapEx/Total CapEx										
	that are taxonomy-aligned by objective	that are taxonomy-eligible by objective									
CCM	61,88%	61,88%									
CCA	0,00%	0,00%									
WTR	0,00%	0,00%									
CE	0,00%	0,00%									
PPC	0,00%	0,00%									
BIO	0,00%	0,00%									



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

Financial year 2023	Year			Substantial contribution criteria					Do No Significant Harm (DNSH) criteria										
Economic activities	Codes	OpEx (€ thousand)	Proportion of OpEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of taxonomy- aligned OpEx (A.1.) or taxonomy-eligible OpEx (A.2.), 2022	Category of enabling activity	Category of transition activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation from wind energy	CCM 4.3	0	0,00%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	4,02%		
OpEx from environmentally sustainable activities (taxonomy-aligned) (A.1)				%	%	%	%	%	%	s	S	s	s	s	s	s	104,02%		
Of which: facilitators		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	S	S	S	S	S	S	S	0,00%	F	
Of which: transitional		0	0,00%	0,00%						S	S	S	S	S	S	S	0,00%		T
A.2. A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-eligible but not eligible but	ny non-alig	ned activities	:)																
OpEx from taxonomy-eligible but not environmentally sustainable activities		0	0,00%	0,00%				0,00%									0,00%		
A. OpEx from taxonomy-eligible activities (A.1+A.2)		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	5				104,02%					
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx from taxonomy non-eligible activities (B)		194.105	100,00%														95,98%		
TOTAL		194.105	100,00%																

	Proportion of OpEx/Total OpEx										
	that are taxonomy-aligned by objective	that are taxonomy-eligible by objective									
CCM	0,00%	0,00%									
CCA	0,00%	0,00%									
WTR	0,00%	0,00%									
CE	0,00%	0,00%									
PPC	0,00%	0,00%									
BIO	0,00%	0,00%									

### Nuclear and fossil energy-related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



## Fiscal transparency

#### Country by Country Report 2023 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 profit/loss
GERMANY	0,50	-		479.247,08	-	-	-	accounting profits 1033
ANGOLA	1.335,00	65.361.061,04	6.940.714,21	2.510.360,27	9.533.651,13	4.256.915,65 -	109.547,82	8, 11
ALGERIA	2,00	10.554.883,22	1 -	3.486.301,79	i i i i i i i i i i i i i i i i i i i	23.098,52 -	1.178.026,29	8, 11
ARGENTINA	114,00	9.433.775,19	_	1.628.371,61	824.722,51	113.345,20	35.644,86	5, 6, 8
AUSTRALIA	229,00	342.777.059,69	699.983,93 -	7.603.076,66	10.053.157,92	4.685.486,33 -	2.049.831,02	6, 11
BELGIUM	6,67	6.099.593,51	1	179.643,23	533,59	28.592,30	32.828,87	12
BOLIVIA	-	5.813,43		384.151,89	6.486,36		-	4, 9
BRAZIL	4.765,00	472.668.108,41	144.678.013,95	87.737.406,28	380.137.066,76	16.407.894,39	16.545.311,73	10, 11
CAMEROON	603,00	23.155.361,25	62.821,88 -	4.733.299,17	3.253.393,72	199.963,37	6.624.305,51	6
CANADA	6,00	34.826.098,58	7.189.785,55	10.812.794,43	138.842.823,86	91,980,89	1.402.488,10	5, 6, 11
CHILE	453,00	39.643.782,50	56.215.683,47	9.635.397,12	4.610.187,09	- 695.930,62	1.600.609,27	5, 11
COLOMBIA	31,00	19.936.859,73	2.197,30 -	606.020,34	9.406.115,22	514.899,28		4, 5, 6, 7, 11
IVORY COAST	31,66	4.774.567,83	1 -	1.855.717,18	<u> </u>		-	4
DOMINICAN REPUBLIC	170,50	22.642.079,24	1.072.297,60	4.401.560,84	2.905.716,12	26.579,05	722.379,28	1, 5, 6, 11, 12
ECUADOR	3,00	26.005.625,48	2,430,344,91 -	4.242.090,50	84.518.761,75	397.276,53 -	1.051.419.18	5, 11
USA	796,00	322.490.262,92	398.419,29	20.230.180,59	17.576.730,56	1.563.799,08	3.213.652,72	11, 12
EL SALVADOR	15,92	681.479,25	818.956,79 -	452.430,32	4.495,10	11.060,90	6.163,75	12
UNITED ARAB EMIRATES	-	_	<u>-</u>	_	1.223,06	-	-	N/4
SPAIN	11.197,00	1.769.024.465,94	185.859.928,08	381.165.273,56	287.643.597,29	8.378.249,94	32.344.670,94	5, 6, 7, 1
PHILIPPINES		=		31.056,41				4
FINLAND	15,00	5.772.027,23	1.024.306,94 -	288.340,82	0,02	50.879,33	77.895,74	4, 6
GAMBIA	1,00	217.190,00	<u>-</u>	120.920,00		-	<u>.</u>	·
GHANA	177.00	4.058.067,06	2.568.524,61 -	357.054,09	979.639,50	1,124,97	29.658,45	4, 6
GUINEA	4,00	6.339.521,81	1.375.910,00 -	638,080,24	367.897,51	5.432,95	5.432,95	1, 3, 1
GUINEA-BISSAU	1,00	508.960,00	-	37.860,00	-	-		-, -, -
HAITI	3,00	222.114.29		3,449,049,35	21.275.30	107.134.05	_	4, 9
HONDURAS	51,00	6.647.076,74	1.929.983,50	477.021,20	360.629,30	37.661,00	187.199,57	3, 6
ENGLAND	243,00	27.519.729,83	9.574.617,04	5.887.048,67	500.200,06	687.226,06	1.141.796,71	5, 6, 7, 1
ITALY	785,00	67.359.607,65	36.394.391,96	3.746.581,29	17.151.833,35	322.163,00	356.760,99	1, 5, 6, 7, 11
JORDAN	3,00		30.394.391,90	1.151.673,27	17.131.033,33	5.164,47	5.164,47	4, 5, 6, 11, 13
KUWAIT	5,00	499.539,97		5.895,09		45.741,15	41.714,76	4, 5, 11
LIBERIA	_	- 4.237.00	_	457.396.50	_	10.111,10	71.717,70	7, 3, 11
LITHUANIA	82.00	2.176.13	57.178.912.80	2.206.000.85	22.550.218.19	126.899,17	326.416.53	6, 12
MOROCCO	-	6.349,30	37.170.912,00	300.065,17	22.330.210,19	120.099,17	181.257,22	1, 4, 12
MAURITANIA	4.00		244,000.00 -		674,423.50	314.708.45		1, 4, 12
MEXICO		835.370,22		870.476,05			326.961,50	
	68,00	12.954.626,37	1.114.750,95	5.405.986,96	775.874,60	2.862,37	1.541.951,44	4, 11
MOZAMBIQUE	226,00	14.485.986,51	36.354,01 -	3.697.562,38	3.163.464,72	5.221,67	16.143,79	1, 4, 6
NORWAY	73,50	21.932.095,24	12.758.430,55	1.619.066,22	217.469,05	- 1.053.075,84 -	184.234,93	6, 12
OMAN	202,00	74.640.582,47	21.334.300,79	865.070,81	26.164.092,52	96.795,00	125.343,00	4, 7, 11
PANAMA	79,00	26.055.169,18	9.176.424,49	5.413.352,43	2.029.154,00	-	38.088,48	1, 4, 11
PARAGUAY	1,00	=	= =	109.480,98	=	-	=	4
PERU	49,00	3.942.877,50	=	14.242.426,23	305.996,62		53,31	7, 11
PORTUGAL	277,00	34.525.090,49	2.081.614,95	589.019,03	1.250.158,37	661.630,63	375.086,46	4, 6, 7, 11, 12
ROMANIA		640.826,40	741.310,65	79.757,54	6.418,55	10.088,79	11.474,11	5, €
SENEGAL	13,00	1.542.711,91	300.291,65 -	1.495.942,68	73.502,44			12
SOUTH AFRICA		-	-	-				4
URUGUAY	220,00	16.689.515,24	-	535.550,38	912.971,16	107.160,86	19.177,65	1, 8
VENEZUELA	16,00	17.755,07		84.121,06	293.369,30	-	-	4, 1:
ZAMBIA	8,00	2.668.848,70		21.083,86	870.284,74	-	-	4
Overall total	22,360,75	3.499.684.396,65	564.203.271,86	523.653.619,85	1.027.987.534,84	37.538.028,89	62.361.596,56	

Points i and ii: The full list of ELECNOR companies and their main activities is published annually in Appendices I of the Consolidated Annual Accounts. 1. Application of minimum tax 2. Special scheme that defers the tax payment 3. Projects that are exempt from the income tax 4. A country that did not have any activity, or losses 5. Negative tax adjustment (non-taxable income) 6. Positive tax adjustment (non-deductible expenses) and inflationary adjustment 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 estimate of accrued corporations tax 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)			
General information						
A brief overview of the business model including the business environment, organisation and structure	Material	43-44	GRI 2-6			
Markets where it operates	Material	3, 45	GRI 2-1 GRI 2-6			
The organisation's goals and strategies	Material	43-44	GRI 2-6			
The main factors and trends potentially affecting future performance	Material	24, 35-37	GRI 3-3			
Reporting framework used	Material	30	GRI 1			
Principle of Materiality	Material	35-40	GRI 3-1			
Environmental issues						
<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	77-101	GRI 3-3			
Detailed general information						
Detailed information concerning current and foreseeable effects of the Company's activities on the environment and, where applicable, health and safety	Material	91-92	GRI 3-3			
Procedures for environmental assessment or certification	Material	91	GRI 3-3			
Resources allocated to preventing environmental risks	Material	91	GRI 3-3			
Application of the precautionary principle	Material	72-73, 92	GRI 3-3			
Amount of provisions and guarantees for environmental risks	Material	92	GRI 3-3			
Pollution						
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				
Circular economy and waste prevention and manage	jement					
Prevention, recycling, re-use, other methods of waste recovery and elimination	Material	96-98	GRI 306-1 (2020) GRI 306-2 (2020) GRI 306-3 (2020) GRI 306-4 (2020) GRI 306-5 (2020)			



Actions for combating food wastage	Not material	Not material		
Istainable use of resources				
Water consumption and water supply in accordance with local constraints	Material 95-96		GRI 303-5 (2018)	
Consumption of raw materials and measures implemented to boost efficiency in their usage	Material	96	GRI 3-3	
Direct and indirect energy consumption	Material	92-93	GRI 302-1	
Measures taken to boost energy efficiency	Material	93	GRI 3-3	
Renewable energy use	Material	94	GRI 302-1	
Climate change				
Greenhouse gas emissions generated as a result of the Company's activities, including the use of the goods and services it produces	Material	88-90	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	
Measures implemented to adapt to the consequences of climate change	Material	77-87	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	77-87	GRI 305-5	
Safeguarding biodiversity				
Measures implemented to preserve or restore biodiversity	Material	98-101	GRI 304-3	
Impacts of the activities or operations on protected areas	Material	98-101	GRI 304-2	
Social matters and issues concerning staff	<b>'</b>			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	44-62 62-72 179-199	GRI 3-3	
Employment				
Total number of employees and breakdown by country, gender, age and professional category	Material	44-47,179-180	GRI 2-7	
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	181-185	GRI 2-7	
Number of layoffs by gender, age and professional category	Material	47, 192	GRI 3-3 GRI 401-1	
Average remuneration and evolution thereof by gender, age and professional category or equal value	Material	54-55-193-194	GRI 3-3 GRI 405-2	
Wage gap, remuneration of equal jobs or company average	Material	55	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	54-55, 130-132	GRI 2-19 GRI 3-3 GRI 405-2	
Policies to facilitate disconnection from work	Material	56-57	GRI 3-3	
Number of disabled employees	Material	59-60	GRI 3-3	
Organisation of work				
Organisation of work time	Material	56	GRI 3-3	



Number of hours of absenteeism	Material	47	GRI 3-3
Measures aimed at facilitating work-life balance and fostering a mutually responsible approach thereto by both parents	Material	56-57	GRI 3-3
Health and Safety			
Occupational Health and Safety conditions	Material	62-72	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	67-71	GRI 403-9 (2018) GRI 403-10 (2018)
Social relations			
Organisation of social dialogue, including procedures to inform and consult employees and to negotiate with them	Material	61-62	GRI 3-3
Percentage of employees covered by collective bargaining agreements by country	Material	61	GRI 2-30
Balance of collective bargaining agreements, especially in connection with occupational health and safety	Material	65	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	62	GRI 3-3
Training			
Training policies implemented	Material	49-41	GRI 3-3
Total number of training hours by professional category	Material	51-54	GRI 404-1
Universal access			
Universal access for disabled people	Material	60	GRI 3-3
Equality			
Measures implemented to promote equal treatment and equal opportunities for women and men	Material	57-58	GRI 3-3
Equality plans, measures adopted to promote employment, protocols against sexual harassment and gender-based harassment	Material	57	GRI 3-3
Policy against any kind of discrimination and, in the event, for managing diversity	Material	57	GRI 3-3
Respect for Human Rights			
<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	151-152	GRI 3-3



Application of due diligence procedures			
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	151-152	GRI 2-23 GRI 2-26
Complaints regarding human rights breaches	Material	57, 143	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	151-152	GRI 3-3
Combating bribery and corruption			
<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	138-143, 148-150	GRI 3-3
Measures implemented to prevent bribery and corruption	Material	138-143, 148-150	GRI 3-3 GRI 2-23 GRI 205-3
Anti-money laundering measures	Material	138-143, 148-150	GRI 3-3 GRI 2-23 GRI 205-3
Contributions to foundations and non-profit organisations	Material	148, 160	GRI 2-28 GRI 201-1
Company information			
<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	157-178	GRI 3-3
The company's commitment to sustainable development			
Impact of the business on society, with regard to jobs and local development	Material	158-170	GRI 3-3 GRI 203-2 GRI 204
The impact of the business on local communities and territory	Material	35-37, 158-170	GRI 2-29 GRI 203-2
Relations with the stakeholders in local communities and modalities of dialogue with them	Material	35-37, 41-43, 169-170	GRI 2-29
Association or sponsorship actions	Material	101-102, 124, 133,146- 147	GRI 2-28 GRI 3-3 GRI 201-1
Subcontracting and suppliers			



Inclusion in procurements policy of social issues, equality and environmental considerations	Material	75-76	GRI 3-3	
Consideration, in relations with suppliers and subcontractors, of their social and environmental responsibility	Material	75-76	GRI 2-6 GRI 308-1	
Supervisory system and audits, and findings thereof	Material	75-76	GRI 2-6	
Consumers				
Measures to ensure consumer health and safety	Material	72-74	GRI 3-3	
Complaints systems, complaints received and resolution thereof	Material	74	GRI 3-3	
Tax information				
Profits obtained by country	Material	154-155	GRI 207-1 (2019) GRI 207-2 (2019) GRI 207-3 (2019)	
Income tax paid	Material	156	GRI 207-1 (2019) GRI 207-2 (2019) GRI 207-3 (2019)	
Public grants received	Material	157	GRI 201-4	
EU Regulation (202/852) - Taxonomy				
Regulation requirement	Material	101-110, 203-210	Elecnor Group's own methodology prepared based on article 8 of the European Taxonomy	



### Appendix III

### Index of GRI indicators

Statement of use	Elecnor has prepared the report pursuant to GRI Standards for the period from 1 January to 31 December 2023.
GRI 1 Used	GRI 1: 2021 background
Applicable GRI Sector Standards	Not applicable

GRI standard	Training	Page of the report featuring response	Omissions
GRI 1: 2021 ba	nckground		
<b>GRI 2: General</b>	disclosures 2021		
2-1	Organisational details	30, 179-180 Arturo Soria, 343 28033 Madrid - Spain Spain	
2-2	Entities included in the sustainability reporting	30 Appendix I to the Annual Accounts of Elecnor, S.A.  201 Subsidiarios Year 2023	
2-3	Reporting period, frequency and contact point	Year 2023 Annual submission Contact address elecnor@elecnor.com	
2-4	Update of information	There have not been any significant changes.	
2-5	External assurance	225-227 ACGR C.1.30	
2-6	Activities, value chain and other business relationships	43-44, 75-76	
2-7	Employees	45-47, 179-180 Elecnor has no employees for non-guaranteed hours Workforce data reported Head Count criteria	
2-8	Workers who are not employees	47	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
2-9	Governance structure and composition	124-125 ACGR C.1.3.	2027



2-10	Nomination and selection of the highest governance body	124 ACGR C.1.16.	
2-11	Chair of the highest governance body	124-125	
2-12	Role of the highest governance body in overseeing the management of impacts	125-129 ACGR C.2.1	
2-13	Delegation of responsibility for managing impacts	31, 134 ACGR C1.3, C.2.1	
2-14	Role of the highest governance body in sustainability reporting	31-32	
2-15	Conflicts of interest	ACGR D6	
2-16	Communication of critical concerns	31-32, 126-127,138-143	
2-17	Collective knowledge of the highest governance body	146 ACGR C1.3	
2-18	Evaluation of the performance of the highest governance body	133 ACGR C.1.17	
2-19	Remuneration policies	54-55, 130-132 <u>Remuneration Policy 2022-</u> <u>2025</u>	
2-20	Process to determine remuneration	130-131  Remuneration Policy 2022- 2025  Remuneration consultants are not involved in the process of determining remuneration	
2-21	Ratio of total annual compensation	196	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	Sustainable Development Strategy Statement	The declaration of the most senior decision-maker will be included in the Integrated Report 2023.	
2-23	Policies and commitments	30, 72-73, 91-92, 136- 143	
2-24	Embedding policies and commitments	30, 72-73, 91-92, 136- 143	



2-25	Processes to remediate negative impacts	41-43, 57, 73-74, 98-101, 167-169	
2-26	Mechanisms for seeking advice and raising concerns	142-143	
2-27	Compliance with laws and regulations	107, 126-128	
2-28	Membership of associations	121, 148, 158, 174-175	
2-29	Approach to stakeholder engagement	35-37, 41-43	
2-30	Collective bargaining agreements	61-62	
GRI 3: General disclosures 2021			
3-1	Process to determine material topics	35-37	
3-2	List of material topics	35-37	

### **Thematic content**

mematic content				
GRI standard	Training	Page of the report featuring response	Direct Response/O missions	
Management of skilled pe	ople			
3-3 Material topics				
3-3	Management of material topics	47-54		
GRI 401: Employment 20:	16			
401-1	Hiring of new employees and staff turnover	47, 186-192		
401-3	Parent leave	57-58		
GRI 404: Training and edu	ucation 2016			
404-1	Average hours of training per year per employee	53		
404-2	Programs for upgrading employee skills and transition assistance programs	49-51	Note. At present, the Elecnor Group does not have any transition assistance programmes in place to facilitate employability	
404-3	Percentage of employees receiving regular performance and career development reviews	54		
Occupational health and s	afety			
3-3 Material topics	3-3 Material topics			
3-3	Management of material topics	38, 63-72		
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	62-63		
403-2	Hazard identification, risk assessment and incident investigation	63-64		
403-3	Occupational health services	63-64, 66-67		



403-4	Worker participation, consultation and communication on occupational health and safety	65
403-5	Worker training on occupational health and safety	65-66
403-6	Promotion of worker health	66-67
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	63-64, 69-70
403-8	Workers covered by an occupational health and safety management system	63-64, 65, 69-70
403-9	Work-related injuries	67-70
403-10	Work-related ill health	67-72
<b>Ethics and Compliance</b>		
3-3 Material topics		
3-3	Management of material topics	38.136-151, 153-157
GRI 201: Economic perfor	mance 2016	,
201-4	Financial assistance received from government	157
GRI 205: Anti-Corruption	2016	124 126
205-1	Operations assessed for risks related to corruption	134-136, 138-143, 148-150
205-2	Communication and training about anti- corruption policies and procedures	144-146
205-3	Confirmed incidents of corruption and actions taken	138-143
GRI 206: Unfair competiti	on	
206-1	Legal actions related to unfair competition and monopolistic and anti-competitive behaviour	150-151 Note 18 Annual Accounts of Elecnor, S.A. and Subsidiaries
GRI 207: 2019 taxation		1
207-1	Explanation of the material topic and its boundary	153-157
207-2	The management approach and its components	153-157
207-3	Evaluation of the management approach	153-157
207-4	Country-by-country reporting	154-155 211
GRI 415: Public policy 20:	L6	
415-1	Contributions to political parties and/or representatives	148, 150-151
Resource efficiency		
3-3 Material topics		
3-3	Management of material topics	38, 91-98
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	92-93
302-2	Energy consumption outside the organisation	90
302-3	Energy intensity	92
302-4	Reduction of energy consumption	86-87
302-5	Reduction of energy requirements of products and services	90-91, 93
GRI 303: Water 2018		



303-1	Interactions with water as a shared resource	95	
303-3	Water withdrawal	95	
303-5	Water consumption	95	
GRI 306: 2020 waste			
306-1	Waste generation and material waste- related impacts	96	
306-2	Management of material waste-related impacts	96, 98	
306-3	Waste generated	96	
306-4	Waste not destined for disposal	97	
306-5	Waste destined for disposal	97	
Biodiversity			
3-3 Material topics		Ī	1
3-3	Management of material topics	38, 98-101	
GRI 304: Biodiversity 201			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside	98-101 200-201	
304-2	Significant impacts of activities, products, and services on biodiversity	98-101	
304-3	Habitats protected or restored	98-101	
304-4	Species on the IUCN Red List and on national conservation lists whose habitats are found in areas affected by the operations	202	
Climate change			
3-3 Material topics			
3-3	Management of material topics	38, 77-91	
GRI 201: Economic perfor	mance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	79-86	The financial implications of the risk or opportunity will be calculated in 2024, as well as the costs associated with the measures to be taken.
GRI 305: Emissions 2016		1	1
305-1	Direct (Scope 1) GHG emissions	88-90	
305-2	Energy indirect (Scope 2) GHG emissions	88-89	
305-3	Other indirect (Scope 3) GHG emissions	88-90	
305-4	GHG emissions intensity	89	
305-5	Reduction of GHG emissions	86-87	
Dialogue with communities			
3-3 Material topics			1
3-3	Management of material topics	38, 167-170	
GRI 203: Indirect econom	ic impacts 2016		



203-2	Significant indirect economic impacts	160-162, 167-169	
GRI 413: Local communiti	es 2016	1	
413-2	Operations with significant actual and potential negative impacts on local communities	167-169	
Local development			
3-3 Material topics		<del>,</del>	
3-3	Management of material topics	38, 157-167	
GRI 201: Economic perfor	mance 2016		
201-1	Direct economic value generated and distributed	158-160	
GRI 203: Indirect econom	ic impacts 2016		
203-1	Infrastructure investments and services supported	160-164	
GRI 204: Procurement pra	actices 2016		
204-1	Proportion of spending on local suppliers	159	
GRI 413: Local communiti	es 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	160-167	
Human rights			
3-3 Material topics			
3-3	Management of material topics	38, 138-143, 151-152	
GRI 406: Non-Discriminat	ion 2016		
406-1	Incidents of discrimination and corrective actions taken	57	
GRI 407: Freedom of asso	ciation and collective bargaining 2016		
407-1	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	138-143 151-152	
GRI 408: 2016 child labou	ır		
408-1	Operations and suppliers with a material risk of cases of child labour	138-143 151-152	
GRI 409: Forced or compu	ılsory labour 2016		
409-1	Operations and suppliers with a material risk of cases of forced or compulsory labour	138-143 151-152	
GRI 411: Rights of indiger	nous people	· '	
411-1	Cases of violations of indigenous peoples' rights	151-152	
Service quality and custor	ner focus		
3-3 Material topics			
3-3	Management of material topics	38, 72-74	
Digital transformation	Digital transformation		
3-3 Material topics			
3-3	Management of material topics	38, 111-113	
Data protection and cybersecurity			
3-3 Material topics		T T	
3-3	Management of material topics	113-114	



Sustainable finance						
3-3 Material topics						
3-3	3-3 Management of material topics 94					
<b>Corporate Governance</b>						
3-3 Material topics						
3-3	Management of material topics	122-133				

### 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	Training	Pages
	Describe the board's oversight of climate-related risks and opportunities	78-19
Governance	Describe management's role in assessing and managing climate-related risks and opportunities	78-19
	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	77-86
Strategy	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	77-86
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	77-86
	Describe the organisation's processes for identifying and assessing climate-related risks	79-80, 134-136
Risks	Describe the organisation's processes for managing climate-related risks	79-80, 134-136
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	79-80, 134-136



	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	86-87
Metrics	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	88-90
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance of these targets	77



### Elecnor, S.A.

Informe de verificación independiente Estado de Información No Financiera Consolidado 31 de diciembre de 2023



### Informe de verificación independiente

A los accionistas de Elecnor, S.A.:

De acuerdo al artículo 49 del Código de Comercio hemos realizado la verificación, con el alcance de seguridad limitada, del Estado de Información No Financiera Consolidado (en adelante EINF) correspondiente al ejercicio finalizado el 31 de diciembre de 2023, de Elecnor, S.A. (Sociedad dominante) y sociedades dependientes (en adelante Elecnor o el Grupo) que forma parte del informe de gestión consolidado adjunto de Elecnor.

El contenido del informe de gestión consolidado incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en las tablas "Anexo II: Índice de contenidos de la Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" y "Anexo III: Índice de contenidos GRI" incluidas en el informe de gestión consolidado adjunto.

#### Responsabilidad de los administradores de la Sociedad dominante

La formulación del EINF incluido en el informe de gestión consolidado de Elecnor, así como el contenido del mismo, es responsabilidad de los administradores de Elecnor, S.A. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente y conforme a los criterios de los *Sustainability Reporting Standards* de *Global Reporting Initiative* (estándares GRI) de acuerdo a lo mencionado para cada materia en las tablas "Anexo II: Índice de contenidos de la Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" y "Anexo III: Índice de contenidos GRI" del informe de gestión consolidado.

Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error.

Los administradores de Elecnor, S.A. son también responsables de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF.

### Nuestra independencia y gestión de la calidad

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código Internacional de Ética para Profesionales de la Contabilidad (incluidas las normas internacionales de independencia) del Consejo de Normas Internacionales de Ética para Profesionales de la Contabilidad (Código de ética del IESBA por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia y diligencia profesionales, confidencialidad y comportamiento profesional.

Nuestra firma aplica la Norma Internacional de Gestión de la Calidad (NIGC) 1, que requiere que la firma diseñe, implemente y opere un sistema de gestión de la calidad que incluya políticas o procedimientos relativos al cumplimiento de los requerimientos de ética, normas profesionales y reguerimientos legales y reglamentarios aplicables.





El equipo de trabajo ha estado formado por profesionales expertos en revisiones de Información no Financiera y, específicamente, en información de desempeño económico, social y medioambiental.

#### Nuestra responsabilidad

Nuestra responsabilidad es expresar nuestras conclusiones en un informe de verificación independiente de seguridad limitada basándonos en el trabajo realizado. Hemos llevado a cabo nuestro trabajo de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 Revisada en vigor, "Encargos de Aseguramiento distintos de la Auditoría o de la Revisión de Información Financiera Histórica" (NIEA 3000 Revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación sobre encargos de verificación del Estado de Información No Financiera emitida por el Instituto de Censores Jurados de Cuentas de España.

En un trabajo de seguridad limitada los procedimientos llevados a cabo varían en naturaleza y momento de realización, y tienen una menor extensión, que los realizados en un trabajo de seguridad razonable y, por lo tanto, la seguridad proporcionada es también menor.

Nuestro trabajo ha consistido en la formulación de preguntas a la dirección, así como a las diversas unidades de Elecnor que han participado en la elaboración del EINF, en la revisión de los procesos para recopilar y validar la información presentada en el EINF y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Reuniones con el personal de Elecnor, S.A. para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa.
- Análisis del alcance, relevancia e integridad de los contenidos incluidos en el EINF del ejercicio 2023 en función del análisis de materialidad realizado por Elecnor y descrito en el apartado "Temas materiales del Grupo Elecnor", considerando los contenidos requeridos en la normativa mercantil en vigor.
- Análisis de los procesos para recopilar y validar los datos presentados en el EINF del ejercicio 2023.
- Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación a los aspectos materiales presentados en el EINF del ejercicio 2023.
- Comprobación, mediante pruebas, en base a la selección de una muestra, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2023 y su adecuada compilación a partir de los datos suministrados por las fuentes de información.
- Obtención de una carta de manifestaciones de los administradores y la Dirección de la Sociedad dominante.

#### Conclusión

Basándonos en los procedimientos realizados en nuestra verificación y en las evidencias que hemos obtenido no se ha puesto de manifiesto aspecto alguno que nos haga creer que el EINF de Elecnor, S.A. y sociedades dependientes correspondiente al ejercicio anual finalizado el 31 de diciembre de 2023 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y conforme a los criterios de los estándares GRI de acuerdo a lo mencionado para cada materia en las tablas "Anexo II: Índice de contenidos de la Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" y "Anexo III: Índice de contenidos GRI" del informe de gestión consolidado.





#### Párrafo de énfasis

En base al Reglamento (UE) 2020/852 del Parlamento Europeo y del Consejo de 18 de junio de 2020 relativo al establecimiento de un marco para facilitar las inversiones sostenibles, así como en base a los Actos Delegados promulgados de conformidad con lo establecido en dicho Reglamento, se establece la obligación de divulgar información sobre la manera y la medida en que las actividades de la empresa se asocian a actividades económicas elegibles en relación con los objetivos medioambientales de uso sostenible y protección de los recursos hídricos y marinos, transición a una economía circular, prevención y control de la contaminación y protección y restauración de la biodiversidad y ecosistemas (el resto de objetivos medioambientales), y respecto de determinadas nuevas actividades incluidas en los objetivos de mitigación y adaptación al cambio climático, por primera vez para el ejercicio 2023, adicional a la información referida a actividades elegibles y alineadas ya exigida en el ejercicio 2022 en relación con los objetivos de mitigación del cambio climático y de adaptación al cambio climático. En consecuencia, en el EINF adjunto no se ha incluido información comparativa sobre elegibilidad en relación con el resto de los objetivos medioambientales anteriormente indicados ni con las nuevas actividades incluidas en los objetivos de mitigación del cambio climático y de adaptación al cambio climático. Por otra parte, en la medida en la que la información relativa al ejercicio 2022 no se requería con el mismo nivel de detalle que en el ejercicio 2023, en el EINF adjunto la información desglosada tampoco es estrictamente comparable. Adicionalmente, cabe señalar que los administradores de Elecnor, S.A. han incorporado información sobre los criterios que, en su opinión, permiten dar mejor cumplimiento a las citadas obligaciones y que están definidos en los apartados "Taxonomía europea de actividades económicas medioambientalmente sostenibles" del EINF adjunto. Nuestra conclusión no ha sido modificada en relación con esta cuestión.

### Uso y distribución

Este informe ha sido preparado en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

PricewaterhouseCoopers Auditores, S.L.

Sergio Mateos Orcajo

28 de febrero de 2024

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

2024 Núm. 01/24/00185 SELLO CORPORATIVO: 30,00 EUR

Sello distintivo de otras actuaciones

3



# ANNUAL CORPORATE GOVERNANCE REPORT 2023

### **ISSUER IDENTIFICATION DETAILS**

**Year end-date:** 31/12/2023

**TAX ID (NIF):** A-48027056

Company name: ELECNOR, S.A.

Registered office: c. del Marqués de Mondéjar, 33, 28028 Madrid



### ELECNOR, S.A. ANNUAL CORPORATE GOVERNANCE REPORT

#### FOR THE 2023 FINANCIAL YEAR

In compliance with the legal obligations and based on the standard form circulated by the CNMV (Spain's National Securities Market Commission), the Board of Directors of ELECNOR, S.A. (hereinafter "Elecnor" or the "Company") has prepared this Annual Corporate Governance Report (hereinafter the "Report") for the financial year ended 31 December 2023.

The Report was approved by the Company's Board of Directors at its meeting held on 28 February 2024 and shall immediately be notified and sent to the CNMV by electronic means for its dissemination.

The Report shall also be made available to the shareholders upon publication of the announcement of the call to meet at the Ordinary Shareholders' General Meeting to decide on approval of the Annual Financial Statements for the financial year ended 31 December 2023.



### A) OWNERSHIP STRUCTURE

No **坚** Yes □

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate.

Indicate whether company's Articles of Association contain the provision of double loyalty voting:

No 

Yes 
Date of approval at the Shareholders' General Meeting dd/mm/yyyy

Minimum period of uninterrupted ownership required under the Company's Articles of Association

Indicate whether the company has awarded votes for loyalty:

Date of last change of share capital	Share capital (€)	Number of shares	Number of voting rights (not including additional loyalty- attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
20/05/2009	8,700,000	87,000,000	87,000,000		

Number of shares entered on the special register pending completion of the loyalty period

Not applicable.

Indicate whether there are different classes of shares with different associated rights:

Yes □ No 🗷

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred



### A.2. List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attributed to the shares (including votes for loyalty)		company shares (including name of votes for lovalty)	% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect	
CANTILES XXI, S.L.	52.759%				52.759%			

### Breakdown of the indirect holding:

Name or mpany name the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares (including votes for loyalty)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote

### Indicate the most significant changes in the shareholder structure during the year:

On 26 June 2023, Mr Francisco García Paramés reported the loss of his status as a significant shareholder in Elecnor, S.A. to the CNMV as a result of having transferred a portion of his voting rights in the company, thus leaving him with an indirect holding of 2.940% in its share capital.

A.3. Give details of the participation at the close of the fiscal year of the members of the Board of Directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in section A.2 above:



Name or company name of director	attrib shares ( loyalty	ting rights uted to (including y votes)	% of voting rights through financial instruments		% of total voting rights	voting righ to the shar where app % of the votes a correspon shares wi	total % of ts attributed es, indicate, ropriate, the additional ttributed iding to the th a loyalty ote
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR JAIME REAL DE ASÚA ARTECHE	0.042%				0.042%		
MR IGNACIO PRADO REY- BALTAR	0.464%				0.464%		
MR MIGUEL CERVERA EARLE	0.164%	0.004%			0.169%		
MS ISABEL DUTILH CARVAJAL	0.010%				0.010%		
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	0.001%				0.001%		
MR CRISTÓBAL GONZÁLEZ DE AGUILAR ALONSO- URQUIJO	0.135%				0.135%		
MS IRENE HERNÁNDEZ ÁLVAREZ	0.007%				0.007%		
MR JUAN LANDECHO SARABIA	0.003%	0.082%			0.085%		
MR SANTIAGO LEÓN DOMECQ	0.414%				0.414%		
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA	0.025%				0.025%		
MR MIGUEL MORENÉS GILES		1.011%			1.011%		
MS FRANCISCA ORTEGA HERNÁNDEZ- AGERO	0.000%				0.000%		
MR RAFAEL PRADO ARANGUREN	0.148%				0.148%		
MR EMILIO YBARRA AZNAR	0.011%				0.011%		



### Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% of voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where applicable, the % of additional votes attributed corresponding to the shares with a loyalty vote

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of	55.281%
Directors	

#### **Observations**

Cantiles XXI, S.L. directly holds 52.759% of shares in Elecnor, S.A. and nine nominee directors represent it on the board, even though it does not directly have director status.

A.4. If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Not applicable.

A.5. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Not applicable.

A.6. Unless insignificant for both parties, describe the relationships that exist between significant shareholders or shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant



shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR JAIME REAL DE ASÚA ARTECHE	CANTILES XXI, S.L.		DEPUTY CHAIRMAN
MR IGNACIO PRADO REY BALTAR	CANTILES XXI, S.L.		
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO	CANTILES XXI, S.L.		CHAIRMAN
MR MIGUEL CERVERA EARLE	CANTILES XXI, S.L.		
MR CRISTÓBAL GONZÁLEZ DE AGUILAR ALONSO- URQUIJO	CANTILES XXI, S.L.		DIRECTOR
MR JUAN LANDECHO SARABIA	CANTILES XXI, S.L.		DIRECTOR
MR SANTIAGO LEÓN DOMECQ	CANTILES XXI, S.L.		
MR MIGUEL MORENÉS GILES	CANTILES XXI, S.L.		DIRECTOR
MR RAFAEL PRADO ARANGUREN	CANTILES XXI, S.L.		

A.7.	Indicate whether the company has been notified of any shareholders' agreements that
	may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish
	Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound
	by the agreement:

Yes □	No 🗷

Indicate whether the company is aware of any concerted actions among its shareholders. If so, please provide a brief description:

Yes No **⊻** 

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concerted action, if any



If any of the aforementioned agreements or the concerted actions have been amended or terminated during the year, indicate this expressly:

Not applicable.

A.8. Indicate whether any individual or company exercises, or may exercise, control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes **⊠** No □

Name or company name			
CANTILES XXI, S.L.			
,			

Observations		
In accordance with the provisions of Article 42 of the Commercial Code		

A.9. Complete the following tables with details of the company's treasury shares.

### At the close of the year

Number of direct shares	Number of indirect shares (□)	Total percentage of share capital
2,299,529		2.64%

### (\*) Through:

Name or company name of direct shareholder	Number of direct shares
Total:	

Explain any significant changes during the year:

There have been no significant changes. The only transactions involving the company's treasury shares were those conducted under the Liquidity Contract which the company entered into with Renta 4 Banco S.A., the quarterly details of which are duly reported to the CNMV pursuant to the provisions of Section 2b of the Fourth rule in Circular 1/2017.

A.10. Provide a detailed description of the conditions and terms of the effective authority given to the Board of Directors at the Shareholders' General Meeting to issue, repurchase, or dispose of treasury shares.



On 18 May 2022, at Elecnor's Shareholders' General Meeting a majority of holders present or represented and accounting for 96.83% of the company's share capital passed Resolution Eleven on the agenda, the literal transcription of which is as follows:

"It is hereby agreed by a majority to authorise the Board of Directors to acquire the Company's own shares on the part of the Company, or of the Controlled Companies, through purchase or any other transaction "inter vivos" for valuable consideration, in accordance with the provisions of Articles 146.1a and 509 of the Spanish Corporate Enterprises Act. It is authorised to acquire the number of shares at most which the Law and/or the mandatory legal provisions provide for at all times and which, at present, in addition to those already owned by the Company, whether directly or indirectly, constitute no more than 10% of its share capital. The acquisition price is to be at least the par value of the shares and no more than 30% above their traded value on the stock market, authorisation being for a period of five years.

This mandate could be used wholly or in part for the acquisition of own shares to pass or transfer to Executive Directors, or members of the Management team of either the Company or its group companies, or as a result of the exercise of option rights which they hold, which can be included within share buy-back programmes. Shares acquired by dint of this authorisation may be utilised, either wholly or in part, both for their disposal or redemption, or to implement potential corporate or business transactions or decisions, as well as for any other end permissible in law."

On the other hand, there is no current mandate from the Shareholders' General Meeting for Elecnor's Board of Directors to issue company shares.

### A.11. Estimated free float:

	%
Estimated free float	42.08%

A.12. Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes □ No 🗷

A.13. Indicate whether the Shareholders' General Meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes No **坚** 

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.



Yes No **⊠** 



### B) SHAREHOLDERS' GENERAL MEETING

B.1.	Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for Shareholders' General Meetings and the quorum set by the company, and if so, give details.
	Yes □ No 区
B.2.	Indicate whether there are any differences between the company's manner of passing corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details.
	Yes □ No 区
B.3.	Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.
	rules are contained in Article 11 of the Company's Articles of Association and in Article he Regulations of the Shareholders' General Meeting.
Associa	to the Shareholders' General Meeting to pass resolutions to amend the Articles of ation pursuant to Article 2 bis.d of the Regulations of the Shareholders' General Meeting, he rules that apply to amendment of the Company's Articles of Association are those

which the Spanish Corporate Enterprises Act lays down.

In regard to the majorities required to amend them, it shall be necessary for there to be shareholders present or represented by proxy at first call who account for at least 50% of the subscribed capital hearing voting rights, in which case an absolute majority shall suffice for the

shareholders present or represented by proxy at first call who account for at least 50% of the subscribed capital bearing voting rights, in which case an absolute majority shall suffice for the resolution to be passed. At the second call, it will be enough for those accounting for at least 25% of such capital to attend, in which case voting in favour by two-thirds of those present or represented at the Shareholders' General Meeting shall be required if the subscribed capital with voting rights that is spoken for does not reach the 50% mark (Articles 11 of the Company's Articles of Association and 13 of the Regulations of the Shareholders' General Meeting).

Shareholders' rights at Shareholders' General Meeting are as the Spanish Corporate Enterprises Act stipulates and these are reflected in Articles 4, 5, 11 and 13.b of the Regulations of the Shareholders' General Meeting.

In particular, the Board must draft the full text of the amendment to the Articles of Association which it proposes, as well as a report which justifies it.



The announcement of the call to the Shareholders' General Meeting must also clearly articulate the points to be amended and state the right of all shareholders to examine both the full text of the proposed amendment and the report on it at the corporate registered office, as well as to ask for these documents to be delivered or sent free of charge or to consult them on the company website, where they shall be continuously available from publication of the announcement of the call to meet up to the staging of the Shareholders' General Meeting.

Shareholders shall also have those rights to be informed which they are ordinarily granted for any Shareholders' General Meeting, namely (i) the right to information before it is held (from publication of the call to meet and up to the fifth day before it is held any shareholder can write requesting information or clarifications from the directors or ask any questions on the matters in the agenda which they consider relevant, while they can also request any explanations thought necessary on the information available to the public which the company has provided for the CNMV since the previous Shareholders' General Meeting was held), which the directors must furnish in writing up until the day when the Shareholders' General Meeting is held except in certain circumstances, as well as (ii) the right to information in the course of the actual Shareholders' General Meeting .

Without prejudice to this, the Board has competence to change the corporate address within Spanish territory pursuant to Articles 285.2 of the Spanish Corporate Enterprises Act and 3 of the Company's Articles of Association. This resolution is to be passed by an absolute majority of the Board members in attendance or represented at the meeting (Article 16 of the Board Regulations).

### B.4. Give details of attendance at Shareholders' General Meetings held during the reporting year and the two previous years.

	Attendance data				
Date of Shareholders'	% physical % present by proxy	0/2 procent	% distance voting		
General Meeting		•	Electronic voting	Other	Total
23/06/2021	4.68	74.14	0.06	1.43	80.31
Of which free float:	1.06	17.53	0.06	1.43	20.08
18/05/2022	6.62	77.48	0.04	0.26	84.40
Of which free float:	1.45	21.55	0.04	0.26	23.30
17/05/2023	5.85	76.53	0.00	0.16	82.53
Of which free float:	0.91	19.42	0.00	0.16	20.49

#### **Observations**

For the second consecutive year, the Ordinary Shareholders' General Meeting of 2023 was held, on second call, and in "hybrid" form, meaning that this involved both physical and remote attendance by shareholders and their proxy representatives.

The voting by shareholders present and attending via remote means has therefore been included in the "electronic voting" column and that by those being represented by proxy attending remotely in the "% present by proxy" column.



B.5.	Indicate whether any point on the agenda of the Shareholders' General Meetings during the year was not approved by the shareholders for any reason.			
	Yes □	No	E	
	Items on the agenda not approved		% vote a	against
B.6.	Indicate whether the articles of incorminimum number of shares to attend remotely:			
	Yes <b>⊻</b>	No		
ľ	Number of shares required to attend Shareholders' General Meetings		10	
N	Number of shares required for voting remotely		10	
B.7.	Indicate whether it has been establis established by law, entailing an acq company of essential assets or other sir for approval to the Shareholders' Gener	uisition, milar cor ral Meet No	disposal or contril rporate transactions ing.	bution to another must be submitted
Expla	ain the decisions that must be submit other than those o			General Meeting,
B.8.	Indicate the address and manner of ac on corporate governance and other Meetings that must be made available t	informa	tion regarding Shar	reholders' General
Generand Ir	ormation concerning both the Corporate (cal Meetings is available through the "Corporestors" section of its website at www.g	orate Go	overnance" section of	the "Shareholders



### C) STRUCTURE OF THE COMPANY'S ADMINISTRATION

### C.1. BOARD OF DIRECTORS.

C.1.1. Maximum and minimum number of directors established in the articles of incorporation and the number set by the Shareholders' General Meeting.

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the	14
Shareholders' General Meeting	14

C.1.2. Complete the following table on Board members



Name or company name of director	Repr.	Category of director	Position on the Board	Date first appointed	Date of last appointment	Election procedure	Date of birth
MR JAIME REAL DE ASÚA ARTECHE		Nominee	Chairman	19/12/2001	18/05/2022	Resolution Shareholders' General Meeting	09/09/1954
MR IGNACIO PRADO REY- BALTAR		Nominee	Deputy Chairman	01/06/2018	18/05/2022	Resolution Shareholders' General Meeting	21/08/1952
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA		Executive	Board Member and CEO	18/05/2011	23/06/2021	Resolution Shareholders' General Meeting	27/01/1958
MR CRISTÓBAL GONZÁLEZ DE AGUILAR ALONSO- URQUIJO		Nominee	Deputy Secretary	18/03/2015	17/05/2023	Resolution Shareholders' General Meeting	23/11/1954
MR MIGUEL CERVERA EARLE		Nominee	Board Member	25/10/2017	18/05/2022	Resolution Shareholders' General Meeting	29/09/1963
MS ISABEL DUTILH CARVAJAL		Independent	Board Member	20/05/2015	17/05/2023	Resolution Shareholders' General Meeting	13/09/1963
MR JOAQUÍN GÓMEZ DE OLEA MENDARO		Nominee	Board Member	15/10/2009	20/05/2020	Resolution Shareholders' General Meeting	02/05/1964
MS IRENE HERNÁNDEZ ÁLVAREZ		Independent	Board Member	01/06/2018	18/05/2022	Resolution Shareholders' General Meeting	03/01/1965
MR JUAN LANDECHO SARABIA		Nominee	Board Member	05/10/2005	18/05/2022	Resolution Shareholders' General Meeting	04/08/1956
MR SANTIAGO LEÓN DOMECQ		Nominee	Board Member	28/10/2020	23/06/2021	Resolution Shareholders' General Meeting	27/01/1958
MR MIGUEL MORENÉS GILES		Nominee	Board Member	23/07/1987	18/05/2022	Resolution Shareholders' General Meeting	03/03/1948
MS FRANCISCA ORTEGA HERNÁNDEZ- AGERO		Independent	Board Member	18/05/2022	18/05/2022	Resolution Shareholders' General Meeting	26/12/1962
MR RAFAEL PRADO ARANGUREN		Nominee	Board Member	18/11/1993	18/05/2022	Resolution Shareholders' General Meeting	27/06/1965
MR EMILIO YBARRA AZNAR		Independent	Board Member	20/05/2015	17/05/2023	Resolution Shareholders' General Meeting	12/07/1964



TOTAL NUMBER OF DIRECTORS	14

Indicate any cessations, whether through resignation or by resolution of the Shareholders' General Meeting, that have taken place from the Board of Directors during the reporting period:

Name or company name of director	Category of director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office

Reason for the cessation when this occurs before the end of the term of office and other remarks; information on whether the director has sent a letter to the remaining Board members and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the Shareholders' General Meeting

C.1.3. Complete the following tables on the members of the board and their categories.



### **EXECUTIVE DIRECTORS**

Name or	Post in	
company name	organisation chart	Profile
of director	of the company	
Mr Rafael Martín de Bustamante Vega	CEO	PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: CEO Category: Executive Committees: Member of the Executive Committee (18/03/2015). Dates of appointment and re-election as a director of Elecnor, S.A.: - First appointment: 18/05/2011 - 1st re-election: 16/05/2017 - 2nd re-election: 23/06/2021 First appointed CEO: 18/05/2011  Holding in the share capital of Elecnor, S.A.: • Direct: 0.025% • Indirect: 0.000%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES  ELECNOR GROUP: • Joint Director of ELECNOR SERVICIOS Y PROYECTOS, S.A.U. authorised to represent it alone. • Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U. • Director of CELEO CONCESIONES E INVERSIONES, S.L. • Member of the advisory board of the ELECNOR FOUNDATION.
		PREVIOUS PROFESSIONAL CAREER
		ELECNOR GROUP:  • General Manager  • General Manager of Networks and Installations  • General Management Director  • International Sales Management  • National Sales Management.
		OUTSIDE THE ELECNOR GROUP: President of ADEMI (Association of Industrial Assembly Companies)
		ACADEMIC TRAINING  Degree in Physics from the UNED Diploma in the PADE Programme from the IESE Business School of the University of Navarra (Spain) Languages: English and French.

Total number of executive directors	1
Percentage of Board	7.14%



### EXTERNAL PROPIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr Jaime Real de Asúa Arteche	CANTILES XXI, S.L.	PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: Chairman (01/01/2017) Category: Proprietary Committees: Chairman of the Executive Committee (18/01/2017). Secretary of the Appointments, Remunerations and Sustainability Committee (07/04/2015). Dates of appointment and re-election as a director of Elecnor, S.A.: First appointment: 19/12/2001 - 1st re-election: 20/06/2003 - 2nd re-election: 23/06/2006 - 3rd re-election: 23/05/2012 - 4th re-election: 18/05/2012 - 4th re-election: 18/05/2022 Holding in the share capital of Elecnor, S.A.: Direct: 0.042% Indirect: 0.042% Indirect: 0.000% OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES ELECNOR GROUP: Chairman of the Committee of ELECNOR SERVICIOS Y PROYECTOS, S.A.U. Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U. OUTSIDE THE ELECNOR GROUP: VISCOFAN, S.A.: Director, Deputy Chairman of the Board, and Chairman of the Appointments, Remunerations and Sustainability Committee CANTILES XXI, S.L.: Director and Deputy Chairman of the Board BBVA: Member of the Advisory Board for North Zone CÍRCULO DE EMPRESARIOS: Member ADEY FOUNDATION: Trustee RACAZ SEIS, S.L.: Joint and Several Director ONCHENA, S.L.: Director PREVIOUS PROFESSIONAL CAREER ELECNOR GROUP: Deputy Chairman of the Board of Directors Director of CELEO CONCESIONES E INVERSIONES, S.L. OUTSIDE THE ELECNOR GROUP:



Mr Ignacio Prado Rey-Baltar	CANTILES XXI, S.L.	PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: Deputy Chairman (01/06/2018) Category: Proprietarry Committees:  • Member of the Audit Committee (01/06/2018) • Member of the Executive Committee (23/09/2020) Dates of appointment and re-election as a director of Elecnor, S.A.:  • First appointed: 01/06/2018  • 1st re-election: 18/05/2022 Holding in the share capital of Elecnor, S.A.:  • Direct: 0.464%  • Indirect: 0.000%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES  ELECNOR GROUP: Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  OUTSIDE THE ELECNOR GROUP: Director of GRUPO CELULOSAS MOLDEADAS, S.L.  PREVIOUS PROFESSIONAL CAREER  ELECNOR GROUP:  • Deputy General Manager of Assets of subsidiaries  • Director of Interior subsidiaries  • Director of Human Resources  • Technology and New Products. Gas and Water  • Gas Delegation.  • Member and Secretarry of the Board of Trustees of the ELECNOR FOUNDATION.  OUTSIDE THE ELECNOR GROUP:  • Prado Hnos., S.A.: Administrative Financial Director  • Assistant to the Administrative Financial Director
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CANTILES XXI, S.L.	PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: Board Member Category: Proprietary Committees:  • Member of the Executive Committee (18/05/2022) Dates of appointment and re-election as a director of Elecnor, S.A.:  • First appointed: 15/10/2009  • 1st re-election: 18/05/2010  • 2nd re-election: 20/05/2016  • 3rd re-election: 20/05/2020 Holding in the share capital of Elecnor, S.A.:  • Direct: 0.001%  • Indirect: 0.115%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES  ELECNOR GROUP:  • Board Member of CELEO CONCESIONES E INVERSIONES, S.L.  • Secretary-Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  OUTSIDE THE ELECNOR GROUP: Director and Chairman of the Board of CANTILES XXI, S.L.  PREVIOUS PROFESSIONAL CAREER  ELECNOR GROUP: Secretary to the Board of Directors of ELECNOR, S.A.  OUTSIDE THE ELECNOR GROUP:  • Director of TUBOS REUNIDOS  • Member of the Appointments and Remunerations Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member of the Audit Committee of TUBOS REUNIDOS  • Member Industrial Engineer qualifying at the School of
	Industrial Engineer qualifying at the School of Industrial Engineers, Madrid (U.P.M.)     Languages: English.
	CANTILES XXI, S.L.



	I	T
		PROFESSIONAL AND BIOGRAPHICAL PROFILE
		Position: Director
		Category: Proprietary
		Committees: Member of the Executive Committee
		(01/06/2018)
		Dates of appointment and re-election as a director of Elecnor, S.A.:
		- First appointment: 18/03/2015
		• 1st re-election: 22/05/2019
		• 2nd re-election: 17/05/2023
		Appointed Deputy Secretary: 20/01/2016
		Holding in the share capital of Elecnor, S.A.:
		• Direct: 0.135%
		• Indirect: 0.000%
		OTHER CURRENT POSITIONS AND PROFESSIONAL
		ACTIVITIES
		ELECNOR GROUP: Director of ENERFÍN SOCIEDAD DE
		ENERGÍA, S.L.U.
		OUTSIDE THE ELECNOR GROUP: Alternate Director of
Mr Cristóbal	CANTILEC VVI CI	CANTILES XXI, S.L.
González de Aguilar Alonso-Urquijo	CANTILES XXI, S.L.	,
Alonso-orquijo		PREVIOUS PROFESSIONAL CAREER
		FLECNOR CROUD, Diverton of CELEO CONCECTONES E
		ELECNOR GROUP: Director of CELEO CONCESIONES E INVERSIONES, S.L.
		OUTSIDE THE ELECNOR GROUP:
		Director of ELECDEY, S.L.
		CEO of Ingeniería, Estudios y Proyectos NIP, S.A.
		Management of the Sales Department at Ingeniería,
		Estudios y Proyectos NIP, S.A.
		Operations department (Seville Airport), AENA.
		ACADEMIC TRAINING
		Higher Aeronautical Engineer from the School of
		Aeronautical Engineering of the Polytechnic University of
		Madrid
		Upper Level Diploma from The British Institute in Madrid      Diploma in Business Administration Corporate Finance
		Diploma in Business Administration, Corporate Finance     and Stock Market Analysis from CEPADE at the
		and Stock Market Analysis from CEPADE at the Polytechnic University of Madrid
		Management Development Programme (PDD) from the
		IESE Business School of the University of Navarra.
		Languages: English and French.



Position: Board Member Category: Proprietary Committees: Member of the Appointments, Remunerations and Sustainability Committee (24/03/2021) Dates of appointment and re-election as a director of Elecony. S.A.: First appointed: 25/10/2017 Ist re-election: 18/05/2022 Holding in the share capital of Elecnor, S.A.: Direct: 0.164% Indirect: 0.004%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES  ELECNOR GROUP: Deputy Secretary of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  OUTSIDE THE ELECNOR GROUP: Director of Maria del Mar Manca S.L. Director of Inversiones S. L. Director of Inversiones Berretin, S.L.  PREVIOUS PROFESSIONAL CAREER  OUTSIDE THE ELECNOR GROUP: Founder and Managing Director of Solución Dental, S.L. Founder and Managing Director of Solución Salud, S.L. Founder and Managing Director of Solución Salud, S.L. Director of Ingeniería, Estudios y Proyectos NIP, S.A. Founder and Partner of SMI España Infoclinic Founder and Partner of Mirco Ltd.		
ACADEMIC TRAINING     Graduate of the Centro de Estudios Informáticos (Madrid).     Master's degree in business programming from SPHINX, Ltd. (London)     MP - Programme for Directors. Keys to successfully tackle the new challenges facing Boards of Directors. ESADE BUSINESS SCHOOL MADRID.	CANTILES XXI, S.L.	Category: Proprietary Committees: Member of the Appointments, Remunerations and Sustainability Committee (24/03/2021) Dates of appointment and re-election as a director of Elecnor, S.A.:  First appointed: 25/10/2017  1st re-election: 18/05/2022 Holding in the share capital of Elecnor, S.A.:  Direct: 0.164%  Indirect: 0.004%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES  ELECNOR GROUP: Deputy Secretary of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  OUTSIDE THE ELECNOR GROUP: Director of Maria del Mar Manca S.L. Director of Clonsila Inversiones S. L. Director of Inversiones Berretin, S.L.  PREVIOUS PROFESSIONAL CAREER  OUTSIDE THE ELECNOR GROUP: Founder and Managing Director of Solución Dental, S.L. Founder and Managing Director of Solución Salud, S.L. Director of Ingeniería, Estudios y Proyectos NIP, S.A. Founder and Partner of SMI España Infoclinic Founder and Partner of SMI España Infoclinic Founder and Partner of Mirco Ltd. Director of Echepolita S.L.  ACADEMIC TRAINING Graduate of the Centro de Estudios Informáticos (Madrid). MB- Programme for Directors. Keys to successfully tackle the new challenges facing Boards of Directors. ESADE
Languages: English.		• Languages: English.



		PROFESCIONAL AND PLOCRAPHICAL PROFES
		PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: Director
		<u>Category:</u> Proprietary
		Committees: N/A
		Dates of appointment and re-election as a director of
		Elecnor, S.A.:
		• First appointed: 05/10/2005
		• 1st re-election: 23/05/2012
		• 2nd re-election: 01/06/2018
		- 3rd re-election: 18/05/2022
		Holding in the share capital of Elecnor, S.A.:  • Direct: 0.003%  • Indirect: 0.082%
		OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES
		ELECNOR GROUP: Director of ENERFÍN SOCIEDAD DE
		ENERGÍA, S.L.U.
Mr Juan Landecho	CANTILES XXI, S.L.	OUTSIDE THE ELECNOR GROUP: Director of CANTILES XXI,
Sarabia		S.L.
		PREVIOUS PROFESSIONAL CAREER
		ELECNOR GROUP:
		Manager in several departments of Elecnor, S.A.
		Worked, at INTERNACIONAL DE DESARROLLO
		ENERGÉTICO, S.A.
		OUTSIDE THE ELECNOR GROUP:
		<ul> <li>Director of Ingeniería, Estudios y Proyectos NIP, S.A.</li> <li>Director and Vice President of the Club de Exportadores e</li> </ul>
		Inversores
		Director of CELEO CONCESIONES E INVERSIONES, S.L.
		Director and member of the Board Committee of the
		Association of Manufacturers of Capital Goods 'SERCOBE'
		Credit Suisse
		• Electrowatt Ingeniería.
		ACADEMIC TRAINING
		Degree in Economics and Business Administration from the Universided Pentificial de Consilles, ICARE 3.
		the Universidad Pontificia de Comillas, ICADE 2 • Languages: English.
		- Languages, Linglish.



		DROCECCIONAL AND DIOCRADUICAL DROCTLE
		PROFESSIONAL AND BIOGRAPHICAL PROFILE
		Position: Director
		Category: Proprietary
		Committees: N/A Dates of appointment and re-election as a director of
		Elecnor, S.A.: - First appointment: 28/10/2020
		Holding in the share capital of Elecnor, S.A.:
		• Direct: 0.414%
		• Indirect: 0.000%
		OTHER CURRENT POSITIONS AND PROFESSIONAL
		ACTIVITIES
		ELECNOR GROUP: Director of ENERFÍN SOCIEDAD DE
		ENERGÍA, S.L.U.
		OUTSIDE THE ELECNOR GROUP:
		Director of PROBIGRAF, S.L.
		Director and Secretary of the Board of JUVER XXI, S.L.
		Director and Chairman of the Board of BODEGAS LEON
		DOMECQ, S.L.
		Sole director of SAUCILLO, S.L.
		Sole director of MALUZA, S.L.
Mr Santiago León		Sole director of AOBAN 27, S.L.
Domecq	CANTILES XXI, S.L.	Sole director of MEGALER XXI, S.L.
Domecq		Director of F LEON MANJON, S.L.
		Director of AGROPECUARIA DEL TREVEGIL, S.L.
		PREVIOUS PROFESSIONAL CAREER
		FLECTION CROUD, Director of DEIMOC CRACE, C. I. II.
		ELECNOR GROUP: Director of DEIMOS SPACE, S.L.U.
		OUTSIDE THE ELECNOR GROUP:
		Director of Ingeniería, Estudios y Proyectos NIP, S.A.     Director of El ECDEY, S.L.
		Director of ELECDEY, S.L.     Director of ELECDEY CARCELERN S.L.
		Director of ELECDEY CARCELERN, S.L.     Director of ELECDEY ASSOCY S.A.
		Director of ELECDEY ASCOY, S.A.     High Not Worth Agent at BANKINTED
		High Net Worth Agent at BANKINTER     Chairman of VOLVO TUDISMOS LA BAZA
		Chairman of VOLVO TURISMOS LA RAZA  To without a Division of Division Republicant RANESTO  To without a Division RanesTo Republicant RANESTO  To without a Division RanesTo Rane
		Territorial Director of Private Banking at BANESTO      Divertor of CONTIFORM C.A.
		Director of CONTIFORM, S.A.  Paratte Chairman of CHASE MANUATTAN BANK
		Deputy Chairman of CHASE MANHATTAN BANK  OF THE PROPERTY AND LICENSE AND
		Director of JEREZ INDUSTRIAL, S.A.      ORAFICARTÓN, S.A.
		Director of GRAFICARTÓN, S.A.
		Director of EUROPAPEL, S.A.
		Manager of MANUFACTURERS HANOVER TRUST CO.
		ACADEMIC TRAINING
		Law degree, University of Cadiz
		MBA, University of Cadiz
		Languages: English.



		PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: Board Member Category: Proprietary Committees:  • Member of the Executive Committee (18/03/2015)  • Secretary of the Audit Committee (01/06/2018) Dates of appointment and re-election as a director of Elecnor, S.A.: First appointed 23/07/1987  • 1st re-election: 21/06/1991  • 2nd re-election: 27/06/1996  • 3rd re-election: 18/06/1998  • 4th re-election: 20/06/2003  • 5th re-election: 23/06/2006  • 6th re-election: 23/05/2012  • 7th re-election: 01/06/2018  • 8th re-election: 18/05/2022  Holding in the share capital of Elecnor, S.A.:  • Direct: 0.000%  • Indirect: 1.011%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES
		ELECNOR GROUP:  • Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  • Non-executive Chairman of CELEO CONCESIONES E INVERSIONES, S.L.
		OUTSIDE THE ELECNOR GROUP:
Mr Miguel Morenés Giles	CANTILES XXI, S.L.	<ul> <li>Director of CANTILES XXI, S.L.</li> <li>Chairman of the Board of Directors of Fincas Cultivadas S.L.</li> <li>Agrícola Capdepon S.L. Individual representing the Administrator of Fincas Cultivadas</li> <li>Director of Acerca Partners S.L.</li> <li>Director of Kerow Inversiones S.L.</li> <li>Director of Inversiones Transitorias con Inmuebles S.L.</li> <li>Director of Eguiluz Equipamientos S.L.</li> <li>Director of Edificios Eguiluz S.L.</li> </ul>
		PREVIOUS PROFESSIONAL CAREER
		OUTSIDE THE ELECNOR GROUP:  Confide Residencial, S.L.: Director Strategic Adviser for several companies Freigel Foodsolutions, S.A.: Chairman and CEO Grupo Agrovic Alimentación: Director and CEO Tinamenor, S.A.: Chairman and CEO Constructora Internacional, S.A.: Deputy Managing Director Williams & Humbert, S.A.: Director of the International Division Garvey, S.A.: Deputy General Manager and Assistant to the Managing Director.
		ACADEMIC TRAINING  Graduate in Political, Economic and Business Sciences, specialising in Business, from the Complutense University of Madrid  Masters in Economics and Business Management (MED) at the Instituto de Estudios Superiores de la Empresa (IESE) of the University of Navarra in Barcelona  Senior Business Management Programme (PADE) at the Instituto de Estudios Superiores de la Empresa (IESE) of the University of Navarra in Barcelona



		Languages: English and French.
Mr Rafael Prado Aranguren	CANTILES XXI, S.L.	PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: Board Member Category: Proprietary Committees: N/A Dates of appointment and re-election as a director of Elecnor, S.A.: First appointed: 18/11/1993 1st re-election: 27/06/1996 2nd re-election: 18/06/1998 3rd re-election: 20/06/2003 4th re-election: 23/05/2012 6th re-election: 23/05/2012 6th re-election: 18/05/2022 Holding in the share capital of Elecnor, S.A.: Direct: 0.158% Indirect: 0.000%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES  ELECNOR GROUP: Director of ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.  OUTSIDE THE ELECNOR GROUP: Director and Founding Partner of Servicio y Asesoramiento de Riesgos Empresariales, S.L. (SARE, S.L. Insurance Brokerage) Director and Founding Partner at Sarelan Consultores, S.L. Member of the Board of Directors and Secretary of Team Ingeniería y Consultoría, S.L.
		PREVIOUS PROFESSIONAL CAREER
		ELECNOR GROUP:  • Secretary of the Board of Directors  • Member of the Audit Committee  • Chairman of the Equity Committee of Subsidiaries  • Board Member of CELEO CONCESIONES E INVERSIONES, S.L.
		OUTSIDE THE ELECNOR GROUP: Held various positions of responsibility at the firms Alexander & Alexander and AON Gil & Carvajal
		ACADEMIC TRAINING     Graduate in Economics and Business Studies from the Complutense University of Madrid, specialising in Auditing within Business Studies     Studies completed entirely at CUNEF     Diploma as a Qualified Insurance Broker.     Languages: English.

Total number of nominee directors	9
Percentage of Board	64.29%



# EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
Ms Isabel Dutilh Carvajal	PROFESSIONAL AND BIOGRAPHICAL PROFILE Position: Board Member Category: Independent Committees:  • Member of the Audit Committee (17/06/2015)  • Member of the Appointments, Remunerations and Sustainability Committee (17/06/2015).  Dates of appointment and re-election as a director of Elecnor, S.A.:  • First appointed: 20/05/2015  • 1st re-election: 22/05/2019  • 2nd re-election: 17/05/2023  Holding in the share capital of Elecnor, S.A.:  • Direct: 0.010%  • Indirect: 0.000%  OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES  OUTSIDE THE ELECNOR GROUP:  • Founding partner of Argali Abogados, S.L., a law firm specialising in M&A  • Independent Board Member of Millennium Hospitality Real Estate SOCIMI, member of the Appointments and Remunerations Committee and Chair of the Audit Committee  • Independent director of Banco de Alcalá, S.A., Chair of the Appointments and Remunerations Committee, and member of the Audit and Supervisory Committee  • Chair of the Legal Security working group of the Círculo de Empresarios • Arbitrator.
	PREVIOUS PROFESSIONAL CAREER
	ELECNOR GROUP: Chair of the Audit Committee.
	OUTSIDE THE ELECNOR GROUP:  • Founding partner and Board Member of the multidisciplinary business law firm DUTILH ABOGADOS  • Secretary of the Board of Directors and of the Executive Committee of Prosegur  • Secretary of the Board of Directors and of the Audit Committee of Bodaclick  • Secretary of the Board of Directors of several unlisted companies.
	ACADEMIC TRAINING  Degree in Law, CEU, Complutense University  Masters in Maritime Business, ICADE Spanish Maritime Institute  Masters in Maritime Law (LLM), University of Cardiff, Wales  Leadership in law firms, Harvard.  Languages: English and French.



## PROFESSIONAL AND BIOGRAPHICAL PROFILE

<u>Position:</u> Director <u>Category:</u> Independent

<u>Committees:</u> member of the Audit Committee (01/06/2018)

<u>Dates of appointment and re-election as a director of Elecnor, S.A.:</u>

First appointed: 01/06/20181st re-election: 18/05/2022

Holding in the share capital of Elecnor, S.A.:

Direct: 0.007%Indirect: 0.000%

# OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES

OUTSIDE THE ELECNOR GROUP:

- Founding Partner of Impulsa Capital, S.L.
- Coordinating Director; Chair of the Appointments, Remunerations and Sustainability Committee, and both member and Secretary of the Audit Committee of Saint Croix Holding Immobilier SOCIMI, S.A.
- Coordinating Director, member of the Executive Committee, Chair of the Audit Committee and member of the Appointments and Remunerations Committee of ENCE ENERGÍA Y CELULOSA, S.A.

# PREVIOUS PROFESSIONAL CAREER

<u>ELECNOR GROUP:</u> Chair of the Audit Committee. <u>OUTSIDE THE ELECNOR GROUP:</u> J.P. Morgan.

# **ACADEMIC TRAINING**

- ICADE, Madrid
- Extraordinary End of Degree Award E-2 in Economics and Business Studies
- Second National Economics Prize
- Carlos Cubillo Valverde Award (6th edition), sponsored by Price Waterhouse.
- Languages: English.

Ms Irene Hernández Álvarez



## PROFESSIONAL AND BIOGRAPHICAL PROFILE

<u>Position:</u> Board Member <u>Category:</u> Independent

Committees:

 Chairman of the Appointments, Remunerations and Sustainability Committee (22/05/2019)

Dates of appointment and re-election as a director of Elecnor, S.A.:

First appointed: 20/05/20151st re-election: 22/05/20192nd re-election: 17/05/2023

Holding in the share capital of Elecnor, S.A.:

Direct: 0.011%Indirect: 0.000%

# OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES

#### OUTSIDE THE ELECNOR GROUP:

- Director and Deputy Chairman of the Board of Tubos Reunidos
- Founding partner and sole director of Kemet Corner, S.L.
- Director and Chairman of MEZOUNA S.L.

## **PREVIOUS PROFESSIONAL CAREER**

#### Mr Emilio Ybarra Aznar

#### **ELECNOR GROUP:**

- Coordinating Director for the Chairman
- · Member of the Audit Committee.

#### OUTSIDE THE ELECNOR GROUP:

- GRUPO VOCENTO:
  - General Manager of Communications and Institutional Relations at Vocento
  - Chairman of Commercial Multimedia Vocento
  - Deputy Chief Executive Officer and General Manager of Development at Diario ABC
  - General Manager of Diario El Correo, Bilbao
  - General Manager at Diario La Rioja
  - Marketing Director at CM XXI
  - Deputy Sales Representative at Grupo Correo.
- GRUPO PRISA: international growth area.
- J.P. MORGAN: Analyst in Corporate Finance (Madrid, New York and London).

# **ACADEMIC TRAINING**

- Degree in Law, Complutense University of Madrid
- Certificate in Business Administration and Management. Harvard University, Boston
- Senior Management Programme (PADE), IESE Madrid.
- Languages: English.



#### PROFESSIONAL AND BIOGRAPHICAL PROFILE

<u>Position:</u> Board Member <u>Category:</u> Independent

<u>Committees:</u> Chair of the Audit Committee (17/05/2023).

Dates of appointment and re-election as a director of Elecnor, S.A.:

• First appointed: 18/05/2022

Holding in the share capital of Elecnor, S.A.:

• Direct: 0.000%

• Indirect: 0.000%

#### OTHER CURRENT POSITIONS AND PROFESSIONAL ACTIVITIES

## OUTSIDE THE ELECNOR GROUP:

- MERLIN PROPERTIES SOCIMI S.A.:
  - Board Member
  - Member of the Audit Committee
  - Member of the Sustainability and Innovation Committee.
- Board Member at PBI GESTIÓN Agencia de Valores S.A.
- Joint director at Retumba, S.L. with powers to represent it alone.

#### **PREVIOUS PROFESSIONAL CAREER**

**OUTSIDE THE ELECNOR GROUP:** 

Ms Francisca Ortega Hernández-Agero

- BANCO SANTANDER
  - Head of Global Credit Watch
  - Head of Acquisition Finance, and Head of the Structured Finance Monitoring and Management Control Area
  - Corporate & Investment Banking Risk Manager.
- SAREB ("Sociedad de Gestión de Activos procedentes de la Reestructuración Bancaria", the "bad bank" for the Spanish government):
  - Board Member
  - Member of the Audit Committee
  - Member of Support Committees
- METROVACESA S.A.:
  - Board Member
  - Member of the Audit Committee
- DEVA CAPITAL ADVISORY: Joint and Several Director
- PBI GESTION Agencia de Valores S.A.: CFO and Fund Manager
- CAJA NAVAL DE CRÉDITO: Head of the Risk and Investment Department.

# **ACADEMIC TRAINING**

- Degree in Economics and Business Administration from CUNEF
- MBA, IESE.
- Languages: English.

Total number of independent directors	4
Percentage of Board	28.57%

Indicate whether any director classified as independent receives from the company, or any company in its group, any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company, or any company in its group, during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.



Name or company name of director	Description of the relationship	Reasoned statement

# **OTHER EXTERNAL DIRECTORS**

Identify the other external directors, indicate the reasons why they cannot be considered either nominee or independent, and detail their ties with the company or its management or shareholders.

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile

Total number of other external directors	0
Percentage of Board	0%

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category		

C.1.4. Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each.



	<u>Nun</u>	nber of fe	male direc	tors :	% of total directors for each category					
	<u>Year</u> <u>2023</u>	<u>Year</u> <u>2022</u>	<u>Year</u> <u>2021</u>	<u>Year</u> <u>2020</u>	<u>Year</u> <u>2023</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>		
Executive	0	0	0	0	0%	0%	0%	0%		
Proprietary	0	0	0	0	0%	0%	0%	0%		
Independent	3	3	2	2	75%	75%	66.66%	66.66%		
Other External	0	0	0	0	0%	0%	0%	0%		
Total:	3	3	2	2	21.43%	21.43%	13.33%	13.33%		

C.1.5. Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish auditing act, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes   No □ Partial policies □

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remunerations committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

# Description of policies, objectives, measures and how they have been applied, and results achieved

On 22 November 2017, the Board of Directors approved the "Policy for the Selection of Directors and Diversity of the Board of Directors", which contains all the measures taken in relation to the selection of directors, policies on gender diversity, age, experience, etc.

Within the framework of this policy, in 2018, a second Independent Director, Ms Irene Hernández Álvarez, was appointed as Chair of the Audit Committee on 22 May 2019, being reelected as a Board Member on 18 May 2022 by attendees at the Shareholders' General Meeting. Likewise, Ms Isabel Dutilh was re-elected as an Independent Director by those at the Shareholders' General Meeting held on 22 May 2019.

On 16 December 2020, the Board of Directors approved the amendment of the aforementioned policy (now known as the "Policy for Diversity of the Board of Directors and Selection of Directors") for the purpose of adapting it to the Recommendations of the Code of Good Governance of Listed Companies by Spain's National Securities Market Commission (CNMV) as amended in June 2020 and to Technical Guide 1/2019 on Appointments and Remunerations Committees. Among the essential principles of the Policy are the search for an appropriate composition of the Board of Directors for the best exercise of its functions, for which purposes the processes for the selection of directors should be based on a prior analysis of the skills required by the Board of Directors and the promotion of diversity in how it is structured. This Policy is published on the Company's corporate website.



Furthermore, on 18 May 2022 and at the Board's proposal, the Shareholders' General Meeting approved the appointment of Ms Francisca Ortega Hernández-Agero as a new director at the company with independent status, thereby making progress towards the goal of achieving diversity on the Board. The appointment marks an 8.1% increase in the percentage of female directors with respect to the previous year.

The bodies responsible for ensuring the diversity of the Board of Directors (namely both the Board of Directors itself and the Appointments, Remunerations and Sustainability Committee) shall ensure that in the processes for the selection of candidates for Director there is promotion of the diversity of experience, training, professional experience, age, gender, disability and the other diversity criteria set forth in this Policy.

Likewise, the Elecnor Board of Directors and the Appointments, Remunerations and Sustainability Committee have a policy regarding renewals on the Board of Directors based on balancing the principles of representativeness with those of diversity and independence, taking into account the recommendations on Good Governance. In this regard, particularly in ratifications and re-elections, they will ensure proper stability in the composition of the Board of Directors and its Committees to maintain the necessary suitability of the Board of Directors as a whole, while retaining the experience and knowledge of those who have been exercising in the position of Director.

Consequently, in the context of the goal discussed of ensuring stability in how the company's Board of Directors is structured, on 17 May 2023, at the proposal of the Appointments, Remunerations and Sustainability Committee and subject to a prior justificatory report by the Board of Directors, the Shareholders' General Meeting passed a resolution to re-elect three directors, including Ms Isabel Dutilh Carvajal in the capacity of Independent director of the company. On the same date, the Board of Directors agreed to appoint Ms Francisca Ortega Hernández-Agero as Chair of the Audit Committee for a four-year term, Ms Irene Hernández Álvarez having previously held this position up to then.

C.1.6. Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives.

# **Explanation of measures**

The "Policy for the Diversity of the Board of Directors and the Selection of Directors" approved in December 2020 and already mentioned in the previous point establishes that the Board of Directors and the Appointments, Remunerations and Sustainability Committee are the bodies responsible for ensuring the diversity of the Board of Directors and its Committees. They must ensure that in the selection processes for the candidates for Director they promote a diversity of experience, training, professional experience, age, gender, disability and the other diversity criteria set out in the Policy, and that these processes do not involve any implicit biases that may imply any discrimination and, in particular, that they promote the selection of a number of female Directors that will enable a balanced presence of women and men to be achieved.

In particular, when the Appointments, Remunerations and Sustainability Committee or the Board of Directors itself, as the case may be, seek a professional profile, they shall take into account the corporate interests by trying to ensure not only the individual suitability of the members of the Board but also the suitability of the Board of Directors and its Committees as



a whole, in accordance with the legal requirements and good governance recommendations in this matter, without prejudice to the fact that, if there are two similar professional profiles, the one who is a member of the least represented gender on the Board shall be chosen.

In this respect, over 2023 the Appointments, Remunerations and Sustainability Committee examined several profiles as part of the procedure for selecting Board members in line with the stipulations in the company's "Policy for the Diversity of the Board of Directors and Selection of Directors" and ultimately proposed the re-election among others of Ms Isabel Dutilh Carvajal as a director with independent status at the Shareholders' General Meeting held on 17 May 2023.

In addition, the Elecnor Code of Ethics and Conduct states that, both in its selection processes and in the development of the professional careers of its employees, Elecnor should apply and foment the principles of non-discrimination and equal opportunities as well as leave out of consideration factors such as race, ethnicity, colour, nationality, social background, age, gender, marital status, sexual orientation, ideology, religion, or kinship when performing professional evaluations. Only merit, effort, performance results, training, experience and future potential will be considered as elements for differentiating between people professionally.

Furthermore, as regards the measures agreed by the Appointments, Remunerations and Stability Committee to encourage the Company to have a significant number of senior female executives, since February 2018 the Company has had an Equality Plan, which was updated in January 2022 and applies not only to the management team but also to all the Group's personnel. This has been posted on the website of the company to inform its shareholders, investors and other stakeholders in the exercise of the principle of transparency.

The Equality Plan identifies the following work areas where the Company must pay special attention to focussing its efforts:

- Training: the Company understands that developing professionals is a key factor for the organisation's success. To this end, the following undertakings are laid down:
  - a. To promote training actions that facilitate the development of skills and competencies in equal measure, regardless of gender.
  - b. To ensure equal access for both men and women to in-house training to drive professional development and adaptability to job requirements.
  - c. To facilitate participation in appropriate courses for professional retraining for people returning to work after suspension of their contracts while on extended leaves of absence for family reasons.
- Professional advancement: A job assessment system has been developed at Elecnor to evaluate jobs according to the functions and responsibilities they implicitly entail, regardless of the person who is in the job. In this way objectivity and non-discrimination in promotion at work can be ensured. The company also heads off the creation of barriers to promotion for women and ensures equal treatment, assessment and opportunities in selection processes and/or promotion for anybody exercising any right in regard to striking a work/life balance or who finds they have to take leave of absence for family reasons.



- Working conditions: Elecnor takes the following measures to include the gender aspect
  in its occupational health policy and risk prevention tools, and to tailor them to the
  physical, biological and social needs of its employees:
  - a. It reviews and disseminates the action protocol for risks to pregnancy and breastfeeding.
  - b. It considers the gender-related variables in data collection and processing systems and in study and research into risk prevention to detect and avoid possible, gender-linked harmful job situations.
  - c. It drafts a report on accidents at work by gender and job category.

Furthermore, Elecnor is committed to detecting, analysing and assessing the gender wage gap. To this end the company makes a study of both employee remuneration by gender as well as professional category and types of contract (temporary or fixed) while seeing whether office hours allow for flexibility or working in shifts.

- Remuneration: Elecnor has been implementing a remuneration system that guarantees neutrality at all times with no conditioning factors whatsoever on the basis of gender. When it comes to conducting studies on remuneration, Elecnor uses blind data in which the job is taken into account, and not the person. To this end the company keeps in place a remuneration system that observes criteria of objectivity, fairness and non-discrimination in relation to gender; Elecnor makes sure that the remuneration system is geared toward rewarding achievement without discriminating on grounds of gender; and the company guarantees equality of treatment and assessment in applying the remuneration system for anybody who exercises an entitlement to a work-life balance.
- Communications: owing to the fact that equality commences right from the Company's communications with its major stakeholders (employees, shareholders and customers), Elecnor reflects its commitment to Equality and Non-discrimination in its specific principles of action for Corporate Social Responsibility and Corporate Compliance. To this end it undertakes the following commitments: the gender perspective is incorporated into both in-house and external communications, for which purposes a Communications Policy will be drawn up; in all the Company's communications and information, as well as in its public dissemination, publicity and recruitment actions, special care is taken to use neutral, non-sexist language; and this process is mindful of the fact that communications activity embraces language, images and content.
- Selection: Elecnor has a public, written, internal selection and mobility policy for such processes which lays down the guidelines and steps to follow while keeping them completely discrimination-free. Thus, selection and recruitment processes ensure that objective procedures and policies are adhered to which are based on the principles of merit, ability and people who are a good fit for the job. Candidates are assessed by virtue of their suitability, making sure at all times that the jobs with different areas of responsibility are held by the best-matched people in a context of equality of treatment and the complete absence of gender-based discrimination.
- Professional classification: Elecnor has established a set of measures to ensure that
  there is no direct or indirect discrimination between men and women, in particular: (i)
  defining professional groupings adapted to systems based on analysis of correlations
  between, gender bias, jobs, inclusion criteria and remuneration; (ii) using neutral
  terminology in professional nomenclature and classification without applying male or
  female referencing, and (iii) examining the factors which justify differences among
  professional groupings, categories or jobs. To this end there is regular assessment of



professional inclusion which enables rectification of situations that may be triggered by undervaluing the work of women. Lastly, a report will be drafted to analyse the explanations given for any differences detected.

- Work-life balance: Elecnor acknowledges entitlement to a balance between work, on one hand, and both personal and family life on the other. Accordingly, it fosters greater co-responsibility between men and women when it comes to assuming family obligations. Actions implemented to address this encompass flexible time-tabling, a compressed summertime working-day, study assistance, leave of absence/shorter daily office hours to look after children, discount arrangements with insurers, a policy of not scheduling meetings right at the end of the day's work, etc. Elecnor moreover guarantees that if its employees exercise any of the work-life balance entitlements in question, this will not impact negatively on their possibilities of promotion, their retribution levels or on their access to certain company benefits and incentives.
- Under-representation of women: the company has two specific goals in this area: (i) to protect equal treatment and opportunities for men and women in regard to promotion and advancement based on objective, quantifiable, public and transparent criteria, and (ii) to facilitate professional promotion at the company to achieve a balance between men and women in management and coordination-related posts.

For these purposes certain measures have been implemented, such as performing annual follow-up of promotions split out by gender and showing professional groupings and functional positions of origin and destination, type of contract, form of working day and category of promotion; having statistical information to hand and regularly keeping track of the proportion of women holding senior management positions as well as executive and middle management levels; or analysing personnel policies and in-house promotion practices in place at the company to detect barriers to full equality between men and women and boost the presence of women in promotion processes for positions where women are under-represented.

- Occupational health: The Company will base its choice of furniture, tools and other
  material normally used by the staff on different ergonomic principles, depending on
  whether the user is a man or woman. Elecnor will avoid exposing pregnant women to
  any situation that could potentially represent a danger to them or their unborn child.
- Preventing sexual and gender-based harassment: Elecnor firmly rejects and has a policy of zero tolerance towards behaviour or action that constitutes any form of sexual, moral or gender-based harassment and undertakes to actively, effectively and resolutely collaborate in preventing, detecting, correcting and sanctioning any conduct constituting harassment. Any such incidents shall be treated as a transgression in the workplace and prompt the company to take appropriate disciplinary action according to the severity of the case. The company prevents and heads off harassment by means of a Code of Ethics within Corporate Compliance and a Protocol to Prevent Situations of Workplace and Sexual Harassment, compliance with which is overseen by the Crime Prevention and Response Committee.

In addition to all this, the Equality Plan lays down specific action to be taken by those people in positions of responsibility in each of the work areas referenced.

In line with the commitments which it has undertaken, at Elecnor 62.23% of women employees are in middle management or higher positions.



The Equality Plan is one of the key tools which the Appointments, Remunerations and Sustainability Committee uses to foster inclusion and diversity among Group employees, including its executives and officers, and in January 2022 the Committee accordingly approved the updating of the Equality Plan to bring it into line with the prevailing regulatory framework and both proposed and reported favourably on amendment of it to the board, which endorsed the new Plan on 26 January 2022. During 2023 the Appointments, Remunerations and Sustainability Committee assessed implementation of the Plan and concluded that accomplishment of its principles and commitments is being suitably achieved as scheduled.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

# **Explanation of reasons**

As noted above, without prejudice to the company's commitment to promoting gender diversity, the Appointments, Remunerations and Sustainability Committee must also ensure other diversity criteria such as professional experience and training, which are very important given Elecnor's business sector, and it must be ensured that, not only gender diversity criteria, but also the essential criteria of merit and capacity that must govern all selection processes are met. In this regard, the company will seek to increase the number of female Directors and executives gradually (as has indeed happened over recent years) in the context of the overall requirements for the suitability and diversity of Board members, in spite of the fact that, as was stated above, the level of turnover among Board members and the management team is very low.

In the course of 2023 the Appointments, Remunerations and Sustainability Committee has conducted ongoing monitoring of the new regulations and recommendations regarding good governance in the matter of diversity, having analysed the subject-matter of both Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures and the preliminary draft of the Organic Law on equal representation of men and women in decision-making bodies and particularly the percentages of representation that apply to the Boards of Directors of listed companies, and is awaiting transposition and implementation into Spanish legislation to determine specific targets regarding this issue, as well as potential quidance on achieving them.

C.1.7. Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

Elecnor is strongly committed to best corporate governance practices and, in particular, to promoting diversity on issues such as age, gender, training and professional experience. In this regard, with the support of the Appointments, Remunerations and Sustainability Committee, the Board of Directors of the Company continues to work on and promote the necessary actions to encourage a diverse composition of the Board.

Specifically, at the 2023 Ordinary Shareholders' General Meeting Ms Isabel Dutilh Carvajal and Mr Emilio Ybarra Aznar were re-elected as independent directors along with Mr Cristóbal González de Aguilar Alonso-Urquijo as a nominee director. All of this was strictly in keeping with the "Policy for the Diversity of the Board of Directors and Selection of Directors", which was explicitly made clear in the reports of both the Board of Directors and the Appointments, Remunerations and Sustainability Committee on the re-election of the afore-mentioned directors, which were made available to shareholders from publication of the call to meet at



the Shareholders' General Meeting pursuant to the recommendations in CNMV Technical Guide 1/2019 on Appointments and Remunerations Committees of 20 February.

In particular, besides the requirements generally applicable to all directors, the proposals or reports by the Appointments, Remunerations and Sustainability Committee concerning reelection of directors took account of an assessment of the quality of their work and dedication to their position during their previous mandate, as well as their honourability, competence, availability and commitment to that role, while also evaluating the directors' performance in office and fulfilment of the duties imposed by Law, the Company's Articles of Association and the company's other corporate governance rules to the extent that this was conducted with the diligence of a professional business person and the loyalty of a faithful representative.

As a result of these re-elections the Board currently comprises 14 members, of whom 64.29% are nominee directors, 28.57% are independent directors, 7.14% are executive directors and 21.43% are female directors, which is consistent with best practices of good governance and upholds the company's commitment assumed of stepping up the proportion of female directors over time.

The Appointments, Remunerations and Sustainability Committee consequently considers that the current composition of the Board of Directors is appropriate for the best exercise of its functions and reflects a suitable balance of requirements for the members of the Board in terms of suitability and diversity, particularly with respect to training, professional experience, skills, experience in the sector and knowledge of the company and its Group, as well as personal and professional backgrounds, among other aspects. All of this is mirrored in the Board's competency matrix.

C.1.8. If applicable, explain the reasons for the appointment of any nominee directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is greater than or equal to that of others at whose request nominee directors have been appointed. If so, explain why the requests were not granted:

Yes No **⊻** 

No formal request of this kind has been made.

C.1.9. Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:



Name or company name of director or committee	Brief description
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA	All powers except as pertain to the Company's borrowings and those non-delegable by Law or under the Articles of Association.
	All powers of the Board of Directors, except those which are non-delegable legally or under the Articles of Association, nor the following either:
	(i) The capacity to approve investments or transactions of all kinds which lead to indebtedness for the Company.
	(ii) Authorisation to approve investments or transactions of all kinds with a value of over 6,000,000 euros each.
EXECUTIVE COMMITTEE	Nor are powers delegated to approve investments or transactions of any kind for a value of less than 6,000,000 euros each where such authorisation cannot be delegated by the Board of Directors and/or falls within the remit of the Shareholders' General Meeting.
	(iii) Authorisation to approve the incorporation, merger, demerger, blanket assignment of assets and liabilities, dissolution and/or liquidation of all kinds of entities that have their own legal personality, or to approve transactions that produce similar effects to those of the transactions cited upon such entities.
	Powers to approve the above transactions are delegated to entities that do not have their own legal personality, such as, for illustrative purposes though not confined to, Joint Ventures or joint ownership arrangements.

C.1.10. Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group.



Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?	
Mr Jaime Real de Asúa Arteche	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	
Mr Ignacio Prado Rey-Baltar	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	
Mr Rafael Martín de	ELECNOR SERVICIOS Y PROYECTOS, S.A.U.	Joint and Several Director	Yes	
Bustamante Vega	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	
Mr Joaquín Gómez de Olea Mendaro	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director and Secretary of the Board	No	
Mr Cristóbal González de Aguilar Alonso-Urquijo	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	
Mr Miguel Cervera Earle	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director and Deputy Secretary of the Board	No	
Mr Juan Landecho Sarabia	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	
Mr Santiago León Domecq	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	
Mr Miguel Morenés Giles	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	
Mr Rafael Prado Aranguren	ENERFÍN SOCIEDAD DE ENERGÍA, S.L.U.	Director	No	

# C.1.11. List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Mr Jaime Real de Asúa Arteche	VISCOFAN, S.A.	Member of the Board of Directors, Deputy Chairman of the Board and Chairman of the Appointments, Remunerations and Sustainability Committee
The year to your de your years.	CANTILES XXI, S.L.	Director and Deputy Chairman of the Board
	RACAZ SEIS, S.L.	Joint and Several Director
	ONCHENA, S.L.	Director
Mr Ignacio Prado Rey-Baltar	GRUPO CELULOSAS MOLDEADAS, S.A.	Director
Mr Rafael Martín de Bustamante Vega	CELEO CONCESIONES E INVERSIONES, S.L.	Director
Mr Cristóbal González de Aguilar Alonso-Urquijo	CANTILES XXI, S.L.	Director



	INVERSIONES BERRETIN, S.L.	Director		
	CLONSILA INVERSIONES, S.L.	Director		
Mr Miguel Cervera Earle	MARIA DEL MAR MANCA, S.L.	Joint and Several Director		
	MILLENIUM HOSPITALITY REAL ESTATE SOCIMI, S.A.	Independent Director, Chair of the Audit Committee, and Member of the Appointments and Remunerations  Committee		
Ms Isabel Dutilh Carvajal	BANCO DE ALCALÁ, S.A.	Independent Director, Chair of the Appointments and Remunerations Committee.  Member of the Audit and Supervisory Committee		
	ARGALI ABOGADOS, S.L.	Joint and Several Director		
	CELEO CONCESIONES E INVERSIONES, S.L.	Director		
	CANTILES XXI, S.L.	Director and Chairman of the Board		
Mr Joaquín Gómez de Olea Mendaro	SAINT CROIX HOLDING IMMOBILIER SOCIMI, S.A.	Coordinating Director, Chair of the Appointments and Remunerations Committee, and Member and Secretary of the Audit Committee		
Ms Irene Hernández Álvarez	ENCE ENERGÍA Y CELULOSA, S.A.	Coordinating Director, member of the Executive Committee, Chair of the Audit Committee and member of the Appointments and Remunerations Committee		
	IMPULSA CAPITAL, S.L.	Joint and Several Director		
	CANTILES XXI, S.L.	Director		
Mr Juan Landecho Sarabia	JUVER XXI, S.L.	Director and Secretary of the Board		
	PROBIGRAF, S.L.	Director		
	MALUZ, S.L.	Sole Director		
	SAUCILLO, S.L.	Sole Director		
	AOBAN 27, S.L.	Sole Director		
Ma Cantiana Lafa Damasa	Bodegas León Domecq,	Director and Chairman of		
Mr Santiago León Domecq	S.L. MEGALER XXI, S.L.	the Board		
	F León Manjon, S.L.	Sole Director Director		
	AGROPECUARIA DEL TREVEGIL, S.L.	Director		
	CANTILES XXI, S.L.	Director		



	CELEO CONCESIONES E INVERSIONES, S.L.	Director and Non-executive Chairman of the Board		
	FINCAS CULTIVADAS, S.L.	Director and Chairman of the Board		
	AGRÍCOLA CAPDEPON, S.L.	Individual representing the Administrator of Fincas Cultivadas, S.L.		
Mr Miguel Merenés Ciles	ACERCA PARTNERS, S.L.	Director		
Mr Miguel Morenés Giles	KEROW INVERSIONES, S.L.	Joint and Several Director		
	INVERSIONES TRANSITORIAS CON INMUEBLES, S.L.	Joint and Several Director		
	EGUILUZ EQUIPAMIENTOS, S.L.	Joint and Several Director		
	EDIFICIOS EGUILUZ, S.L.	Joint and Several Director		
	RETUMBA, S.L.	Joint and Several Director		
Ms Francisca Ortega Hernández-	MERLIN PROPERTIES SOCIMI S.A.	Nominee Director, Member of the Audit Committee, and Member of the Sustainability and Innovation Committee		
Agero	PBI GESTION Agencia de Valores, S.A.	Director		
	SARE, S.L. CORREDURÍA DE SEGUROS	Director		
	SARELAN CONSULTORES, S.L.	Director		
Mr Rafael Prado Aranguren	TEAM INGENIERÍA Y CONSULTORÍA, S.L.	Director and Secretary of the Board		
	TUBOS REUNIDOS, S.A.	Director and Deputy Chairman of the Board		
	THE KEMET CORNER, S.L.	Sole Director		
Mr Emilio Ybarra Aznar	MEZOUNA S.L.	Director and Chairman		

# **Observations**

Mr Jaime Real de Asúa: all the positions cited earn remuneration except that at RACAZ SEIS, S.L.

Mr Juan Landecho Sarabia: his position at CANTILES XXI, S.L. earns remuneration.

Mr Miguel Morenés Giles: only receives remuneration for the positions at Cantiles XXI, S.L. and KEROW INVERSIONES, S.L.

Mr Rafael Prado Aranguren: only his position at TEAM Ingeniería y Consultoría, S.L. earns remuneration.

Ms Francisca Ortega Hernández-Agero: only her position at MERLIN PROPERTIES SOCIMI, S.A. earns remuneration.

Ms Irene Hernández Álvarez: the positions at ENCE ENERGÍA Y CELULOSA, S.A. and SAINT CROIX HOLDING IMMOBILIER SOCIMI, S.A. earn remuneration.

Mr Emilio Ybarra Aznar: his position at Tubos Reunidos earns remuneration.

Ms Isabel Dutilh Carvajal: her positions at MILLENIUM HOSPITALITY REAL ESTATE SOCIMI, S.A. and BANCO DE ALCALA, S.A. earn remuneration.



Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Mr Jaime Real de Asúa Arteche	N/A
Mr Ignacio Prado Rey-Baltar	N/A
Mr Rafael Martín de Bustamante Vega	N/A
Mr Cristóbal González de Aguilar Alonso-Urquijo	N/A
Mr Miguel Cervera Earle	N/A
Ms Isabel Dutilh Carvajal	Arbitrator
Mr Joaquín Gómez de Olea Mendaro	N/A
Ms Irene Hernández Álvarez	N/A
Mr Juan Landecho Sarabia	N/A
Mr Santiago León Domecq	N/A
Mr Miguel Morenés Giles	N/A
Ms Francisca Ortega Hernández- Agero	N/A
Mr Rafael Prado Aranguren	N/A
Mr Emilio Ybarra Aznar	N/A

C.1.12.	Indicate	whether	the	company	has	established	rules	on	the	maximu	ım	number	of
	company	boards o	on wl	nich its dir	ector	rs may sit, e	xplaini	ng i	f ned	cessary a	and	identifyi	ng
	where th	is is regu	lated	d, if application	able:								

Yes ⊠ No □

# **Explanation of the rules**

Article 18 of the Regulations of the Board of Directors establishes that: "The Directors of the Company may not sit on the Board of Directors of more than three listed companies, in addition to that of Elecnor."

# C.1.13. Indicate the remuneration received by the board of directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	5,404.6
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	0
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	0
Pension rights accumulated by former directors (thousands of euros)	0



# C.1.14. Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year.

Name or company name	Position(s)
Mr Francisco Javier Cruces López	General Manager of Elecnor Servicios y Proyectos, S.A.
Mr Argimiro Ramón Rodríguez	Deputy General Manager of Facilities and Networks (up to 28/02/2023)
Mr Jesús Alberto Díez Fernández	Deputy General Manager of Facilities and Networks (from 01/03/2023)
Mr Eduard Pinyol Escardo	Deputy General Manager of International Development
Mr José Martí Soler	Deputy General Manager of Engineering
Mr Pablo Díaz Miguel Sánchez	Deputy General Manager of Energy
Mr Armando Pérez Medina	Deputy General Manager of Major Networks
Mr José Castellanos Ybarra	Deputy General Manager of Enerfín Sociedad de Energía, S.L.
Mr Luis Alcíbar Villa	Deputy General Manager of Internal Audit and Finance
Ms Úrsula Albizuri Delclaux	Corporate Development Manager
Mr Pedro Enrile Mora-Figueroa	General and Board Secretary

Number of women in senior management	1
Percentage of total senior management	10%

Total remuneration of senior management (thousands of	6.483
euros)	0,483

Observations		
Total stated remuneration includes both the fixed and variable components, both short term		
(annual) and long term (multi-year).		

C.1.15. Indicate whether the Board regulations were amended during the year.

Yes □ No ☑

Description of amendment(s)

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.



The procedures for the selection, appointment, re-election and removal of directors are set out in the Company's Articles of Association, Articles 13 (requirements for membership of the Board, duration of the role and re-election) and 15 (appointment, removal and appointment by co-option), as well as Articles 18, 19 and 21 of the Regulations of the Board, the content of which is reproduced below:

## **COMPANY'S ARTICLES OF ASSOCIATION**

"Article 13.- Appointment

The number of Directors on the Board of Directors will not be less than five or be greater than fifteen.

Being a Director requires owning at least 5% of the shares of the Company with voting rights, at least five years in advance of the time of appointment. Said advance time of at least five years of owning shares and the requirement to own at least 5% of the capital of the Company will not be required when the appointment, re-election or ratification of a Director takes place through the Shareholders' General Meeting with a quorum of attendance of 25% of the subscribed capital in the first meeting called or without a minimum quorum in the second meeting called, and it is approved, in both cases, by a simple majority of the capital that is present or represented. The appointment, re-election or ratification of Independent Directors is an exception to the aforementioned, which in any event must comply with the provisions set forth in applicable regulations, in these Articles of Association and in the Regulations of the Board of Directors.

The Directors will exercise the duties of their position for the period of four years, and they may be re-elected, one or several times, for periods of equal duration.

The appointment of directors will expire when, with the term having expired, the next Shareholders' General Meeting has been held or the legal period for holding the General Shareholders' Meeting that has to decide on approval of the accounts of the preceding financial year has elapsed.

Being a member of the Board of Directors requires not being subject to any of the circumstances implying prohibition or incompatibility that are established in legal provisions."

"Article 15.- Functioning

...

The Directors are freely designated and dismissed by the Shareholders' General Meeting.

If vacancies occur during the term for which the Directors are appointed, the Board may appoint the persons to occupy those vacancies until the first Shareholders' General Meeting is held.



..."

#### **REGULATIONS OF THE BOARD OF DIRECTORS**

"Article 18. Appointment of Directors

Directors will be appointed by the Shareholders' General Meeting or by the Board of Directors by virtue of the powers of co-option it is accorded by law in the manner stipulated in the Spanish Corporate Enterprises Act and the Articles of Association.

...

Members of the Board of Directors may not be in breach of any of the grounds for disqualification or ineligibility stipulated by law. Appointment or re-election of members of the Board of Directors will be proposed by the Appointments, Remunerations and Sustainability Committee in the case of Independent Directors and by the Board itself in all other cases after hearing the opinion of the Appointments, Remunerations and Sustainability Committee.

Nominations for appointment will in all cases be accompanied by a report by the Board evaluating the candidate's expertise, experience, and merits, to be attached to the minutes of the Shareholders' General Meeting or that of the Board of Directors.

Where the Board of Directors disregards the recommendation of the Appointments, Remunerations and Sustainability Committee, its reasons must be stated in the minutes.

Company Directors may not belong to more than three Boards of Directors of publicly traded Companies in addition to Elecnor's Board."

"Article 19 Re-appointment of Directors

Directors will be re-appointed on the terms provided by law and in the Articles of Association. Proposals or reports by the Appointments, Remunerations and Sustainability Committee will include an assessment of the quality of the work and job dedication of the candidate Directors during their previous terms and of their integrity, competence, availability, and engagement in their work."

"Article 21 Resignation and Removal of Directors

Appointments of Directors will end voluntarily or when the terms to which they have been appointed have expired or when removed by the General Meeting in the exercise of the authority conferred on the Shareholders' General Meeting by law or under the Articles of Association.

Without prejudice to the preceding paragraph, Nominee Directors will resign when the shareholder they represent has sold its entire shareholding.



Directors will offer to resign, and if the Board of Directors considers it appropriate will resign, when they are affected by circumstances that may be detrimental to the good name and reputation of the Company or may adversely affect the work of the Company or the Board of Directors, whether or not those circumstances are related to their activities in the Company. In particular, this obligation will apply when they have been named as being under investigation in any criminal matter, in which case they will report on the course of the proceedings. This obligation will also apply when, because of supervening circumstances, they become disqualified or ineligible by law.

On being informed of any of the situations referred to in the preceding paragraph, or on learning of them by other means, the Board of Directors will examine the matter without delay, and after hearing the report of the Appointments, Remunerations and Sustainability Committee and reviewing the circumstances will decide what measures should be taken. Without prejudice to the information the Company should release, if appropriate, when the corresponding measures are taken, this is to be reported on in full in the Annual Corporate Governance Report, unless there are special circumstances that make it advisable to do otherwise, which should be recorded in the minutes.

The Board of Directors may only submit a proposal to the Shareholders' General Meeting to remove an Independent Director before the end of the term stipulated in the Articles of Association at the proposal of the Appointments, Remunerations and Sustainability Committee where the Board of Directors finds there is due cause.

When the Board of Directors adopts repeated or material decisions about which a Director has expressed serious reservations, the Director will draw the relevant conclusions, and, if he or she elects to resign, will set out the reasons in the letter referred to in the following paragraph. This obligation also applies to the Secretary of the Board of Directors, even if not a Director.

Directors who leave office before the end of their term, by resignation or by decision of the Shareholders' General Meeting, will send a letter to all the members of the Board of Directors adequately explaining the reasons for their resignation or, in the case of non-executive Directors, their opinion on the Shareholders' General Meeting's grounds for removal. A full account of this will be given in the Annual Corporate Governance Report. Insofar as it is relevant to investors, the Company will announce the resignation or removal as soon as possible and will include a sufficient exposition of the reasons or circumstances submitted by the Director."

On the other hand, in December 2020 Elecnor's Board approved the company's "Policy for the Diversity of the Board of Directors and Selection of Directors," the aim of which is to ensure that proposals for the appointment or re-election of directors is based on a prior analysis of the skill-set which the Board requires and which tends to diversity of its composition in regard to expertise, experience, age and gender among other facets. It also sets out the requirements for selection of Board members.

Finally, on 15 December 2021 the Board of Directors of Elecnor approved the "Corporate Governance Policy" document, which includes framing the company's key commitments to corporate governance by crystallising the principles and guidelines that should regulate the organisation and functioning of the Company's governing bodies, all in harmony with the applicable rules and best practices for corporate governance. The policy document features a specific section on the right balance of composition and diversity for the Board.



C.1.17. Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

## **Description of amendment(s)**

The annual evaluation for 2022 which the Board of Directors carried out during the 2023 financial year was conducted in-house, without the assistance of an outside consultancy, and led to the drafting of a proposed Action Plan for the year over 2023 with the following as key aspects:

- (1) analysis of regular reporting on the market and competition
- (2) forging ahead with the Board's competency matrix and raising awareness of the risk map, as well as enhancing the tracking of key risks (KPIs)
- (3) delving deeper in discussion of Group medium-to-long term strategy
- (4) assessing how suitable the structure of the Board and its committees is, bearing in mind the recommendations in the Code of Good Governance and future regulations on equality
- (5) continuous improvement in making available the information to be discussed at meetings of the Board and its Committees.

The Company is also tightening coordination needed between the various Board Committees.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Through several questionnaires which all of its members must complete, the Company's Board of Directors annually evaluates its activity and that of all its Committees, as well as the activity and actions carried out by the Chair, the Secretary and the Chief Executive Officer, pinpointing the strengths and areas for improvement, and applying appropriate corrective measures. The results of these evaluations are appraised by the Board and by the Committees (each attending to their own results) and, in addition to this, the Appointments, Remunerations and Sustainability Committee reviews the results of the evaluation of the Board, the Chair, the CEO and the Secretary.

The questionnaires mentioned include the evaluation of areas such as the preparation, dynamics and culture of meetings, follow-up of the topics covered (among these, strategic matters, sustainability, etc.), composition of the Board and its Committees, training of its members, communication between governing bodies, performance of the functions of the Chair, Secretary and Chief Executive Officer, etc.

In accordance with recommendation 36 of the Code of Good Governance, it may be noted that for the evaluation of the 2021 financial year which was conducted in 2022 the external consultancy Russell Reynolds was hired to revise and update the evaluation system.

The evaluation for the 2022 financial year which was carried out in 2023 was performed inhouse, albeit based on the questionnaires which Russell Reynolds had revised and used the previous year.



C.1.18. Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

Not applicable.

C.1.19. Indicate the cases in which directors are obliged to resign.

Article 21 of the Regulations of the Board of Directors stipulates the following in this respect:

"Appointments of Directors will end voluntarily or when the terms to which they have been appointed have expired or when removed by the General Meeting in the exercise of the authority conferred on the Shareholders' General Meeting by law or under the Articles of Association.

Without prejudice to the preceding paragraph, Nominee Directors will resign when the shareholder they represent has sold its entire shareholding.

Directors will offer to resign, and if the Board of Directors considers it appropriate will resign, when they are affected by circumstances that may be detrimental to the good name and reputation of the Company or may adversely affect the work of the Company or the Board of Directors, whether or not those circumstances are related to their activities in the Company. In particular, this obligation will apply when they have been named as being under investigation in any criminal matter, in which case they will report on the course of the proceedings. This obligation will also apply when, because of supervening circumstances, they become disqualified or ineligible by law.

On being informed of any of the situations referred to in the preceding paragraph, or on learning of them by other means, the Board of Directors will examine the matter without delay, and after hearing the report of the Appointments, Remunerations and Sustainability Committee and reviewing the circumstances will decide what measures should be taken. Without prejudice to the information the Company should release, if appropriate, when the corresponding measures are taken, this is to be reported on in full in the Annual Corporate Governance Report, unless there are special circumstances that make it advisable to do otherwise, which should be recorded in the minutes.

The Board of Directors may only submit a proposal to the Shareholders' General Meeting to remove an Independent Director before the end of the term stipulated in the Articles of Association at the proposal of the Appointments, Remunerations and Sustainability Committee where the Board of Directors finds there is due cause.

When the Board of Directors adopts repeated or material decisions about which a Director has expressed serious reservations, the Director will draw the relevant conclusions, and, if he or she elects to resign, will set out the reasons in the letter referred to in the following paragraph. This obligation also applies to the Secretary of the Board of Directors, even if not a Director.



Directors who leave office before the end of their term, by resignation or by decision of the Shareholders' General Meeting, will send a letter to all the members of the Board of Directors adequately explaining the reasons for their resignation or, in the case of non-executive Directors, their opinion on the Shareholders' General Meeting's grounds for removal. A full account of this will be given in the Annual Corporate Governance Report. Insofar as it is relevant to investors, the Company will announce the resignation or removal as soon as possible and will include a sufficient exposition of the reasons or circumstances submitted by the Director."

Without prejudice to the above, Article 20 of the Board Regulations establishes that "Independent Directors may not serve in that capacity for a continuous period longer than 12 years."

years.			
C.1.20.	. Are qualified majorities oth decision?	ier than those p	prescribed by law required for any type of
		Yes □	No <b>⊠</b>
C.1.21.	Explain whether there are directors, for being appointed		equirements, other than those relating to of the Board of Directors.
		Yes □	No 🗷
C.1.22.	. Indicate whether the Article as to the age of Directors:	es of Incorporation	on or Board Regulations establish any limit
		Yes □	No 🗷
C.1.23.		rectors other th	on or Board Regulations establish any term nan those required by law or any other an those provided by law:
		Yes □	No 🗷
Addi	itional requirements and/ number of years of in o		

C.1.24. Indicate whether the Articles of Incorporation or Board Regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Within the Company's Board of Directors, there are formal processes for delegating the vote in the event that any of the Directors cannot personally attend the meetings. In this regard, Article 16 of the Regulations of the Board of Directors establishes the following:



"Article 16.-

...

It is the Directors' duty to attend sessions of the Board of Directors personally; Director absences should be limited to cases that are unavoidable. Nevertheless, when in exceptional cases a Director is unable to attend, they may appoint any other Director to act as their proxy, appointments to be made in writing for each session. Each appointee holds full authority to act for their principals in all matters, and a single Director may hold multiple proxies. Proxy appointments should contain the corresponding instructions, and the Chair of the Board is to be notified by means that allow confirmation of receipt of the notice. Non-executive Directors may only appoint another non-executive Director as their proxy. ..."

The Board of Directors has no specific limitation on the categories of Director to whom it is possible to delegate the vote other than those provided for in law.

C.1.25. Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	14
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor proxy representation of any executive director:

|--|

Indicate the number of meetings held by each Board committee during the year.

Number of meetings held by the Executive Committee	20
Number of meetings held by the Audit Committee	12
Number of meetings held by the Appointments, Remunerations and	11
Sustainability Committee	1 11

C.1.26. Indicate the number of meetings held by the Board of Directors during the year with member attendance data.



Number of meetings at which at least 80% of the directors were present in person	14
Attendance in person as a % of total votes during the year	99%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	12
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	99%

C.1.27.	Indicate whether the	individual and	l consolidated	financial	statements:	submitted	to the
	Board for issue are c	ertified in adva	ance.				

Yes No □

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
Mr Rafael Martín de Bustamante Vega	CEO
Mr Luis Alcíbar Villa	Deputy General Manager of Internal Audit and Finance

Observations	

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the Shareholders' General Meeting are prepared in accordance with accounting regulations.

Through its Audit Committee and the General Internal Audit and Finance Sub-Division, the Company has the necessary mechanisms in place so that the annual financial statements presented at the Shareholders' General Meeting are prepared in accordance with the accounting standards, thereby avoiding any reservations or unfavourable opinions concerning them.

Article 5 of the Regulations of the Audit Committee establishes the following among its duties:

"...

(1) In respect of supervising financial and non-financial information:

...

b) To oversee and assess the process of drawing up and submitting the requisite financial and non-financial information on the Company and on its Group, as the case may be; to



monitor compliance with legal and regulatory requirements; to ensure that the scope of consolidation has been suitably defined and accounting principles are properly followed; and especially to determine, consider, and supervise the effectiveness of the internal control over financial reporting (ICFR) system and make suggestions or recommendations for safeguarding financial integrity to the Board of Directors.

c) To report in advance to the Board of Directors concerning the financial information, management report and, where appropriate, any requisite non-financial information that the Company is to make public periodically.
d) To ensure that the annual financial statements the Board of Directors submits to the Shareholders' General Meeting have been drawn up in accordance with accounting standards. Where the external auditor has included an observation in its audit report, the Audit Committee Chair will clearly explain the Committee's views on its significance and scope to the Shareholders' General Meeting and will make a summarised version of its views available to the shareholders when the notice of meeting is issued, together with the rest of the proposals and reports of the Board.
(2) In respect of supervising internal control and internal auditing:
1) To supervise the effectiveness of the internal controls of the Company and its internal audit function in charge of ensuring proper operation of the internal control and reporting system, and to discuss with the external auditors any material weaknesses found during the audit and draw conclusions as to the degree of reliability and confidence of the system, all without surrendering its independence. To these ends it may make any appropriate suggestions or recommendations to the Board of Directors and submit the timeframe for relevant follow-up.
<b></b>
(4) In respect of the external auditor:
<del></del>
b) To obtain from the external auditor, on a regular basis, information on the audit plan, on performance of that plan, and on any other questions connected with the auditing process, especially discrepancies that may arise between the external auditor and Company management."
C.1.29. Is the secretary of the Board also a director?

If the secretary is not a director, complete the following table:

Yes □

Name or company name of the secretary	Representative
Mr Pedro Enrile Mora-Figueroa	

No **⋈** 



#### **Observations**

Mr Pedro Enrile Mora-Figueroa was appointed Non-Director Secretary of the Board of Directors under a resolution of 24 June 2020.

He was also appointed as Secretary of the Executive Committee at its meeting of 11 May 2022.

C.1.30. Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Article 15 bis of the Company's Articles of Association and Article 13 of the Regulations of the Board of Directors, as well as Article 5 of the Regulations of the Audit Committee, establish the powers of the Audit Committee in relation to these mechanisms.

In regard to the external auditor, the Audit Committee has the following duties:

- a) To submit proposals for selecting, appointing, re-electing, and replacing the external auditor to the Board of Directors for referral to the Shareholders' General Meeting and to take charge of the selection process in conformity with the applicable laws and regulations and of the conditions of engagement, and for that purpose it must:
  - 1. specify the procedure for selecting the external auditor
  - 2. issue a reasoned proposal.
- b) To obtain from the external auditor, on a regular basis, information on the audit plan, on performance of that plan, and on any other questions connected with the auditing process, especially discrepancies that may arise between the external auditor and Company management.
- c) To establish appropriate relations with the external auditor with a view to receiving information on any issues that may pose a threat to its independence for consideration by the Committee, as well as any other information relating to the process of auditing the accounts, and, where appropriate, to authorise services other than those prohibited under the terms of the applicable rules for the independence regime, as well as any other communications provided for in auditing legislation and standards.

In any event, the external auditors must provide them with an annual declaration of their independence with regard to the Company or entities directly or indirectly linked to it, as well as detailed and individualised information regarding additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by persons or entities linked to it, in accordance with the provisions of the regulations governing auditing activity.

d) Prior to issuance of the actual audit report on the accounts, to issue an annual report expressing an opinion on whether the external auditor's independence has been compromised.



This report will necessarily include a reasoned assessment of each of the services additional to statutory auditing that are referred to in the preceding item, both individually and in aggregate, from the perspective of independence and the regulatory framework governing auditing practice.

- e) To defend the external auditor's independence in the performance of its duties, in particular:
- (i) should the external auditor resign, to look into the circumstances that may have led to this
- (ii) To supervise disclosure by the Company of any change of auditor through the CNMV (the Spanish National Securities Market Commission), while accompanying a statement regarding the existence of any disagreements with the outgoing auditor and, if applicable, the subject matter thereof
- (iii) To ensure that the remuneration that the external auditor receives for its work does not compromise the quality of the work or the auditor's independence
- (iv) To lay down guidelines for a cap on annual fees to be paid to the auditor for non-audit services
- (v) to ensure that the Company and the external auditor obey the law in force concerning the provision of non-auditing services and limits on economic dependence by auditors and all other laws and regulations connected with auditor independence generally.
- f) To ensure that the external auditor meets yearly with the full Board of Directors to report on the work done and the status of the Company's accounting situation and risks.
- g) To draw up a final assessment of the auditor's performance and its contribution to audit quality and integrity of financial information.

The Group has an internal procedure which regulates the approval process for non-audit services to be provided by the external auditor from the standpoint of independence. Under the procedure the Audit Committee delegates appropriate approval of all such services to the Group's Chief Audit Executive as long as they are not prohibited under existing law or do not compromise the independence of the auditor, except in those cases where the level of fees proposed for providing the services that are submitted for approval represents a certain percentage of the fees for auditing services provided by the main auditor in the immediately preceding financial year, in which case the Audit Committee decides directly on approval. The Chief Audit Executive has regularly reported to the Audit Committee on the services approved under this procedure and in all circumstances before the external auditor presents its annual statement confirming its independence, in which it provides a breakdown of fees charged to both the company and its related companies over the financial year in question (itemised into captions for auditing services and for non-audit services) by both the auditor itself and other firms belonging to the same organisational framework.

In regard to approval for non-audit services, the Audit Committee or the Chief Audit Executive, as appropriate, base themselves on specific documentation provided by the external auditor, which must include at least a draft of the relevant services proposal and the documentation supporting the independence assessment that the external auditor has made, as well as their conclusions on the matter. Sometimes, depending on the nature of the proposal and the fees suggested, the Audit Committee asks for suitable explanations from both the internal audit department and other managers in the Group. In all cases, in addition to deciding whether the proposed service is one that is prohibited or not, the evaluation process involves consideration of threats to independence (self-interestedness, self-reviewing, advocacy, familiarity or closeness, and intimidation) and, where appropriate, the safeguards to deploy in this respect.



The external auditor has presented the Committee with its annual declaration which confirms its independence and gives details of the fees invoiced to the Company and its related companies over the financial year by both the auditor itself and the firms within its organisational network. These are properly broken down by item and nature (audit and non-audit services) and the auditor states that it has implemented policies and procedures that are designed to ensure a reasonable level of certainty that both the auditor itself and its employees retain independence where the applicable law and regulations require this.

The Audit Committee has concluded that the external auditor has conducted its audit work independently and has advised the Board of Directors of this prior to preparation of the annual financial statements. Likewise, the Audit Committee has issued the obligatory report on the independence of the external auditor.

The Audit Committee also has powers to oversee application of general policy on reporting information as well as contact and engagement with shareholders, institutional investors, asset managers, financial intermediaries, proxy advisers and other stakeholders. It will additionally supervise the Company's relations and communications with small and medium-sized shareholders.

C.1.31.	Indicate	whether	the	company	changed	its	external	auditor	during	the	year.	If	SO,
	identify t	the incom	ing a	and outgoi	ing audito	rs:							

Yes 

No □

Outgoing auditor	Incoming auditor		
KPMG AUDITORES, S.L.	PricewaterhouseCoopers Auditores, S.L.		

If there were any disagreements with the outgoing auditor, explain their content

Yes □ No 🗷

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work.

Yes **坚** No □

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousands of euros)	62	153	215
Amount invoiced for non-audit work/amount for audit work (in %)	65.8%	14.9%	19.2%



C.1.33. Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the Shareholders' General Meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.				
Yes □	No 🗷			
C.1.34. Indicate the number of consecutive auditing the company's individual indicate the number of years audite total number of years in which the f	and/or consolidated fina ed by the current audit firm	ncial statements. Also, as a percentage of the		
	Individual	Consolidated		
Number of consecutive years	1	1		
Number of consecutive years	1	<u>.</u>		
	Individual	Consolidated		
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	2.78	2.787%		
C.1.35. Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:				
Yes <b>⊻</b>	No □			
Details of	f the procedure			
Article 9 of the Regulations of the Board of Directors determines that one of the functions of the Chair is:				
"Ensuring that Directors receive, in advance of Board meetings, the information they need to be able to deal with the items on the agenda and perform their duties with due care."				
The Directors thus have a digital platform on which the relevant information on the items contained in the agenda of each meeting of the Board and its Committees is made available.				
Moreover, in accordance with Article 22 of the Board Regulations, in the performance of their tasks, the Directors have the duty to demand, and the right to receive from the Company, the information that is necessary and suitable to enable them to fulfil their obligations. Directors				



are accordingly vested with the most extensive authority to gather information on any topic concerning the Company or its subsidiary companies, both domestic and foreign, and to examine their books, records, documents, reports, or facilities. Exercising this right to information is to be routed through the Chair with the assistance of the Secretary. The Chair will handle the Director's requests and furnish them with the information directly, providing the Director with access to appropriate contacts at the relevant level within the organisation or taking measures to enable the Director to carry out the relevant checks and enquiries *in situ*.

The Company is committed to, and working on, ensuring continuous improvement in making available the information to be discussed at meetings of the Board and its Committees. This is one of the key points of the Action Plans that are implemented every year as a result of the evaluation by the Board of Directors.

C.1.36. Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes ⊠ No □

### **Explain the rules**

Article 21 of the Regulations of the Board of Directors establishes that:

**"...** 

Directors will offer to resign, and if the Board of Directors considers it appropriate will resign, when they are affected by circumstances that may be detrimental to the good name and reputation of the Company or may adversely affect the work of the Company or the Board of Directors, whether or not those circumstances are related to their activities in the Company. In particular, this obligation will apply when they have been named as being under investigation in any criminal matter, in which case they will report on the course of the proceedings. This obligation will also apply when, because of supervening circumstances, they become disqualified or ineligible by law.

On being informed of any of the situations referred to in the preceding paragraph, or on learning of them by other means, the Board of Directors will examine the matter without delay, and after hearing the report of the Appointments, Remunerations and Sustainability Committee and reviewing the circumstances will decide what measures should be taken. Without prejudice to the information the Company should release, if appropriate, when the corresponding measures are taken, this is to be reported on in full in the Annual Corporate Governance Report, unless there are special circumstances that make it advisable to do otherwise, which should be recorded in the minutes.

...

Directors who leave office before the end of their term, by resignation or by decision of the Shareholders' General Meeting, will send a letter to all the members of the Board of Directors adequately explaining the reasons for their resignation or, in the case of non-executive Directors, their opinion on the Shareholders' General Meeting's grounds for removal. A full account of this will be given in the Annual Corporate Governance Report. Insofar as it is relevant to investors, the Company will announce the resignation or removal as soon as



possible and will include a sufficient exposition of the reasons or circumstances submitted by the Director."

C.1.37.	Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:
	Yes □ No 🗷
	In the above case, indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his or her dismissal.
	Indicate also whether the Board decision was backed up by a report from the nomination committee.
	Yes □ No 🗷
C.1.38.	Detail any material agreements entered into by the company that come into force, are

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

None exist.

C.1.39. Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

There are no indemnities agreed upon between the Company and its non-executive Directors, nor managers or employees.

The only indemnity agreed upon is provided for in favour of the Executive Director (the CEO) in the contract entered into by the latter with the Company, which will become legally operative whenever termination is neither as a result of any non-compliance attributable to them nor on account of their sole volition (with the exception of cases of death or disability of the CEO).

The CEO's compensation amounts to the equivalent of two (2) years of total remuneration, from which long term variable remuneration is excluded. Even so, exceptionally, if cessation and termination of the contract with the CEO is due to a change of control of the Company in the sense which Article 42 of the Commercial Code provides for, or the assignment or transfer of all or a material part of its activities or its assets or liabilities to a third party or merger into another business group, as well as a change to current shareholders owning over 50% of the share capital or the Company's key shareholder, the CEO would be entitled to receive an



additional sum equal to one (1) year of their total remuneration. Total remuneration shall in any event be calculated as the average of that received in the past three (3) years.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	Shareholders' General Meeting
Body authorising the clauses	×	

	YES	NO
Are these clauses notified to the Shareholders' General Meeting?	X	

#### **Observations**

The indemnity clauses for the CEO are approved by the Board of Directors on the proposal of the Appointments, Remunerations and Sustainability Committee. In addition, they are reported to the Shareholders' General Meeting through the Annual Report on Director Remuneration, and they are included in summarised form in the document on Remunerations Policy for directors that relates to the 2022, 2023, 2024 and 2025 financial years which was approved at the Shareholders' General Meeting on 18 May 2022.

#### C.2 COMMITTEES OF THE BOARD OF DIRECTORS

C.2.1. Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them.

#### **EXECUTIVE COMMITTEE**

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



% of executive directors	16.67%
% of nominee directors	83.33%
% of independent directors	0%
% of other external directors	0%

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the Articles of Incorporation or in other corporate resolutions.

The Executive Committee has no function allocated or delegated to it that is additional to what is set out in section C.1.9.

The essential duties of the Executive Committee are (i) to prepare information on the matters to be discussed by the Board of Directors and to draft motions for resolutions; (ii) to follow up on implementation of Elecnor Group policies, and (iii) to monitor the business of the Company and the Group, which represents confidential information due to its sensitivity in terms of the competition and must be treated with the strictest confidentiality safeguards. This is all pursuant to the Rules on Functioning of the Committee as described in its actual constitutional charter and which are detailed below:

- The members of the Executive Committee shall step down from their role when they do so as Director or when agreed upon by the Board of Directors.
- In the absence of the Chair of the Executive Committee, or this position being left vacant, their functions shall be exercised by the member who is elected for that purpose by a majority of the attendees at the meeting.
- The Executive Committee shall be convened by its Chair, at their own initiative, or at the request of two of its members, by letter, telegram, e-mail or fax, addressed to each of its members at least 48 hours before the date of the meeting, but may, however, be convened for reasons of urgency, in which case the agenda shall be limited to the points which prompted the meeting.
- The Executive Committee shall be quorate when at least a majority of its members are present or represented.
- Through its Chair, the Executive Committee shall inform the Board of Directors of the matters which the Committee discusses and the resolutions it passes.

In 2023, the Executive Committee kept to its structure given that the Company's Board of Directors passed a resolution to re-elect Mr Cristóbal González de Aguilar Alonso-Urquijo as a member of it for a four-year term at its meeting following the Ordinary Shareholders' General Meeting of 17 May 2023.

On the other hand, 2023 was the first full year in which the position of Committee Secretary was held by the Secretary to the Board, Mr Pedro Enrile Mora-Figueroa, after his appointment in May 2022 pursuant to recommendation 37 of the Code of Good Governance, which represented progress in meeting the recommendations on good governance and has led to more effective coordination between the Executive Committee and the Board.

The Executive Committee met twenty (20) times over 2023, all of its meetings being attended by the full complement of its members, with the sole exceptions of that of 8 February 2023, when the Committee Chairman, Mr Jaime Real de Asúa Arteche, was unable to attend and that



of 24 October 2023 which Mr Cristóbal González de Aguilar could not either, both circumstances having arisen on justified grounds.

Among others, the following key issues were discussed at the meetings:

- The search process for an investor to take up a controlling interest in subsidiary Enerfín Sociedad de Energía, S.L.U.
- The negotiation and signing of a contract of sale for the entirety of equity interests in the subsidiary Enerfín Sociedad de Energía, S.L.U. to Statkraft European Wind and Solar Holding AS.
- The 2023 income statement and both quarterly and six-monthly results.
- Key investment and divestment transactions by the Elecnor Group.
- The progress of lead business subsidiaries in the Elecnor Group, namely Elecnor Servicios y Proyectos, S.A.U. and Enerfín Sociedad de Energía, S.L.U., as well as the investee company Celeo Concesiones e Inversiones, S.L., including their priority affairs and monitoring of their goals.
- Actions regarding sustainability and climate change.
- The Group Strategy Plan for 2023-2025.
- Examination of Elecnor Group corporate financing and borrowing.
- Monitoring of the multi-currency commercial paper programme on MARF (Alternative Fixed-Income Market) of up to 400 million euros.
- Proposed dividend pay-outs.
- Evaluation of the Committee itself.
- Trends in the company's market price and shareholder activity.

All members of the Board of Directors receive copies of the minutes of Executive Committee meetings, in accordance with Recommendation 38 of the Code of Good Governance.

#### **AUDIT COMMITTEE**

Name	Position	Category
Ms Francisca Ortega Hernández- Agero	Chair	Independent
Mr Miguel Morenés Giles	Secretary	Proprietary
Ms Isabel Dutilh Carvajal	Member	Independent
Mr Ignacio Prado Rey-Baltar	Member	Proprietary
Ms Irene Hernández Álvarez	Member	Independent

% of executive directors	0%
% of nominee directors	40%
% of independent directors	60%
% of other external directors	0%

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the Articles of Incorporation or in other corporate resolutions.

The functions, procedures and rules of organisation and functioning of the Audit Committee are set out and developed in (i) Article 15 bis of the Company's Articles of Association, (ii)



Article 13 of the Regulations of the Board and (iii) the Regulations of the Audit Committee themselves. All of these are available on the Company's corporate website.

The Audit Committee must designate a Chair from among the Independent Directors for a maximum of four years, and they may be re-elected for the same term once a period of one year has elapsed from the date upon which their role expires or the date their cessation has been agreed upon, without prejudice to their continuation or re-election as a Committee member.

The Audit Committee will also appoint a Secretary, who may be the Secretary of the Board of Directors, on condition that he or she is not an Executive Director.

The Audit Committee will be quorate when a majority of its members are present or represented at the meeting. Resolutions will be adopted by an absolute majority of the members present or represented there.

The Audit Committee must meet at least four times per year and, in addition, as often as required in the interests of the Company, at the request of any of its members.

The meetings of the Committee will be called by its Secretary on the instructions of the Chair, and the call to meet shall always include the agenda of the meeting and be accompanied by the necessary information, without prejudice to the fact that in certain circumstances it may be justified that all or part of the information is provided at the meeting itself.

Attendance at Committee meetings must be preceded by sufficient time dedicated by its members to analysing and evaluating the information received, while constructive dialogue among its members and the freedom to offer opinions is also encouraged.

The Committee may request the presence of any person not forming part of it and whom it deems appropriate for the best exercise of its functions. The person shall attend at the invitation of the Chair of the Committee but only to deal with those specific items on the agenda for which they are called. The minutes of Committee meetings shall record the arrivals and departures of the various invitees and, save in specific cases for which adequate justification must appear in the minutes themselves, invitees may not be present during the Committee's deliberation and voting phases.

The Audit Committee may access any information or documentation available to the Company concerning matters within its competence and may, at the expense of the Company, request the collaboration or advice of external professionals when it considers this necessary or advisable for the best exercise of its functions, for which purposes it is to have appropriate resources on hand.

The Audit Committee shall establish an effective and regular channel of communication with its usual contacts, which task shall normally fall to the Chair of the Committee, who shall also act as spokesperson for the Committee at the meetings of the Board of Directors and, where appropriate, at the Company's Shareholders' General Meeting.

Article 15 bis of the Company's Articles of Association essentially covers the minimum duties assigned to the Audit Committee under the Corporate Enterprises Act. These are expanded



upon in Article 13 of the Regulations of the Board of Directors, and this is in turn developed by Article 5 of the Regulations of the Audit Committee, which provides a detailed description of the duties which the Board of Directors allocates to the Committee and is now reproduced below:

#### "Article 5. Duties of the Audit Committee

- 1. Notwithstanding any other tasks that may be assigned to it by the Board of Directors, the Audit Committee will have the following duties:
  - (i) In respect of supervising financial and non-financial information:
  - 1) In the person of its Chair, to inform the Shareholders' General Meeting regarding any matters falling within its purview that are raised by shareholders. More particularly, to report on audit results and explain the role the Committee has played during the auditing process and how audits have helped enhance the integrity of financial information.
  - 2) To oversee and assess the process of drawing up and submitting the requisite financial and non-financial information on the Company and on its Group, as the case may be; to monitor compliance with legal and regulatory requirements; to ensure that the scope of consolidation has been suitably defined and accounting principles are properly followed; and especially to determine, consider, and supervise the effectiveness of the internal control of the financial reporting (ICFR) system and make suggestions or recommendations for safeguarding financial integrity to the Board of Directors.
  - 3) To report in advance to the Board of Directors concerning the financial information, management report, and, where appropriate, any requisite non-financial information that the Company is to make public periodically.
  - 4) To ensure that the annual financial statements the Board of Directors submits to the Shareholders' General Meeting have been drawn up in accordance with accounting standards. Where the external auditor has included an observation in its audit report, the Audit Committee Chair will clearly explain the Committee's views on its significance and scope to the Shareholders' General Meeting and will make a summarised version of its views available to the shareholders when the notice of the Shareholders' General Meeting is issued, together with the rest of the proposals and reports of the Board.
  - (ii) In respect of supervising internal control and internal auditing:
  - 1) To supervise the effectiveness of the internal controls of the Company and its internal audit function in charge of ensuring proper operation of the internal control and reporting system, and to discuss with the external auditors any material weaknesses found during the audit and draw conclusions as to the degree of reliability and confidence of the system, all without surrendering its independence. To these ends it may make any appropriate suggestions or recommendations to the Board of Directors and submit the timeframe for relevant follow-up.
  - 2) To supervise the internal audit unit overseeing proper functioning of the internal control and reporting systems, functionally subsidiary to the Committee Chair, in particular: (i) to assure the independence of the unit that performs the internal audit function; (ii) to propose the selection, appointment, and removal of the Chief Audit Executive; (iii) to propose the unit's budget; (iv) to approve the annual work plan and guidelines and ensure that the unit's activities focus mainly on relevant risks, including reputational risks; (v) to receive regular reports on the unit's activities; and (vi) to ensure that the members of the management team heed the conclusions and recommendations of its reports.

The Chief Audit Executive will report directly to the Audit Committee on performance of the unit's annual work plan, on any incidents and constraints that arise in the course of its work, and on the results and follow-up of its recommendations; the CAE will submit a report on the unit's activities at the end of each year.



- 3) To set up and supervise a mechanism for employees and others who are connected with the Company, e.g., Directors, shareholders, vendors, contractors, or subcontractors, to report any potentially significant financial, accounting, or any other sort of irregularities affecting the Company which they may observe in the Company or its Group. The mechanism should ensure confidentiality, or at least make provision for anonymous reporting, while at the same time respecting the rights of the reporting and the reported persons. It should also provide for periodic reporting on operation of the mechanism and means for suggesting possible ways to improve the mechanism and reduce the risk of future irregularities.
- 4) More generally, to ensure that existing internal control policies and systems are effectively implemented in practice.
- (iii) In respect of supervising risk management and control:
- 1) To supervise and assess the effectiveness of management and control systems for both financial and non-financial risks affecting the Company and the Group (including operational, technical, legal, social, environmental, political, and reputational or corruption-related risks) and to reassess at least yearly the list of the main risks and propose any changes to the Board.
- 2) To supervise the risk management and control unit.
- (iv) In respect of the external auditor:
- 1) To submit proposals for selecting, appointing, re-electing, and replacing the external auditor to the Board of Directors for referral to the Shareholders' General Meeting and to take charge of the selection process in conformity with the applicable laws and regulations and of the conditions of engagement, and for that purpose it must:
- 1. specify the procedure for selecting the external auditor and
- 2. issue a reasoned proposal.
  - 2) To obtain from the external auditor, on a regular basis, information on the audit plan, on performance of that plan, and on any other questions connected with the auditing process, especially discrepancies that may arise between the external auditor and Company management.
  - 3) To establish suitable relations with the external auditor regarding submission of information on questions that could jeopardise its independence for review by the Committee together with any other questions relating to the auditing process and any other communications prescribed by the auditing legislation and other auditing regulations and standards and, when appropriate, to authorise services not prohibited by the applicable laws and regulations concerning independence.

To obtain a yearly declaration from the external auditor stating its independence from the Company and from the entities directly or indirectly related to it along with itemised, detailed information on additional services of any kind that it may provide and the corresponding fees paid by those entities to the external auditor or to persons or entities related to it, in accordance with the statutory framework regulating auditing practice.

- 4) To issue an annual report in advance of the external auditor's report setting out its opinion as to whether the auditor's independence has been compromised. This report will necessarily include a reasoned assessment of each of the additional services apart from auditing referred to in the preceding item, both individually and in aggregate, from the perspective of independence and the statutory framework regulating auditing practice.
- 5) To defend the external auditor's independence in the performance of its duties, in particular:
  - (•) should the auditor resign, to examine the circumstances surrounding and the reasons for resignation
  - (\*) to supervise announcement by the Company of a change in auditor through the Spanish National Securities Market Commission (CNMV) and to submit a



- statement regarding the existence of any disagreements with the outgoing auditor and what they might be
- (\*) to ensure that the external auditor's remuneration for its work does not compromise the quality of the work or the auditor's independence
- (\*) to set guidelines capping the fees the auditor may be paid each year for services other than auditing and
- (\*) to ensure that the Company and the external auditor obey the law in force concerning the provision of non-auditing services and limits on economic dependence by auditors and all other laws and regulations connected with auditor independence generally.
- 6) To ensure that the external auditor meets yearly with the full Board of Directors to report on the work done and developments concerning the Company's accounting and risk situation.
- 7) To draw up a final assessment of the auditor's performance and its contribution to audit quality and integrity of financial information.
- (v) In respect of supervising compliance with the Company's corporate governance rules and internal codes of conduct:
  - 1) To supervise compliance with the Company's corporate governance rules and policies and internal codes of conduct and ensure that corporate culture is aligned with the Company's purpose and values.
  - 2) To supervise implementation of the general corporate, non-financial, financial, and economic communications policy and communications with shareholders and investors, proxy advisers, and other stakeholders. Additionally, to monitor the Company's relations and communications with small and medium-sized shareholders.

#### (vi) Other duties:

1) To report on Related-Party Transactions that need approval by the Shareholders' General Meeting or Board of Directors and oversee the Company's internal procedure for transactions for which the Board of Directors has delegated approval pursuant to the applicable rules.

In drawing up its report the Committee must examine whether the transaction is fair and reasonable from the perspective of the Company and shareholders that do not belong to the related party, as the case may be, and set out the basis for its opinion and the methods that have been used. Members of the Audit Committee concerned in the Related Party Transaction may not take part in drawing up the report.

- 2) To report in advance to the Board of Directors on all matters prescribed by law, the Company's Articles of Association, or the Regulations of the Board of Directors, and specifically:
- (•) the creation or purchase of shares in special purpose vehicles or entities based in countries or territories classified as tax havens and
- (•) the financial terms and accounting implications and, where appropriate, the proposed exchange ratio of transactions that entail corporate and structural modifications planned by the Company.
- 2. Each year the Audit Committee will draw up a report on its work and performance during the year as a basis for review by the Board of Directors. The report will contain information on, for instance, the make-up of the Committee, the number of meetings held during the year, significant activities carried out during the year and stating work performed in association with outside experts, and any main incidents that took place. The report will be placed at the disposal of the shareholders on the Company's website sufficiently in advance of the Ordinary Shareholders' General Meeting.
- 3. When performing its duties the Audit Committee will bear in mind the good governance recommendations and standards issued by Spain's Securities Market Commission



(CNMV) and other competent authorities, though these may be adapted to the specific circumstances of the Company and its Group.

4. Each year the Audit Committee will formulate an action plan setting out the main activities to be carried out by the Committee in the performance of its duties."

The Audit Committee did not alter its composition in 2023 with respect to members, although it did in regard to positions. Thus, following re-election of Ms Isabel Dutilh Carvajal as a director of the Company at the Shareholders' General Meeting of 17 May 2023, the Board held a meeting in which it passed a resolution to re-elect her as a member of the Audit Committee for a four-year term. At the same Board meeting a resolution was passed to appoint Ms Francisca Ortega Hernández-Agero as Chair of the Audit Committee for a four-year term, this position having up to then been held by Ms Irene Hernández Álvarez.

The Committee met twelve (12) times over 2023 with a full attendance rate. Furthermore, when considered appropriate, the Committee requested that other persons from within the company or its Group or professionals from outside it should be present at meetings, depending on the matters up for discussion. In all cases this was following prior invitation from the Chair of the Committee to discuss the points on the agenda for which they had been called to participate and concerned:

- Members of the General Internal Audit and Finance Sub-Division (10 meetings).
- The Chief Audit Executive (11 meetings).
- The Group's Chief Compliance Officer (5 meetings).
- The General Secretary (4 meetings).
- The Corporate Development Manager (1 meeting).
- Managers from the Tax Area (1 meeting).
- The Head of IT and Technology (which comes under the Corporate Development Department) (1 meeting).
- The Data Protection Officer (1 meeting).
- The External Communications and Corporate Image Manager and the Sustainability Coordinator (3 meetings).
- The Industrial Risk and Insurance Manager (1 meeting).
- External auditors (the new auditor, PWC 2 meetings, and the outgoing auditor, KPMG - 1 meeting).

Likewise, when thought appropriate, other external advisers or providers took part regarding certain particularly complex matters specific to the Audit Committee. The arrivals and departures of the various invitees were recorded in the Committee meeting minutes in all cases.

In 2023 the Audit Committee exercised each of the duties assigned to it under Article 5 of its regulations on functioning in the form of the following main activities:

1. Supervision and assessment of the drawing up and preparation of the financial and non-financial information, as well as the key risks which potentially affect the completeness and accuracy of such information, and reviewing the information to be disclosed to the markets

Over the year the Committee has overseen the drawing up and preparation of financial information mainly by reviewing the information which the internal audit department has provided on the functioning and operability of the internal control over financial reporting (ICFR) system (and especially the major changes occurring in regard to the relevant risks), as well as the findings from checking and monitoring activity which the internal audit function has performed. Several meetings have also been held with the external auditors in which the Committee has become suitably aware of the procedures which the auditors have followed with respect to internal control over financial reporting and the conclusions drawn from this.



As regards non-financial information, the Committee has kept itself appropriately up-to-date via the information provided by the coordinator for preparation of the Non-Financial Information Statement (NFIS) and the Chief Audit Executive, and via the key regulatory innovations applying in the financial year, the procedure established for preparing the statement and the primary reviewing work which both the internal audit function and external auditors checking such information carry out. The Committee has additionally supervised the design, development, documentation and review of a system of internal control over non-financial reporting (ICNFR) that is specific to environmental management information. On the other hand, a meeting was held with the external checking auditors entrusted with examining the NFIS for the 2022 financial year (KPMG) to learn about the findings of the review work and the key takeaway arrived at. All of this work on supervising non-financial information was properly coordinated with the Appointments, Remunerations and Sustainability Committee.

The Committee implemented appropriate follow-up of the recommendations and action plans arising from this checking activity.

On the other hand, the Committee has performed appropriate review of the Company's financial information (quarterly, six-monthly and annual) and non-financial information (annual) and that of the consolidated group before submitting it and reporting favourably on it to the Board for approval and subsequent sending of it to the authorities and the market, as well for submission of the annual financial statements and the non-financial information statement to the company's shareholders for approval at the Ordinary Shareholders' General Meeting. To accomplish this task the Committee has relied on the review of the information and regular explanations given by the General Finance Sub-Division and the Chief Audit Executive (key figures, developments compared to the previous year, progress regarding the core businesses and geographies, changes to the consolidation scope, etc.).

The Committee has also performed ongoing monitoring of key risks with a potential impact on the income statement, chiefly by checking on the information which the Chief Audit Executive regularly provides and in which such risks are suitably identified, quantified and measured in terms of exposure for the Group. The suitability of recognising a provision for these risks is considered on a case-by-case basis once they are reported.

The Audit Committee has also monitored the most significant judgements and estimates which impact on the financial information.

For its part, the General Finance Sub-Division and the Chief Audit Executive have duly notified the Committee about the accounting treatment for any one-off transactions that have taken place over the year as well as how they are treated for tax purposes. Notable in this regard is how the Audit Committee has been keeping track of the search for an investor to take a controlling stake in Enerfín for the purposes of determining the right timing for the sale of the net assets of the Enerfín sub-group as "Non-current assets held for sale" and classifying this segment as "Discontinued operations" while looking into the accounting implications which arise from this sale appropriately.

Lastly, the financial information (six-monthly and annual) and the non-financial information (annual) have been reviewed and audited or checked by the external auditors as each case dictated, the Committee having been kept duly informed via the appropriate meetings with them on the findings of their work and conclusions drawn.

#### 2. Supervision of internal auditing and internal control



The Committee approved the internal auditing work plan at its meeting in March and has conducted suitable supervision of it, doing so mainly through regular follow-up of the progress of the plan and the principal activities of the internal audit department over the year, which primarily involved monitoring and reviewing the major risks to which the company has exposure and the processes, procedures and controls arranged to manage them properly. The Committee has watched over the recommendations and action plans emerging from such review activity in an appropriate manner.

The Committee has also enquired about the resources which the Committee function has available to pursue its activities and found these sufficient to execute the annual action plan that was approved.

The Audit Committee held meetings with the Chief Audit Executive on 11 occasions in the course of the year, in several of which no other Company executive was present, specific matters arising from the reviews conducted having been discussed with the CAE alone.

At its March meeting the Audit Committee received the annual report on internal audit activities for the 2022 financial year and approved it after examining it.

# 3. <u>Supervision and assessment of the management system for both financial and non-financial risk</u>

Without prejudice to continuous monitoring of the Group's key risks and its oversight of risks relating to preparation of financial and non-financial information discussed above, at two of its meetings the Audit Committee specifically supervised and evaluated the review carried out by the Corporate Risk Map's Management Committee and in particular, with regard to the risks pinpointed, the assessment of their potential impact and probability of occurrence, as well as the major activities and action plans developed to improve management of them.

Here, the Chief Audit Executive, who supervised this review activity by the management team, was the person assigned the task of presenting on the findings from the review work, explaining the progress made regarding the risk management system and briefing the Committee on the main conclusions drawn concerning the procedures implemented and the initiatives carried out to head off the main risks and enhance management of them.

In relation to tax risk, the Audit Committee met with managers from the corporate tax area to review the most significant tax risks and effective implementation of Corporate Tax Policy, and how transactions of particular importance are treated for tax purposes.

The Committee held one meeting with the Group IT and Technology manager to find out about the most important aspects of managing both information systems, and technology-related risks, which include cybersecurity risk. One meeting was also held with the Group Data Protection Officer (DPO) to learn about the chief kinds of personal data which is processed, associated risks and the core mechanisms established to manage and protect data properly.

Finally, at one of its meetings the Audit Committee familiarised itself with the main conditions of the D&O (Directors & Officers) insurance policy taken out by the Group (principally the extent of subjectivities and objective aspects of coverage, limits, time frame and premiums paid in the past few years).



# 4. <u>Supervision and evaluation of the external auditor's activity, their</u> independence and referral of its fee proposal to the Board

The Audit Committee met with the Group's external auditors three times (in February with KPMG, as auditor of the 2022 annual financial statements, and in July and October with PwC in its capacity as the new auditor) on each occasion without other executives or officers from the Company or its Group being in attendance. 2023 is the first financial year in which PwC has been tasked with performing the audit for the Company and the Group's annual financial statements following its appointment at the Ordinary Shareholders' General Meeting held in May 2022 as Group auditor for 2023 to 2025 in replacement of KPMG.

The main issues discussed with the external auditors were:

- The results of the yearly audit for 2022 of the individual and consolidated annual financial statements (KPMG).
- The statement and confirmation in writing by the external auditors of their independence and detailed information on any non-audit services which they provided in 2022 (KPMG).
- The results of the limited review of the Group's condensed six-monthly financial statements for the first half of 2023 (PwC).
- Any internal control weaknesses identified and suggested improvement where appropriate (KPMG and PwC).
- Planning and strategy for the annual audit of both the individual Company and consolidated Group accounts (materiality, scope, main audit risks identified, schedule, etc.) (PwC).

The Audit Committee made the annual assessment of the external auditor's performance and contribution to audit quality and the completeness of financial information, its conclusion being favourable.

At the request of the Audit Committee, in February the external auditor held a meeting with the full Board of Directors to report to it on the work carried out and developments in the both the Group and the Company's accounting and risk situation.

The Audit Committee studied PwC's proposed fees for auditing the 2023 individual and consolidated annual financial statements and decided to refer them to the Board of Directors for approval.

In regard to supervision of the external auditor's independence, the Audit Committee oversaw proper implementation of the internal procedure regulating the process to obtain preliminary approval of non-audit services to be provided by the external auditor via the information which the Chief Audit Executive furnished on such services and the potential threats to the auditor's independence. No services which PwC provided during the year were identified as being capable of compromising its independence as external auditors to the Company and its Group. In keeping with this procedure, throughout the year the external auditor duly sought the Company's approval for potentially providing any non-audit service for which the possibility of hiring it might have been entertained in advance of any signing of the relevant contract, and it furnished its corresponding analysis of the potential threats to its independence which might arise from providing such services as well as the safeguards determined in each case to minimise or eradicate them, while also confirming when there were no restrictions on performing the tasks in question on grounds of independence. These declarations were studied and checked internally before approving the requests put forward.



The external auditor of the 2022 annual financial statements (KPMG) presented the Committee with its annual declaration which confirms its independence and gives details of the fees invoiced to the Company and its related companies over the financial year by both the auditor itself and the firms within its organisational network. These are duly broken down by item and nature (audit and non-audit services) and the auditor states that it has implemented policies and procedures that are designed to ensure a reasonable level of certainty that both the auditor itself and its employees retain independence where the applicable law and regulations require this.

The Committee has concluded that the Company's auditor has performed its audit work independently, which it has reported to the Board of Directors, with the legally mandatory report being issued on 22 February 2023 pursuant to Article 529 quaterdecies.4.f of the revised text of the Corporate Enterprises Act and likewise provided for in the Company's corporate texts. This was made available to shareholders via the corporate website from moment of the call to meet at the Ordinary Shareholders' General Meeting, pursuant to recommendation 6 of the Code of Good Governance. This conclusion also extends to the external auditor checking the non-financial information statement (NFIS) insofar as this task fell to a firm in the same organisational network to which the main external auditor belongs.

The Audit Committee thanked KPMG for its work and professionalism over all the years in which it performed its task as the Group's chief auditor.

# 5. <u>Monitoring of the compliance system and activity of the Compliance Committee</u>

Five of the meetings in 2023 were attended by the Group Chief Compliance Officer, who reported on the Compliance Committee's activity and on the initiatives, actions and/or incidents arising in the field of Compliance, seeking the Committee's approval and authorisation when necessary.

The tasks carried out by the Audit Committee in this area in the 2023 financial year were:

- Review and approval of the 2022 Annual Compliance Report
- Approval and regular follow-up of compliance targets for 2023.
- Monitoring of the main compliance risks to which the Group is exposed.
- Follow-up of the main compliance-related training initiatives and actions carried out.
- Monitoring of the processes of adapting the Group's Compliance System to the special circumstances and requirements of the different countries in which it operates (organisations and subsidiaries).
- Monitoring of Ethics Channel activity.

The Committee has supervised the adaptation of internal information and reporting channel systems and procedures in connection with integrity and compliance that were implemented to meet the requirements of Law 2/2023 on whistleblower protection which became effective in the first half of the year. Specifically, the Committee reviewed the content of the new policy for the internal information system in regard to integrity and compliance and of the procedure for handling reporting via the Ethics Channel, which have been drawn up and/or adapted according to the requirements stipulated in the above-mentioned Law, and the Committee also reported favourably to the Board for them to be duly approved at its meeting in May 2023.



In addition, the Committee monitored various judicial and administrative proceedings with a potential impact on legal persons belonging to the Group.

# 6. Oversight of compliance with the Company's corporate governance rules and in-house codes of conduct

In the area of corporate governance, the Committee engaged in continuous supervisory activity to ensure proper compliance with the Company's rules on corporate governance and its inhouse codes of conduct by reviewing and following up documentation and matters discussed at its various meetings.

Without prejudice to this, the Committee held a specific meeting with members of the Group's management to review the content of the report on the functions of overseeing compliance and implementing corporate policies and internal codes of conduct which the Committee has assigned to it under Articles 13 of the Regulations of the Board of Directors and 5 of those of the Committee, following which this was duly approved.

The report examined compliance with, on the one hand, corporate policies (on corporate governance, regulatory compliance itself and sustainability), where in some cases this was on the basis of the report by the Appointments, Remunerations and Sustainability Committee on the findings of its assessment and review of certain policies that fall within the scope of competition, and on the other hand, the company's internal codes of conduct. The conclusion was reached that (i) over 2023 there was compliance with the principles, good practices and obligations set out in the aforementioned policies and codes, while no major incident emerged in the review process and (ii) the corporate culture underlying the rules alluded to, and which is imparted to everybody that is part of the Company and its Group, is in line with their aims and values.

The Committee also examined matters deriving from appraisal of its performance by the Board, who annually evaluate areas such as meeting dynamics, follow-up of subjects discussed, the structure of the Committee, the training of its members, etc., via questionnaires that have to be completed by directors, both members and non-members of the Audit Committee. This process, which is intended to pinpoint strengths and areas that could be improved, ended on a very positive note, with the takeaway being that the Committee operates with very high standards and great professionalism.

# 7. <u>Supervision of actions undertaken in application of internal procedure on related-party transactions</u>

The Committee received suitable explanations from the Task Force on Related-Party Transactions in relation to activities carried out in 2023 in application of the Related-Party Transactions Protocol and the conclusions arrived at, which have been summarised and documented in the 2023 Annual Report of the Task Force on Related-Party Transactions. It concluded that in the course of 2023 no transactions had been carried out with parties having ties to the Company which had required authorisation from the Shareholders' General Meeting, the Company's Board of Directors or any other person or body to whom the Board might have delegated such authorisation pursuant to the Regulations of the Board of Directors and the applicable regulatory framework.

At its meeting in February 2023, the Audit Committee approved its 2022 Annual Report on related-party transactions as provided for in recommendation 6 of the Code of Good Governance. This stated that no related-party transaction took place that year which might



have required authorisation from the Shareholders' General Meeting, the Company's Board of Directors or any other person or body to whom the Board might have delegated such authorisation. The report was placed at the disposal of shareholders, investors and other stakeholders on the corporate website from the time when the Ordinary Shareholders' General Meeting was called.

# 8. Review of the principal economic terms and conditions and accounting implications of the sale of the Enerfin group

Pursuant to Article 5.1.(vi) b of its Regulations and on the basis of the information provided by the managers of the General Finance Sub-Division, the Committee has reviewed the principal economic terms and conditions and accounting implications of the sale to the Statkraft group of the entire amount of shares in the subsidiary Enerfín Sociedad de Energía, S.L.U., subject, among other conditions, to approval at the Extraordinary Shareholders' General Meeting scheduled to be held on 23 January 2024 in first session and at the second session on 24 January 2024.

#### 9. Reporting to the Shareholders' General Meeting on matters within its remit

In her capacity as Chair of the Audit Committee, Ms Irene Hernández Álvarez reported on the Committee's activities over 2022 and to date at the Ordinary Shareholders' General Meeting held on 17 May 2023.

The Committee also gave consideration to the points arising from assessment of it by the Board of Directors. This process ended on a very positive note, with the takeaway being that the Committee operates with very high standards and great professionalism.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	Ms Francisca Ortega Hernández-Agero Mr Miguel Morenés Giles Ms Isabel Dutilh Carvajal Mr Ignacio Prado Rey-Baltar Ms Irene Hernández Álvarez	
Date of appointment of the chairperson	person 17/05/2023	

### APPOINTMENTS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

Name	Position	Category
Mr Emilio Ybarra Aznar	Chair	Independent
Mr Jaime Real de Asúa Arteche	Secretary	Proprietary
Ms Isabel Dutilh Carvajal	Member	Independent
Mr Miguel Cervera Earle	Member	Proprietary



% of executive directors	0%
% of nominee directors	50%
% of independent directors	50%
% of other external directors	0%

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the Articles of Incorporation or in other corporate resolutions.

The functions, procedures and rules of organisation and operation of the Appointments, Remunerations and Sustainability Committee are set out and developed in (i) Article 15 ter of the Company's Articles of Association, (ii) Article 14 of the Regulations of the Board and (iii) in the actual Regulations of the Appointments, Remunerations and Sustainability Committee, all of which are available on the Company's corporate website.

The Appointments, Remunerations and Sustainability Committee shall appoint the Chair thereof from among the Independent Directors. The Secretary of the Board of Directors may be appointed as the Secretary of the Appointments, Remunerations and Sustainability Committee, provided they are not an Executive Director.

The Appointments, Remunerations and Sustainability Committee must necessarily meet at least three times per year. It will be quorate when a majority of its members are present or represented at the meeting. Resolutions will be adopted by an absolute majority of the members present or represented there.

The meetings of the Committee will be called by its Secretary on the instructions of the Chair, and the call to meet shall always include the agenda of the meeting and be accompanied by the necessary information, without prejudice to the fact that in certain circumstances it may be justified that all or part of the information is provided at the meeting itself.

Attendance at meetings of the Appointments, Remunerations and Sustainability Committee must be preceded by sufficient time dedicated by its members to analysing and evaluating the information received, with constructive dialogue among its members and the freedom to offer opinions being encouraged.

The Committee may request the presence of any person not forming part of it and whom it deems appropriate for the best exercise of its functions. The person shall attend at the invitation of the Chair of the Committee but only to deal with those specific items on the agenda for which they are called. The minutes of Committee meetings shall record the arrivals and departures of the various invitees and, save in specific cases for which adequate justification must appear in the minutes themselves, invitees may not be present during the Committee's deliberation and voting phases.

The Appointments, Remunerations and Sustainability Committee may have access to any information or documentation available to the Company concerning matters within its competence and may, at the expense of the Company, request the collaboration or advice of external professionals when it considers this necessary or advisable for the best exercise of its functions while being especially mindful of any conflicts of interest that might affect external advisers, for which purposes it is to have appropriate resources on hand.

The Committee must establish an effective and regular channel of communication with its usual contacts, which task shall normally fall to the Chair of the Committee, who shall also act as spokesperson for the Committee at the meetings of the Board of Directors and, where appropriate, at the Company's Shareholders' General Meeting.

The Appointments, Remunerations and Sustainability Committee shall consult with the Chair of the Board of Directors and the CEO of the Company, especially in matters relating to the appointment of the Executive Directors, and the remuneration of members of the management



team and the Executive Directors. Any Director may request that the Committee take into consideration potential candidates to fill vacancies for Directors, if they are found to be suitable.

Article 15 ter of the Articles of Association essentially covers the minimum duties assigned to the Appointments, Remunerations and Sustainability Committee under the Corporate Enterprises Act. These are expanded upon in Article 14 of the Regulations of the Board of Directors, and this is in turn developed by Article 5 of the Regulations of the Appointments, Remunerations and Sustainability Committee, which provides a detailed description of the duties which the Board of Directors allocates to the Committee and is now reproduced below:

"Article 5. Functions of the Appointments, Remunerations and Sustainability Committee

- 1. Without prejudice to other functions that may be assigned to it by the Board of Directors, the Appointments, Remunerations and Sustainability Committee shall, in any case, exercise the following functions:
  - (i) Regarding the composition of the Board:
  - 1) Evaluating the required skills, knowledge and experience for the Board of Directors. For this purpose, it shall define the necessary functions and aptitudes for the candidates to fill each vacancy and shall evaluate the time and dedication required so they may effectively perform their functions, ensuring that the Non-Executive Directors have sufficient time available to correctly carry out their functions.

To this end, the Committee shall periodically prepare and update a matrix with the competencies needed by the Board, which defines the skills and knowledge of the candidates to become Directors, especially those of the executive and independent candidates.

- 2) Establishing a target representation number for the less represented gender on the Board of Directors and drawing up guidelines for achieving that target, proposing the diversity policy for Directors to the Board of Directors.
- 3) Proposing Board diversity and Director selection policy to the Board of Directors and reviewing fulfilment yearly.
- 4) Verifying the category of the Directors on an annual basis.
- (ii) Regarding the selection of Directors and members of the management team:
- 1) Submitting to the Board of Directors proposals for the appointment of Independent Directors for appointment by co-optation or for submission to the decision of the Shareholders' General Meeting, as well as proposals for the re-appointment or removal of said Directors by the Shareholders' General Meeting.
- 2) Reporting the appointment proposals of the remaining Directors for their designation by co-optation or for submission to the decision of the Shareholders' General Meeting, as well as proposals for their re-appointment or removal by the Shareholders' General Meeting.
- Reporting proposals for the appointment and removal of members of the management team.
- (iii) Regarding the roles of the Board:
- 1) Announcing the appointment of the Chair and Deputy Chairs of the Board.
- 2) Announcing the appointment and removal of the Secretary and Deputy Secretary of the Board.
- 3) Proposing, where appropriate, the appointment of the Coordinating Director.
- 4) Examining and organising the succession of the Chair of the Board of Directors and the CEO of the Company and, where appropriate, making proposals to the Board of



Directors so that such succession takes place in an orderly and planned manner, and preparing a succession plan for that purpose.

- (iv) Regarding the remuneration of Directors and members of the management team:
- 1) Proposing the remunerations policy for the Directors and the members of the management team to the Board of Directors, and confirming observance of it.

The Director remunerations policy will set at least the maximum amount of annual remuneration payable to the Directors in aggregate for the performance of their non-executive duties and the criteria for its distribution having regard to the duties and responsibilities attributed to each Director. In addition, the remunerations policy will set at least the amount of the annual fixed remuneration payable to the Directors for the performance of their executive duties as well as other provisions set out in the Law.

- 2) Proposing to the Board of Directors the individual remuneration and the other contractual terms of the Executive Directors, as well as proposing the basic terms of the contracts for the members of the management team, all in keeping with the Company's Articles of Association and the remunerations policy for directors in force at any time.
- 3) Reporting to the Board of Directors in advance on the individual setting of the remuneration of each Director for performing their non-executive duties within the framework of the Company's Articles of Association and remunerations policy, as well as on individual determination of the remuneration of each Director for carrying out the executive duties which they have been allocated within the context of remunerations policy and consistent with the provisions of their contract.
- 4) Periodically reviewing the remunerations policy applied to the Directors and members of the management team, including the remunerations systems with shares and their application, as well as ensuring that their individual remuneration is in proportion to that which is paid to the Company's other Directors and members of the management team.
- 5) Reviewing the terms of the contracts for Executive Directors and members of the management team, and verifying that they are consistent with the current remunerations policies.
- 6) Verifying the remuneration information of the Directors and members of the management team contained in the various corporate documents, including the Annual Report on the Remunerations of Directors.
- (v) In relation to reviewing corporate governance and sustainability:
- 1) Regularly evaluating and reviewing the Company's system of corporate governance and policy on corporate social responsibility and sustainability with respect to environmental and social matters, to ensure that they fulfil their task of promoting the social interest and take account of any legitimate interests of other stakeholders.
- 2) Supervising that the Company's practices in environmental and social matters adhere to established strategy and policy.
- 3) Overseeing and assessing processes in relations with the various different stakeholders.

#### (vi) Other duties:

- 1) Leading, with involvement of the Coordinating Director, where appropriate, the Board's annual evaluation of its functioning and composition, its Committees and the Directors of the Company.
- 2) Regularly designing and organising knowledge update programmes for the Directors.
- 3) Ensuring that any conflicts of interest do not jeopardise the independence of external advice provided to the Committee.
- The Appointments, Remunerations and Sustainability Committee shall prepare an annual report on its functioning and performance during the financial year, which shall



serve as the basis for the evaluation to be carried out by the Board of Directors. The report will contain information on, for instance, the make-up of the Committee, the number of meetings held during the year, significant activities carried out during the year and stating work performed in association with outside experts, and any main incidents that took place. The report will be placed at the disposal of the shareholders on the Company's website sufficiently in advance of the Ordinary Shareholders' General Meeting.

- 3. When performing its duties the Appointments, Remunerations and Sustainability Committee will bear in mind the good governance recommendations and standards issued by the National Securities Market Commission (CNMV) and other competent authorities, though these may be adapted to the specific circumstances of the Company and its Group.
- 4. Each year the Appointments, Remunerations and Sustainability Committee will formulate an action plan setting out the main activities to be carried out by the Committee in the performance of its duties."

In 2023, on the occasion of their re-election as directors of the Company for a four-year term and under a resolution passed by the Shareholders' General Meeting on 17 May, that same day the Board of Directors resolved to re-elect Ms Isabel Dutilh Carvajal and Mr Emilio Ybarra Aznar as members of the Appointments, Remunerations and Sustainability Committee also for a four-year term, the latter being re-elected as Chairman thereof through a resolution of the Committee itself at its meeting that same day. The composition of the Committee therefore remained unchanged in 2023.

The Committee met eleven (11) times in 2023, all members being present at all sessions. Furthermore, when considered appropriate, the Committee requested that the CEO and other members of the management team should be present, in all cases following prior invitation from the Chair of the Committee and to discuss the points on the agenda for which they had been called to participate. Specifically, the Corporate Development Director, the Director of Human Resources, the Sustainability Committee Coordinator, and the General and Board Secretary took part in certain Committee meetings.

The arrivals and departures of the various invitees were recorded in the Committee meeting minutes in all cases.

Below are details of the most significant activities within the competencies which Article 5 of its current Regulations assigns to the Committee and how it pursued them in practice in 2023.

### 1. Composition of the Board of Directors and its Committees

The Committee has looked at the category of each of the Directors and concluded that, as matters stand, they are fully aligned with their circumstances.

Every year the Committee carries out an ongoing process of analysing and studying the structure, composition and functioning of the Board of Directors to forge ahead in tailoring it to fit the best practices and recommendations for good governance.

The Committee consequently considers that the current composition of the Board of Directors is appropriate for the best exercise of its functions and reflects a suitable balance of requirements for the members of the Board in terms of suitability and diversity, particularly with respect to training, professional experience, skill-sets, experience in the sector to which the Company belongs, and knowledge of the company and its Group, as well as personal and professional backgrounds, among other aspects. In any event, consideration is being given to another independent director joining this committee in response to the recommendations in the code of good governance.



All of this is mirrored in the directors' competency matrix which sets out the skills and knowledge which they must have and analyses possible areas for improvement.

The Appointments, Remunerations and Sustainability Committee has also performed a study of the preliminary draft of the bill for the Organic Law on equal representation of men and women in decision-making bodies in which it highlights its key aspects and their potential impact on the composition of administrative bodies.

#### 2. Selection of Directors and members of the management team

The Appointments, Remunerations and Sustainability Committee made a preliminary needs analysis for the Board of Directors encompassing the expertise, know-how and experience required on the Board. All of this was borne in mind when preparing proposals and reports for the appointment and re-election of Directors which it submitted to the Board of Directors.

Specifically, at the request of the Board, the Committee reported favourably on the proposed re-election as Nominee Director of Mr Cristóbal González de Aguilar Alonso-Urquijo and proposed the re-election as Independent Directors of Ms Isabel Dutilh Carvajal and Mr Emilio Ybarra Aznar, all for the four-year term provided for in the Articles of Association.

On the other hand, in regard to members of the management team, the Appointments, Remunerations and Sustainability Committee approved an appointment proposal for the new Deputy General Manager of Internal Audit and Finance (CFO) of the Elecnor Group, and issued a favourable report on the proposal to appoint a Director to represent the Company on the Board of Celeo Concesiones e Inversiones, S.L.

### 3. Positions on the Committee and on the Board

Following his re-election, both as a Director at the Shareholders' General Meeting of 17 May 2023 and as a member of the Committee by the Board on the same date, the Appointments, Remunerations and Sustainability Committee also approved the re-election of Mr Emilio Ybarra Aznar as Chairman of the Committee.

In 2023 the Committee additionally approved the updating of the succession plan for the Chair and the CEO, while it has also reviewed that for the members of the management team.

### 4. Remunerations of Directors and members of the management team

The Committee proposed the annual fixed and variable remuneration for the executive director based on accomplishing set metrics, reported on proposed metrics to apply in 2023 in relation to annual variable remuneration, and drafted the Annual Report on Director Remunerations for 2022, which the Board of Directors submitted to the Ordinary Shareholders' General Meeting for its advisory vote, this being passed by an ample majority at the Shareholders' General Meeting of 17 May 2023.

On the other hand, the Appointments, Remunerations and Sustainability Committee examined the extent of accomplishment of the 2020-2022 Strategy Plan to work out the incentive



deriving from it, the distribution by participating groups, and the appropriate individual allocation. It also approved the long-term incentive system linked to the 2023-2025 Strategy Plan to submit to the Board for approval.

The Committee moreover analysed several aspects relating to remuneration for employees and members of the management team, including its proposal for short-term (annual) variable remuneration for the management team. It furthermore conducted a salary review for the national structure workforce in 2023 and made proposals for the Board to approve special incentives for certain specific employees.

#### 5. Reviewing the corporate governance system and sustainability

The Appointments, Remunerations and Sustainability Committee has continued to take charge of oversight activity associated with the sustainability drive and in this respect has supervised the work carried out by the various different areas in the Company in connection with the materiality study in the Non-Financial Information Statement as well as in the new 2023-2025 Strategic Sustainability Plan, which is designed to identify the Elecnor Group's material ESG issues.

The Committee additionally looked at the extent to which the 2022 Strategic Sustainability Plan had been achieved and reported favourably to the Board on the new 2023 Strategic Sustainability Plan, the design of which took into account the Company's benchmarking relative to the plans of certain competitors and customers, the new regulatory requirements for sustainability and the Elecnor Group's material issues.

On the other hand, based on information received via the General Secretariat and other areas of the Company, on 11 December 2023 the Committee issued a report on the functions of both overseeing compliance with Corporate Policies within its competency and reviewing the system of Corporate Governance which it was assigned under Articles 14 of the Regulations of the Board of Directors and 5.1 of Committee's own regulations, and subsequently passed the report on to the Audit Committee.

This report on the one hand analysed Policy on the diversity of the Board of Directors and selection of Directors, Director Remunerations Policy for the 2022, 2023, 2024 and 2025 financial years and environmental and social sustainability policies, and on the other hand the set of rules which make up the Company's Corporate Governance System, as well as any areas for improvement that this might present. It concluded that the principles articulated in policies were adhered to over 2023 and that no need had emerged to amend any of the policies or the internal rules examined.

In terms of the Corporate Governance System, in the wake of review of it the Committee saw fit to propose to the Board that there should be an overhaul of Policy on information-sharing, contacts and engagement in relation to shareholders, institutional investors, asset managers, financial intermediaries, proxy advisers and other stakeholders based on the implications for the Company of the Code of Good Practice for institutional investors, asset managers and proxy advisers that was approved by the CNMV on 22 February 2023. Amendment of such policy was unanimously approved by the Board on 13 December 2023.

The Committee also analysed and confirmed amendment of Integrated Management System Policy, which encompasses the environment, quality, health and safety, energy, R&D&I, information security and risk, reporting favourably for the Board to approve it, and followed



up on the various rules and standards pertaining to corporate governance and potential action to implement in the 2024 financial year.

On the other hand, within its remit the Committee reviewed and approved the content of the 2022 Non-Financial Information Statement, as well as the 2022 Annual Corporate Governance Report, devoting particular scrutiny to the extent to which corporate governance recommendations were followed.

Lastly, the Appointments, Remunerations and Sustainability Committee received regular information on multiple issues concerning corporate governance and sustainability. More notably, it reviewed the CNMV's analytical work on the Annual Corporate Governance Reports, Annual Reports on Director Remunerations and Non-Financial Information Statements of listed companies.

#### 6. Other functions

The Committee gave consideration to various different aspects relating to Human Resources, such as drawing up a job map, trends in pay-rolled staff, the different pay scales, performance appraisal procedure for all staff appearing on the job map, attracting and retaining talent, reinforcing identity, and others besides.

As regards self-assessment in 2022, the Committee reviewed the questionnaires for self-appraisal by the Board, the Chair, the CEO and the Secretary, and Committees, as well as their conclusions, and carried out assessment of the Committee itself. This process, which is intended to pinpoint strengths and areas that could be improved, and in which areas are evaluated such as the dynamics of meetings, follow-up of matters discussed, the composition of the Committee, training for its members, etc., ended on a very positive note in 2022, with the takeaway being that the Committee operates with very high standards and great professionalism, and also that the applicable requirements regarding committee structure and functioning were satisfactorily met.

The Committee also examined the extent to which the 2022 Action Plan had been accomplished and drafted a proposed Action Plan for the year over 2023 with the following as key aspects:

- analysis of regular reporting on the market and competition
- forging ahead with the Board's competency matrix and raising awareness of the risk map, as well as enhancing the tracking of key risks (KPIs)
- delving deeper in discussion of Group medium-to-long term strategy
- assessing how suitable the structure of the Board and its committees is, bearing in mind the recommendations in the Code of Good Governance and future regulations on equality
- continuous improvement in making available the information to be discussed at meetings of the Board and its Committees.

On the other hand, the Committee reviewed the questionnaire to be sent to all the Directors in relation to evaluating the 2023 financial year.



Turning to how the Committee itself functions, it drew up the 2022 Annual Committee Report for the Board to check over and approve, as well as a Work Plan and a schedule for Committee meetings in 2024.

When necessary, the Committee has benefited from the advice of external experts, having first explored potential conflicts of interest with them in such cases, no situation entailing any risk having been uncovered.

C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	2023	2022	2021	2020
	Number %	Number %	Number %	Number %
Executive committee	0%	0%	0%	0%
Audit committee	60%	60%	40%	40%
Appointments and remunerations committee	25%	25%	25%	33%

C.2.3. Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

As was stated in section C.2.1 above, the Audit Committee is regulated by Article 15 bis of the Company's Articles of Association and Article 13 of the Regulations of the Board of Directors, whereas the Appointments, Remunerations and Sustainability Committee is regulated by Article 15 ter of the Company's Articles of Association and Article 14 of the Regulations of the Board of Directors.

Both Committees moreover have their own internal regulations, which are intended to establish the rules on their organisation and functioning, and are available on the corporate website (www.grupoelecnor.com). No amendments to these regulations were approved over the year.

On the other hand, the existence and functions of the Executive Committee are regulated in Article 15 of the Company's Articles of Association, Article 12 of the Regulations of the Board of Directors and their own charter.

During the 2023 financial year, reports on the activities of the Executive Committee, the Appointments, Remunerations and Sustainability, and Audit Committees were prepared on a voluntary basis. They serve as the basis for the evaluation carried out by the Board of Directors and were made available to shareholders through the Company's website sufficiently in advance of the Ordinary Shareholders' General Meeting, all in accordance with recommendations 6 and 36 of the Code of Good Governance.



## D) RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1. Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

### Procedure and Bodies for reporting approval for related-party transactions

Article 33 of the Regulations of the Board of Directors offers a summarised description of the legal system applying to related-party transactions in Articles 529 vicies to 529 tervicies of the Corporate Enterprises Act:

"The Board of Directors will be responsible for reviewing and approving, after hearing the Audit Committee, transactions by the Company or by companies in its Group with Directors, with shareholders that hold ten per cent (10%) of the voting rights or more or are represented on the Company's Board of Directors, or with any other persons who are related parties as defined by law ("Related-Party Transactions"), unless that decision lies with the Shareholders' General Meeting.

For purposes of the preceding paragraph, the following will not be Related-Party Transactions: (i) transactions between the Company and companies that the Company wholly owns, directly or indirectly; (ii) approval by the Board of Directors of the terms of contracts to be signed with Directors who will be performing executive duties, including the CEO or Managing Directors or members of their executive management team, and setting the specific amounts or remuneration to be paid under those contracts.

Transactions carried out by the Company with its subsidiary or investee companies will also not be Related-Party Transactions where no other party related to the Company has an interest in those subsidiary or investee companies.

Related-Party Transactions valued at amounts greater than or equal to ten per cent (10%) of the total assets on the latest balance sheet approved by the Company will need to be approved by the Shareholders' General Meeting. All other Related-Party Transactions are to be approved by the Board of Directors, which may not delegate its authority in this area except for (i) Related-Party Transactions with companies belonging to the Group that are carried out as part of ordinary operating procedures at market terms and (ii) Related-Party Transactions that are concluded under contracts based on standard terms and generally employed for large numbers of customers, are performed at the usual prices or rates set by the vendor of the goods or services in question, or are for sums of not more than 0.5% of the Company's net turnover.

The Audit Committee is to issue a report on each Related-Party Transaction before it is approved by the Shareholders' General Meeting or the Board of Directors. In its report the Committee will assess whether the transaction is fair and reasonable from the standpoint of the Company and, if appropriate, of the shareholders other than the related party and will explain the standards on which the assessment has been based and the methods that have been used.

Members of the Audit Committee involved in the Related-Party Transaction may not take part in drawing up the report.

No report will be needed for Related-Party Transactions for which approval has been delegated by the Board of Directors in the cases permitted by law and as provided in these Regulations.



The Board of Directors itself will set up a routine internal control and reporting procedure for the cases in which it delegates approval of Related-Party Transactions to make sure that these transactions are fair and transparent and are compliant with the applicable legal requirements, as appropriate.

The Board of Directors will arrange for Related-Party Transactions carried out by the Company or other companies in its Group for sums greater than or equal to five per cent (5%) of total book assets or 2.5% of the Company's annual turnover to be made public.

It will post an announcement containing the information required by law in a readily accessible spot on the Company's website for that purpose and will report this to the National Securities Market Commission. The announcement is to be posted and released together with the report by the Audit Committee, if any, no later than at the time the Related-Party Transaction is concluded.

All the transactions concluded with the same counterparty in the previous twelve months will be taken into account when calculating the amount of a Related-Party Transaction."

Similarly, Article 5 vi) a) of the Regulations of the Audit Committee states that its duties include "To report on Related-Party Transactions that need approval by the Shareholders' General Meeting or Board of Directors and oversee the Company's internal procedure for transactions for which the Board of Directors has delegated approval pursuant to the applicable rules". This function is also set out in Articles 15 bis.7) of the Company's Articles of Association and 13 r) of the Regulations of the Board of Directors.

Moreover, on 15 December 2021 and pursuant to Articles 529 vicies to 529 tervicies of the Corporate Enterprises Act, The Company's Board of Directors unanimously approved a Protocol for Related-Party Transactions aimed at expanding on the criteria for applying the system for approving transactions of this kind which affect the Company, as well as for the purposes of publishing information on them and also establishing the internal procedure for identifying, analysing, approving, monitoring, reporting and exercising control over Related-Party Transactions.

Assessing Related-Party Transactions before approval for them shall be the duty of the relevant Task Force (comprising one member of the General Financial and Economic Sub-division, one from Internal Audit and Compliance, and one from the General Secretariat), who shall also issue a six-monthly report summarising any Related-Party Transactions for which the Board of Directors has delegated approval and which have been approved during the corresponding period. These reports shall be submitted to the Audit Committee.

The Manager of the Unit or Area within the Company to whom performing a Related-Party Transaction is proposed on account of the subject-matter concerned will have to refer the proposal to the Task Force to be studied so that a decision on the transaction can be taken as soon as possible.

If it is concluded that this is a Related-Party Transaction which the Board of Directors or the Shareholders' General Meeting must be approve, the Task Force will submit it to the Audit Committee to be studied and the mandatory report issued prior to approval of the transaction. When drafting this report, the Committee must assess whether the transaction is fair and reasonable from the point of view of the Company and, where appropriate, shareholders other than the related party, and also explain the standards on which evaluation is based as well as the methods used. After this, the Audit Committee will refer the proposed Related-Party Transaction to the Board of Directors along with the Committee's report to be processed in accordance with the rules provided for in the Company's Articles of Association and in the respective Regulations of the Shareholders' General Meeting and the Board of Directors.



If it is concluded that this is a Related-Party Transaction where the Board of Directors has delegated approval for it, the proposal will be passed on to the competent body or person in accordance with the resolution to delegate which the Board of Directors has passed for these purposes. The competent party must then decide on whether to approve the Related-Party Transaction and immediately notify the Task Force and the Secretary of the Board of Directors of their decision.

With respect to the rules on abstention, the Company's internal regulations echo those legally provided for. In connection with this:

- With regard to Related-Party Transactions where approval falls to the Shareholders'
  General Meeting, the shareholder concerned shall not be entitled to vote, except in
  those cases where the motion has been approved by the Board of Directors there being
  no voting against it by the majority of Independent Directors, without prejudice to the
  fact that, where appropriate, the rule on reversal of the burden of proof in Article 190.3
  of the Corporate Enterprises Act shall apply.
- For Related-Party Transactions where approval falls to the Board of Directors, the Director concerned, or the one which either represents or has ties with the shareholder concerned, must abstain from participating in deliberating and voting on the relevant resolution pursuant to Article 228 c) of the Corporate Enterprises Act. Nonetheless, those Directors on the Board of the Company who represent or have ties with the parent company must not abstain, without prejudice to the fact that, in such cases, if their vote has been decisive in passing the resolution, the rule on reversal of the burden of proof shall apply on terms similar to those which Article 190.3 of the Corporate Enterprises Act provides for.

When the Audit Committee has to draw up a mandatory report, in doing so Directors who are members of this Committee and affected by the Related-Party Transaction may not participate.

In keeping with the procedure described above, on 11 December 2023, the Task Force wrote up its annual report reviewing the key activities it had carried out over 2023 in relation to scrutiny of Related-Party Transactions. The report was reviewed by the Audit Committee and submitted to the Board. It concluded that in the course of 2023 no transactions had been carried out which had to be subjected to the Related-Party Transactions procedure pursuant to the Related-Party Transactions Protocol, the Regulations of the Board of Directors and the applicable regulatory framework.

D.2. Give individual details of transactions that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against it by the majority of the independents:



Name or company name of shareholder or any of its subsidiaries	% Sharehol ding	Name or corporate name of the company or subsidiary	Nature of the relationsh ip	Type of transaction and other information required for its evaluation	Amount (thousands of euros)	Approvi ng body	Identity of the significan t sharehold er or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by a majority of independents
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

D.3. Give individual details of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those transactions carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against it by the majority of the independents:

Name or company name of the administrator rs or managers or their controlled or jointly controlled entities	Name or corporate name of the company or	Relationship	Nature of the transaction and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identity of the sharehold er or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by a majority of independents
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or these are fully owned, directly or indirectly, by the listed company.

Not applicable.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:



Company name of the entity within the group	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
N/A	N/A	N/A

D.5. Give individual details of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
N/A	N/A	N/A

D.6. Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other related parties.

Article 26 of the Regulations of the Board of Directors establishes an obligation on Directors of "taking whatever steps are needed to avoid situations in which their interests, whether their own or on behalf of third parties, may conflict with the corporate interests and with their duties to the Company."

This Article also refers to the obligation on Directors of "opposing resolutions contrary to law, to the Company's Articles of Association, to these Regulations, and to any other internal regulations of the Company or to the corporate interest and asking to have their views recorded in the minutes whenever they consider this to be appropriate to safeguard corporate interests. In particular, the Independent Directors and other Directors who do not have a potential conflict of interest are to clearly voice their opposition to decisions that may be detrimental to shareholders not represented on the Board of Directors."

Moreover, in the context of their duty to avoid situations where there is a conflict of interest, Article 28 of the Regulations of the Board of Directors establishes the following obligations for Directors:

"Directors will report any direct or indirect conflict of interest they may have with respect to the Company's interests to the Board of Directors and will abstain from participating in the deliberations and voting on resolutions concerning matters in which they have a personal interest.



A personal interest will also be considered to exist on the part of a Director where a matter concerns persons related to the Director. Related persons will be as defined by law.

Directors will not be required to abstain from participating in the deliberations and voting on matters where they have a personal interest or decisions affecting their status as Director, such as appointment to or removal from positions on the Board of Directors and like decisions.

#### Directors will refrain from:

- a) Directly or indirectly engaging in transactions with the Company unless the transaction is exempted by law or has been approved in accordance with the law and these Regulations in respect of Related-Party Transactions.
- b) Using the Company's name or relying on their position as director to exert an improper influence on the performance of private transactions.
- c) Accepting benefits or remuneration associated with the performance of their duties from third parties unrelated to the Company and its Group except for hospitality offered merely as a courtesy.
- d) Engaging in activities on their own behalf or on behalf of others where those activities entail actual or potential competition with the Company or might represent an ongoing conflict with the Company's interests for Directors.

The Company may waive the bars set forth in items b) and d) above by decision by the competent body as provided by law.

The preceding provisions will also apply to cases in which the beneficiary is a person related to a Director.

In any event, conflicts of interest that affect the Company's directors will be reported in the Annual Report."

On the other hand, the Elecnor Group's Code of Ethics and Conduct lays down the following among the principles applying to action by employees:

"Independence in exercising one's professional activity is the cornerstone for a performance driven by freedom of judgement, fairness and loyalty to the company.

As a general principle of action, all Elecnor Group employees who find themselves in a potential or actual conflict of interest, considering their private or family interests and business interests, must refrain from carrying out the activity giving rise to such conflict, informing their immediate supervisor of the characteristics and circumstances at hand. Only with the express written authorisation of their supervisor may the employee continue to maintain this situation or carry out the specific activity within his or her professional remit that causes the conflict.



Elecnor Group employees will refrain from taking advantage for their own benefit or for the benefit of persons related to them of opportunities for personal gain related to investments, contracts or corporate transactions being considered or executed by the company or any of its subsidiaries or investees, or to any other information to which they have had access in the course of their professional duties.

Those Election Group employees who participate in supplier, contractor or external collaborator selection processes are obliged to act at all times with impartiality and objectivity.

adoptii will Ele	ing the criteria that guide the organisation in those processes. Under no circumstances ecnor Group employees request or accept, either directly or indirectly, any payment or age from current or future suppliers that could undermine this impartiality."
D.7.	Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.
	Yes□ No ⊠
	Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:
	Yes □ No 🗷
be	ort covering the respective areas of activity, and any business relationships tween the listed company or its subsidiaries and the parent company or its ubsidiaries, and identify where these aspects have been publicly reported
	Identify the mechanisms in place to resolve potential conflicts of interest between the parent company of the listed company and the other group companies:
	Mechanisms for resolving possible conflicts of interest



## E) RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

The Elecnor Group has exposure to several risk factors associated with both the sectors in which it operates and the broad range of countries where it is active, either on a stable basis or through occasional projects.

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

Without prejudice to this, day-to-day management and effective control of the Elecnor Group's businesses and activities is assumed by the CEO and the management team who identify, evaluate, score and manage the range of risks which affect pursuit of the Group's activities in the ordinary exercise of these responsibilities via the various business units and organisational structures.

The Elecnor Group's Risk Management System is therefore configured as an integrated, structured and dynamic arrangement, the principal features of which are:

- Continuous risk identification, and assessment and prioritisation in terms of impact and probability of occurrence.
- Evaluation and implementation of the most suitable strategies for managing the major risks identified according to their risk tolerance levels.
- Identification and implementation of the mechanisms and tools to manage and control the main risks, and ongoing evaluation of their effectiveness.
- Continuous improvement of risk management through the development and implementation of initiatives and projects aimed at improving management mechanisms and tools.
- Ongoing monitoring and oversight of the system.

To ensure adequate identification of risks and both integration and coordination of management of these at all levels and in all areas of the organisation, the Elecnor Group has a Corporate Risk Map which is arranged as a structured list of risks where each of them is rated according to potential impact (measured in terms of turnover, profitability and efficiency, reputation and sustainability) and their probability of occurrence, which provides gauging of the inherent risk associated with each event and the effectiveness of established control measures, thereby obtaining a resulting residual risk score. The outcome of this scoring exercise, which is revised on at least an annual basis, enables proper prioritisation of the risks and alignment of the organisation's resources with supervision and enhancement of dealing with those which are most serious.



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

- Governance risk
- Strategy, planning and environmental risk
- Operational risk
- Reporting risk
- Compliance risk.

Based on the Corporate Risk Map and built into the Risk Management System, the Elecnor Group has developed and implemented several management and control systems which allow both more accurate identification of the risks associated with certain specific management areas and appropriate deployment, monitoring and enhancement of the measures set up to head off, detect and mitigate the risks properly.

Likewise, as part of its Integrated Management System, the Elecnor Group has developed a set of systems that are fully in line with the methodology described to build on, update and manage the Risk Map, which allows satisfactory identification and management of the key risks linked to certain processes by regularly revising them, and implementing and pursuing action plans. This system is supplementary to the initiatives and actions taken on the basis of the aforementioned Corporate Risk Map.

More notable among the chief theatres of management for which the specific management and control systems referred to are designed are project management, compliance, tax matters, environmental management), and health and safety, preparing financial and non-financial information, and information systems.

E.2. Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

Oversight of the process of revising and updating the corporate Risk Map by the management team is performed by the Internal Audit and Compliance area, which is also in charge of following up key action plans underway to enhance management of the risks that are included within its annual audit plan each year.

The Corporate Services department is responsible for taking the lead and coordinating the regular review and updating of the risks identified, and upgrading management of these is supervised within the Integrated Management System. For this it is supported by the specialists in charge of quality from the various business organisations and certain people directly involved in operations.

Risk management on projects is the responsibility of the management teams of the different business units, from (initially) project managers up to their superiors, who are business officers (via, at a middle level, heads of production centres in organisations where such a person exists within their structure), and ultimately senior management at the separate organisations, who perform tracking and supervision of these risks in both actually carrying out their day-to-day duties and on a regular basis at the various management meetings. On the other hand, other players also take part in cross-cutting initiatives of revisiting and pooling experiences in



managing projects to enhance identification, prevention, mitigation and management of the risks they entail, among these the tenders and contracts areas or business administration departments. These initiatives are headed up by those at the very top of the management tree.

The Chief Compliance Officer and the Compliance Committee are in charge of continuous improvement and proper functioning of the Elecnor Group's Compliance System. The Compliance Committee reports structurally and functionally to the Audit Committee of the Board of Directors of the Company, which is the committee ultimately responsible for oversight of the system.

The corporate Tax area, which falls within the General Finance Sub-Division, is the area in charge of establishing the procedures and controls which enable proper management and monitoring of the tax risks to which the various organisations might have exposure in the different jurisdictions in which the Elecnor Group operates, in all cases in line with corporate Tax Policy.

The Elecnor Group's sustainability management is a cross-cutting duty at all organisational levels. The Sustainability Committee, which was set up in June 2020 and comprises representatives from around 15 Group areas, is the body charged with designing the tools required to manage sustainability, promote a coordinated strategy, ensure implementation of it, track progress achieved and monitor this to further best practices. This Committee reports directly to the Appointments, Remunerations and Sustainability Committee of the Company's Board of Directors, which is the body at the highest management level in charge of matters concerning sustainability and climate change, and works in collaboration with the Audit Committee, within its remit, in its role of overseeing and assessing risks attaching to these two spheres.

In any event it falls to the corporate Environmental Management area to take the lead, coordinate and oversee the day-to-day management of environmental risk, which is performed via the Environmental Management System, for which it chiefly relies on the specialists responsible for environmental affairs within the various different business organisations.

Corporate Health & Safety is the area in charge of appropriate functioning and ongoing enhancement of the Health & Safety System by means of establishing, promoting and following up the targets and action plans in this regard as well as permanent oversight of compliance with occupational health and safety policies and procedures, mainly via on-site check-ups and inspections which are conducted by both the various operational management teams and levels, and the health and safety organisation itself.

Regular checking on the appropriate design and operability of the Internal Control over Financial Reporting (ICFR) system is the duty of the corporate Internal Audit and Compliance area, which, within its annual audit plan, regularly analyses the risks attaching to preparation of financial reporting and the relevant controls established to ensure that the information of this kind that is published and available to the general public offers a true and fair view of the Elecnor Group's activities and is drawn up in accordance with generally accepted accounting principles.

Preparation of the annual Non-Financial Information Statement is coordinated by the Elecnor Group's External Communications and Corporate Image area, which gathers together, analyses and processes the information provided by the different areas of the organisation responsible for reporting the pertinent information required according to the materiality study conducted as well as the sustainability reporting regulations and standards applying at any time. For this



task it is supported by a specialist firm with over 15 years of experience in advising on Corporate Social Responsibility and Sustainability. On the other hand, the Internal Audit and Compliance area is the unit in charge of checking the key aspects (with the scope determined in each case) that affect preparation of the Non-Financial Information Statement and the procedures and controls established in the areas for capturing, checking over and reporting such information, as well as ultimately the results for the key quantitative indicators and qualitative information included in this report.

Identification and management of the risks relating to information systems (notable among these being cybersecurity) is the responsibility of the corporate IT and Technology area, which is tasked with establishing the relevant policies and procedures, ensuring proper implementation of them and providing the organisation with the corresponding tools and systems which guarantee the security of support infrastructure and data stored and processed via IT systems.

The Management Committee of the Elecnor Group performs continuous monitoring of the major risks with the potential to affect is operations, constantly briefing the Audit Committee as the party responsible for supervising the effectiveness of internal control, the internal audit function, and the management and control systems for both financial and non-financial risk, as well as the preparation and filing of the mandatory financial and non-financial information.

Lastly, the Company's Board of Directors is in charge of deciding and approving the organisation's general policies and strategies, most significantly risk control and management policy and tax strategy.

E.3. Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

The corporate Risk Map classifies the risks to which the Elecnor Group may have exposure into five broad categories:



Governance risk	composition of th	to the structure and form of the organisation's governance (structure and e administrative body, risk management, social responsibility and gy and identification and management of stakeholder expectations).	
	Risks associated with the key variables and decisions of a strategic nature, the way in which strategy is implemented and environmental shifts or changes that could have a significant bearing on the organisation's activities and achievement of its objectives.		
	Most notable among such risks are:		
	Geopolitical risk:	Risks that relate to the possible impact on the business from factors such as political instability, corruption, cultural differences, armed conflicts or international sanctions, including in the countries where the Elecnor Group operates or has potential interests.	
	Climate change risk:	This category would include risks from events linked to climate change, be they physical climate risks that might prompt interruption or seriously affect certain activities or transition risks, which would be those associated with new legal and/or market requirements in this area (regulations, reporting, expectations of third parties).	
	Market risk:	These risks mainly refer to potential impacts of movements in exchange rates, interest rates and energy market prices.	
		Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate, as well as the future flows of assets and liabilities benchmarked against a variable interest rate. The Elecnor Group has external financing to carry out its operations, both at corporate level and in relation to the development, construction and operation of wind farms, solar projects and electricity infrastructure concessions. The guarantee for such project finance is borne by the projects themselves.	
		The Elecnor Group has exposure to risk from exchange rate fluctuations from its operations in international markets. A portion of income and costs incurred is denominated in currencies other than the Group's functional currency (Euro) and in certain projects economic and financial inflows and outflows occur in different currencies, so the profit or loss on these has exposure to currency risk.	
		Income and profits from wind power generation activity which the Elecnor Group engages in via its Enerfín sub-group have exposure to energy price fluctuations.	
Operational risk	activities and managinclude risks associations supply chain, busi	a come risks concerning the way in which the organisation pursues its ges its resources according to established processes and procedures. These ated with project management, asset management and maintenance, the ness management, financing, credit, liquidity, financial planning and tters, human resources and information systems.	
	Most notable among	g these are:	



Project management risk:	These are risks that can have a direct effect on the performance and profitability of the projects and services which the Group performs and which appear throughout the entire cycle of these (opportunity, bidding, contract, execution and delivery/acceptance, settlement and closing). The profitability of projects can be affected by errors in identifying and assessing risks in the bidding phase itself which have a knock-on effect on the estimate for expected margin and the very feasibility of the project, on setting the bid price and possible contingencies and on planning the necessary resources for execution; by insufficient analysis and negotiation of contracts, and by execution problems, either arising from fortuitous and unforeseen events or errors in planning and allocating resources. Similarly, poor planning and management of the process of closing and settling the project can lead to very significant impacts on the project's profitability.
Legal and regulatory risks:	The complexity and diversity of activities which the Elecnor Group pursues, and particularly their geographical dispersion, expose it to major legal risks as a consequence of the assortment and extent of permeation of the regulatory frameworks which may apply to it, changes to rules, and the different interpretations which third parties with whom there is contact may make of laws and regulations, particularly courts. Materialisation of such risks may lead to major sanctions and significant reputational harm for the Elecnor Group.
Tax risk:	In a way comparable to legal risks, the complexity of the Elecnor Group's operations exposes it to significant tax risks, which chiefly relate to study of the fiscal implications of projects and the fiscal regulations that apply in each case, possible amendments to tax regulation and interpretation of this by the tax authorities, and compliance regarding tax liability in substance, manner and timeliness.
Financial risk:	Inadequate planning of operational financial needs can pose difficulties for the organisation's ability to obtain the requisite funding at the right time and on optimal terms.  Liquidity risk is defined as that which can lead to the Group being unable to meet its short-term financial obligations within the established timeframes.  The main credit risk facing the Elecnor Group arises from trade receivables when the other party or customer does not take responsibility for their contractual obligations.
Occupational health and safety risk:	The nature and geographical dispersal of the activities which the Elecnor Group pursues, and labour-intensive work, mean that the greatest of efforts and investment is assigned to risk prevention linked to the health and safety of its workers and people engaged on the Group's projects through sub-contracting. A lack of sufficient awareness and knowledge of these risks and the importance of preventing them, insufficient or inappropriate procedures or protocols for ensuring safety, or not applying them during work, a lack of adequate on-site protection equipment or improper use of it, or insufficient cover or an absence of diligence in carrying out inspections and checks in this area, are among the major factors that can lead to risks of this kind materialising.



	Dieles sesseinted	Cook viele mainly refer to the an that many advancely effect the continue
	with labour	Such risks mainly refer to those that may adversely affect the satisfaction and performance of the Elecnor Group's employees and its ability to attract and retain talent.
	management:	This category includes those risks that derive from the complexity and scale of employment legislation applicable to the Elecnor Group, chiefly as a result of its widely distributed geographical presence, and in particular the different interpretations of this legislation which the various affected parties may make of it, especially the competent labour authorities.
		On the other hand, labour unrest linked to dissatisfaction of its employees may have a serious impact on the Group's operations on occasions.
	Information system risk:	The Elecnor Group's operations and information may be compromised by poor design, failures and crashes or attacks affecting the information systems that support, house or safeguard them. Included in this category are risks relating to system architecture itself to the extent that this is in misalignment with established objectives or hampers adaptation to new requirements and technology, in terms of uninterrupted operating capacity and ongoing management of this, as well as protection and security to combat harm to both hardware and software, whether the causes of this are fortuitous or deliberate (cybersecurity).
Reporting risk	ranging from data intended recipients (annual financial st	to information management, both internally and externally, including risks capture and processing to drawing up reports and distributing them to , whether these are management reports or those that are mandatory atements, reporting, tax returns, etc). This category includes risks that financial and non-financial information to be released to markets.
Compliance risk	These risks relate to mechanisms in place to ensure compliance with laws and regulations as well as adherence to the organisation's policies and procedures, notable among these being areas such as promoting and consolidating a compliance culture, actual management of risks of this kind, communications or incident management. Most significant among major risks managed within the Compliance System are those concerning corruption, money laundering and the financing of terrorism, and the spheres of competition law, tax matters, the environment, human rights, social issues or employment.	

#### E.4. Indicate whether the entity has risk tolerance levels, including for tax risk.

The Company's Board of Directors is responsible for defining the strategic and management guidelines for the Company and its Group, and in particular for deciding and approving risk control and management policy, while entrusting the functions of day-to-day running and effective leadership of the companies in the Group to their administrative bodies and management teams.

Risk tolerance is the factor which shapes decision-making and the strategy to adopt for the risk concerned in each case (transfer, mitigation or acceptance) and is motivated by the Group's culture and strategy.

Within their respective remits it is the business units and the corporate areas which are in charge of assessing the degree of exposure and the seriousness of the different risks which



affect them in pursuing their activities as well as making the right decisions in keeping with the tolerance level.

Without prejudice to this, decisions on the Elecnor Group's overall strategy or the use of its resources, as well as those involving a risk of taking on debt (such as arranging credit facilities, loans, guarantee facilities, suretyships, asset disposals, etc.) are passed via resolution of the full Board of Directors with an absolute majority of its members.

In any event, the Group keeps to a zero-tolerance policy with respect to malpractice or failures to observe its ethical and compliance standards.

#### E.5. Indicate which risks, including tax risks, have materialised during the year.

Over the year the Elecnor Group was affected by the emergence of various risks in the ordinary course of its activities. The risks were handled appropriately, in accordance with the prevention and management mechanisms implemented in the organisation's respective areas. The Elecnor Group provides the requisite information on the risks which materialised over the year in its annual financial statements, as well as the impact on these now or in the future where significant.

Prominent among these risks in 2023 were the persistent effects from high inflation and global instability (the Ukraine war, armed conflicts in the Middle East, political volatility, etc.).

Turning to the first of these, the Elecnor Group continued to have exposure mainly to rises in the costs of its supplies and services outsourced in project execution, even though the Group remained able to offset the impact of this by taking steps such as renegotiating contracts with customers, managing its supply chain and costs judiciously or passing on the cost risk of its key supplies to customers, or taking inflation risk properly into account in cost and margin estimates during bidding processes and negotiation of new contracts.

With respect to the impact of global instability, the Elecnor Group had very low exposure in terms of both business opportunities and its contract portfolio in the more prominent regions immersed in conflict, so the effects of this on its operations and business were of minor significance.

On the other hand, mention might also be made of the materialisation of the risks described in the table below over 2023.

## Project execution risk

In the course of the year there were deviations between actual and forecast performance on certain projects, principally in relation to costs and deadlines, which led to readjustment of relevant margin estimates. Furthermore, isolated claims and disputes in connection with customers appeared on closing and settling certain projects, as did delays in collecting and/or defaulting on trade receivables. The impacts of these situations which, on the other hand fall within the ordinary course of operations, were duly taken into account and recognised in the Elecnor Group's financial statements.



Legal, judicial and regulatory risk	Certain legal and judicial risks which stemmed from the Group's normal business activities emerged in 2023.  The Group has forged ahead with formal steps and procedures in defence of its interests in the
	legal proceedings begun in previous years, in particular (i) Expedited Proceeding No. 4/2022, Section 3 of the National Court's Criminal Chamber with respect to the subsidiary Deimos Space, S.L.U., where a final, non-appealable judgment was handed down in favour of the defendant and (ii) the sanction by the Spanish National Markets and Competition Commission ("CNMC") which arose from proceeding S/DC/0598/16 concerning the Company, which was appealed in a filing with the National Court. Notes 18 and 22 of the Consolidated Annual Financial Statements for the year include the information on these two proceedings.
	At all events, the impacts from both the legal and court proceedings in progress or concluded during the year and the regulatory changes mentioned were not significant and were suitably recognised and taken into account in the Elecnor Group's annual financial statements.
Compliance risk	Aside from what is described above in relation to legal and judicial risk, no risks have appeared this year in connection with either regulatory compliance or adherence to the Elecnor Group's principles and values that might be viewed as significant in terms of their impact on results or the Group's image and reputation.
Tax risk	2023 saw new inspection procedures initiated by the competent tax authorities in separate jurisdictions where the Elecnor Group operates. Be this as it may, none of the checks concluded over the year led to tax assessments or regularisations being issued for material sums. On the other hand, the Group pressed on with formal steps and procedures in the defence of its interests against certain tax audit reports that had been issued in previous years. In December 2022 the Group received notification of the initiation of a new procedure to inspect Elecnor, S.A. that encompasses the following taxes and periods:
	<ul> <li>Corporate Income Tax for the financial years from 2017 to 2020</li> <li>Value Added Tax for the tax periods from January 2019 to December 2020</li> <li>Withholding and pre-payments on earned personal income and professional activities for the tax periods from January 2019 to December 2020.</li> </ul>
	On the basis of pertinent evaluations of the chances that the respective open inspection procedures might conclude with the imposition of tax regularisations, and in accordance with best estimates of the sums which these might amount to, the Elecnor Group has recognised the corresponding accounting provisions in its financial statements to provide an adequate reflection of the estimated impact on assets.
Financial risk	The first half of 2023 continued see substantial rises in interest rates, especially at the short end, although this trend was to some extent alleviated in the second half of the year, when there was a mild dip in rates with a term of around one year. The Elecnor Group did not suffer a major impact on its financial costs over the year due to such rises, given that its funding structure kept a high percentage of funds drawn down pegged against fixed rates, either through contracts directly tied to fixed rates or else via the effect on financing benchmarked against variable rates in the interest rate hedging which the Elecnor Group engages in by means of IRS (interest rate swap) contracts.
Environmental risk	In the course of the year there were certain mild environmentally-related incidents, which were managed and successfully addressed in accordance with the procedures laid down within the environmental management system, while the corrective measures required to prevent recurrence of these were also implemented.
Health and safety risk	During the 2023 financial year, there were some serious occupational accidents involving construction workers, both the Group's own workers and those of subcontractors, while they were performing their tasks, many of which were the result of failure to comply with the established procedures or errors on the part of the workers themselves. All of these incidents were handled appropriately, in keeping with the procedures laid down under the Group's health and safety system.



Risks with labour relations human resources management

associated The 2023 financial year proved extremely lively in regard to new rules and regulations concerning equality, not merely between genders but also various different collectives. Adaptation to these changes has brought with it a significant degree of uncertainty, since several such legislative items require regulatory development to ensure satisfactory implementation of them despite already being in force, which has still not been carried out. A fair amount of controversy surfaced over the year in relation to close adherence to all the obligations associated with giving due approval for the organisation's Equality Plan which has been in place for some years now. Case law and the different external audits to which the organisation has been subjected both endorse the manner in which it has acted, so this situation is not viewed as likely to lead to any material impact (in particular, the Group's course of action and interpretation of case law has been favourably backed up by a judgment which Madrid's Regional Supreme Court handed down, even though this was not final and nonappealable).

> On the other hand, a higher number of formal complaints filed with the Labour and Social Security Inspectorate (the I.T.S.S. for the Spanish) and inspections activity on the part of this body were apparent the year in the wake of the major legislative changes to contract structure across Spain that became effective in 2022. In any event, these complaints and such inspections activity are not predicted to have a significant impact on the Elecnor Group in terms of either major changes to current standard contract formats or the imposition of fines or settlements, since the Group made the requisite adjustments to align with the new contract system in that same year of 2022.

> On the other hand, the unaccustomed situation which we continue to experience on account of rampant inflation has brought added complexity to labour relations, with increased worker unrest (strikes) as a result of the problems which employers' associations face in signing collective bargaining agreements acceptable to businesses and the unforeseen spiralling of costs from applying percentage rises under collective bargaining agreements that were already negotiated and agreed in different circumstances to the situation that now holds.

> In the course of the year there were specific bouts of labour unrest that affected the Group's activities on occasions, yet they failed to make any significant impact and fall within the realm of normal factors affecting the sector.

### risk

Information system The year saw some security incidents, which were virtually all mild and at any rate did not have any meaningful adverse impact on the Group's operations or data security. All of the incidents were handled appropriately in line with the established in-house procedures and were accorded due consideration within continuous improvement efforts regarding the information systems at the Elecnor Group.

> E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company to ensure that the Board of Directors responds to any new challenges that arise.

> As was described in section E.1, the Group has an integrated approach to managing the principal risks to which it has exposure based on the corporate Risk Map and the various specific risk management systems designed for key management areas.

> Outlined below are the chief mechanisms in place at the Group to ensure proper management of the most significant risks that may affect its activities:



#### **Project** Within the orbit of project management, which is where the main risks lie to which the Group management risk has exposure, Elecnor has different mechanisms which allow systematized identification and assessment of the risks which might materialise over the whole life cycle of projects (opportunity analysis; studying and entering the bid; examining, reviewing, managing and signing the contract; executing and delivering the project/acceptance; and settling and closing the project). The departments involved at each phase and which belong to the different business units pinpoint, analyse and gauge the risk factor attaching to each project using various tools and decide on a strategy to pursue in each case (transfer, mitigation or acceptance). The Elector Group continuously monitors the progress and current and expected result of its projects, both evaluating the impact which the associated risks may have on their economic and financial performance and taking the measures that are deemed appropriate, in each case, based on these analyses. By virtue of this ongoing analysis and monitoring, the Elecnor Group recognises the appropriate entries and breakdowns in its annual financial statements so that they accurately reflect the impact of these risks, and both adjusts its cash forecasts and plans its financial needs, while also identifying the causes that have led to the occurrence of these risks and implementing measures that reinforce its risk monitoring and control activities in a process of continuous improvement. Compliance risk The Group has a Compliance System which is designed and operates in accordance with best domestic and international practices to provide adequate prevention and management of compliance-related risks. The Elecnor Group's Compliance System has certification under the standards UNE-ISO 37001 Anti-Bribery Management Systems and UNE 19601 Criminal Compliance Management Systems. The main activities which ensure continuous enhancement and proper functioning of the Compliance System are: Annually setting and continuously monitoring targets for Compliance, which the Audit Committee reports and approves. Regularly reporting any aspect or issue that relates to compliance (projects underway, initiatives...) to the Audit Committee. Designing, developing and rolling out the annual compliance and awareness training programme. The functioning of the Internal Integrity and Compliance Reporting System ("Ethics Channel") and regular reporting to the Audit Committee on notifications received, as well as any investigations in progress and the conclusions arrived at. Ongoing review and auditing of the main controls identified in relation to Compliance risks. Performing two annual external audits of the Compliance System which are conducted by separate audit/consulting firms. The Elecnor Group has a corporate Tax Policy which sets out its tax strategy and establishes Tax risk the principles and basic guidelines for adequate tax risk management. Within deployment of this policy, Elecnor has procedures and sets of systems which enable appropriate identification of the tax risks to which the organisation has exposure, at the level of both the corporate enterprise and the different companies or organisations with tax obligations, and those projects which may entail a bigger tax risk, either because of the way they are structured or due to the

generated.

tax regulations which pertain in the various geographies where the taxable bases are



#### Financial risk

In regard to management of the risk from interest rate fluctuations, the Group uses hedging instruments to cover funding subject to variable rates. On the other hand, depending on market conditions at any time as well as its borrowing requirement and the financing structure goals set, the Group assesses the merits of borrowing at a fixed rate and arranges this when appropriate.

To manage and mitigate currency risk, and when it is not possible to design and implement natural hedging frameworks, such as using funding benchmarked against the currency in which payment for a contract is received, the Group uses other cover strategies such as exchange rate hedging and cross currency swaps.

To reduce the Group's exposure to energy price movements to an acceptable level, a policy is followed of using the relevant derivative financial instruments to hedge against the energy price for a specific percentage of the estimated production from its assets in Spain. As for production from its assets located outside Spain, most of it is sold at prices set under long-term Power Purchase Agreements, meaning that this is not affected by energy price movements in the market.

Given the activity and sectors in which the Elecnor Group operates, its customers are generally highly creditworthy. In any event, mainly for international projects with non-repeat customers the Group takes added precautions to mitigate credit risk (payment arrears or default) and conducts exhaustive studies of counterparty solvency while also stipulating specific contract terms and conditions to ensure collection against consideration, as well as using other mechanisms, such as collecting against advances, irrevocable letters of credit or insurance policy coverage.

Lastly, to offset liquidity risk the Group keeps permanent watch over its working capital to optimise management of it and maintains a sound liquidity position in current accounts and lines of credit with adequate limits.



#### **Environmental risk**

Environmental risk management is mainly handled using the Environmental Management System, which is built into the Group's Integrated Management System and has certification under the ISO 14001 standard. This system rests on the following pillars:

- Identifying and verifying legal requirements by using special tools which enable management of compliance with administrative obligations and other commitments taken on besides those required by law.
- Devising and deploying policies and procedures which allow identification of the environmental impacts of projects and mitigation, offset and avoidance of adverse effects on the environment, thereby providing added reinforcement to aspects such as the circular economy and both the protection and conservation of biodiversity and nature.
- Building the environmental side into decision-making processes and encouraging the taking of this into account in cost-benefit analyses.
- Involving the various stakeholders in jointly searching out solutions that are of use in conserving and developing the environment and sustainable consumption of natural resources.

On the other hand, the Group has a Climate Change Strategy which sets targets in this area for 2020-2035 and represents the superstructure within which it fits all of its actions geared toward scaling down greenhouse gas emissions, adapting to climate change and making the most of associated opportunities. As a key part of designing and implementing this strategy the Group has identified the risks and opportunities within its activities which relate to climate change and follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In particular, assessment has been made of the impact of climate change on Elecnor Group's physical assets and on infrastructure building activity in countries where the Group currently has a greater presence or significant medium- and long-term business opportunities. The findings of this research have established that the Elecnor Group's degree of exposure to the major risks relating to climate change is low, although considerable opportunities exist in connection with the ambitious energy transition and decarbonisation plans globally. The conclusions from this research form the basis for identifying and implementing adaptive solutions that enable a softening of the impact of the most serious physical climate and transition risks to the Group's activities bearing in mind both the context in which they materialise and their place along the supply chain.

For the fifth consecutive year the Elecnor Group has participated in the CDP (Carbon Disclosure Project) initiative and submitted its voluntary report on climate change, which underpins its commitment to sustainability. In 2023 the Group held on to the score of A- which it achieved in 2022, this yet again positioning the Group at the highest level in terms of sustainability, adaptation and mitigation of the impact of climate change. Moreover, consistent with its commitment to decarbonisation, Elecnor takes part in the Science Based Targets (SBT) initiative and has set itself emission reduction targets which were approved under this initiative in 2022.



#### Health risk

and safety Health and safety risk management is handled using the Elecnor Group's Health & Safety System, which is also built into the Group's Integrated Management System and has certification under the ISO 45001 standard. Key elements which contribute toward appropriate management of such risks are:

- Identifying health and safety risks to workers which can arise from our activities.
- Designing and implementing procedures and protocols to ensure suitable prevention and mitigation of health and safety risks.
- Providing adequate protection resources.
- Training in prevention techniques and carrying out awareness campaigns.
- Continuously conducting on-site inspections and audits and taking the corrective measures identified.
- Immediately giving notification of and managing any incident in relation to health and safety.

With regard to managing significant accidents, irrespective of the seriousness of injuries they are subjected to in-depth analysis and if necessary specific action plans are implemented, such as might involve undertaking additional training measures, supervising work and marshalling the necessary human and material resources, improving work equipment or PPE, etc.

In 2023 there has been continued progress in developing the "Safety Excellence" Project. The fundamental objective of this is to achieve a behavioural change among all Group workers to raise the level of risk perception and reduce the number of accidents in the workplace. In particular, consolidation of the project in Spain has continued and it has been rolled out across a large swathe of the international market, with implementation concluded in Mexico and substantial progress in Brazil, Italy, Portugal, the Dominican Republic and the United Kingdom.

On the other hand, digital transformation of the procedures associated with this area has moved ahead, which has helped to boost the level of health and safety on the Group's sites and projects. Worth noting among the activities carried out in this area is the development and implementation of various modules of the CORE IT solution for harmonising Integrated Management System processes, the headway made in rolling out the different Health and Safety IT tools in several countries, development of an AI and big data application project to enhance the use of these software applications and completion of the initial module for the virtual reality training project.

Risks with relations human resources management

associated The Elecnor Group is wholly committed to guaranteeing our employees a stimulating and safe labour working environment which promotes their personal and professional development as well as and to providing them with employment conditions that live up to their expectations.

> Notable in 2023 was the rollout of the "Identity Reinforcement" project, which was designed in 2022. This project outlines several work-streams in various areas of people management that are geared towards stepping up the Elecnor Group's capacity for attracting, developing and retaining talent.



#### financial and nonfinancial information

**Risks in preparing** The Group has identified those risks which can affect identification and capture of transactions and events with a potential impact on financial information, as well as processing of them and proper recognition in the accounting systems and preparation of the annual and other financial statements, as well as other financial information to be published and released to the market and the public at large. These risks are managed through its Internal Control over Financial Reporting System (ICFR), which enables systemisation of regular assessment of the sufficiency and adequate operability of the controls established to ensure that the financial information is prepared in accordance with the applicable accounting rules and standards.

> Preparation of non-financial information, the key component of which is the annual Non-Financial Information Statement, has been supported as of 2022 on a software application which guarantees full traceability of the data and the procedure to capture and process it, as well as its reliability. This activity and the more relevant information are supervised and checked by the internal audit service, which carries out the tests of detail required to help ensure their suitable design and operability, as well as adaptation of the data incorporated to the relevant reports. Over the financial year under review advances were made in designing, developing and producing appropriate documentation for the internal control over non-financial reporting (ICNFR) system, with an initial project concluded for environmental management reporting.

#### Information system risk

Management of information systems is structured into two broad areas: on the one hand that concerned with demand management and digital development, and on the other that for protection of information, and support applications and infrastructure, as well as user assistance. The Group has several policies and procedures to manage processes associated with systems and a Systems Continuity Plan which defines the operational quidelines to be followed to ensure the continuity of all Elecnor processes and services active in all of its business locations. Information protection is handled via the Information Security Management System which has ISO 27001 standard certification.

All of these risk management and control systems share a set of features that define the way in which the Elecnor Group manages, operates and controls its activities:

- Ongoing supervision of risks and operations by the governing and senior management body.
- Organisational structure as well as clear and precise role and duty assignment, which are disseminated to the entire organisation.
- Separation of roles.
- Perfectly defined structure of authority in keeping with the duties assigned to the different organisational levels.
- Development and dissemination of policies and procedures.
- Continuous tracking and monitoring of operations by the departments that make up the internal audit service.

At its monthly meetings and as part of its overall supervisory role, the Elecnor Group's Board of Directors reviews developments regarding the Group's key economic indicators, the general market situation, and the Group's position and business strategy to identify any risks in the economic and business environment, and adjust its strategic approach accordingly.



# F) INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1. The entity's control environment

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The responsibility for being familiar with, understanding and supervising the efficiency of the Internal Control System in relation to the Financial Reporting process (ICFR) is assumed by the Audit Committee, while Elecnor's General Finance Sub-Division and the Internal Audit area are in charge of the tasks of designing and both maintaining and checking on the effective implementation and operating capacity respectively of the ICFR.

The Regulations of the Board of Directors of Elecnor and the Regulations of the Audit Committee itself establish that one of their functions is to identify the Company's main risks and to implement and monitor the appropriate internal control and information systems, and specifically to supervise the process for the preparation and filing of financial information. Moreover, these Regulations, the Company's Articles of Association and the Regulations of the Audit Committee establish that the Audit Committee's responsibilities include the supervision of the effectiveness of the Company's internal control, internal audit and systems for managing and controlling risk, both financial and non-financial, as well as of the preparation and filing of the mandatory financial information, reviewing compliance with regulatory requirements, proper delimitation of the consolidation scope and proper application of the accounting rules. The Audit Committee is also responsible for establishing appropriate relations with the external auditors to receive information on any matters that may jeopardise their independence and any other matters relating to the accounts auditing process. In the specific area of auditor independence and through the internal procedure established in this respect, the Audit Committee is responsible for pre-approving, directly or indirectly through Internal Audit and from an independent perspective, any proposal for non-audit services submitted by the Group's external auditor. It also annually asks for written confirmation from the auditors of their independence and information on the additional services which they provide, and issues the required report in this respect for the Board of Directors prior to issuing the audit report.

- F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:
- Departments and/or mechanisms in charge of: (i) the design and review of the
  organisational structure; (ii) clear definition of lines of responsibility and authority with
  an appropriate distribution of tasks and functions; and (iii) ensuring that adequate
  procedures exist for their proper dissemination throughout the entity, particularly in
  regard to preparing financial information.



Together with the relevant heads of each related department, the General Finance Sub-Division is responsible for designing the organisational structure and the lines of responsibility and authority with regard to functions concerning preparation of financial information. Any changes to the organisational structure made during the financial year are reported to the Communications Area, which periodically updates the organisation charts, which are then incorporated into the communal IT directory to which all employees have access (intranet).

The persons responsible for the administration and recognition of transactions with a direct impact on the preparing of financial information (corporate, local offices and subsidiaries) functionally operate under the General Finance Sub-Division.

 Code of Conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparing financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

The Elecnor Group's Code of Ethics and Conduct, and the documents that implement it, which apply to all of the companies within the Group and all of the business and activities which it pursues in all of those countries where it operates. Their essential mission is to disseminate the Group's business philosophy among all of its employees and all of the people and companies who collaborate with it in its operational activity (such as suppliers, subcontractors, consultants or advisers, business partners and co-workers in general). They also lay down the guidelines that should inform their personal and professional conduct in carrying out their activities. Among those documents that develop the Code of Ethics and Conduct is that on Compliance Policy, which expands on the behaviour expected of Elecnor employees and both the natural and legal persons that have regular dealings with Elecnor to ensure compliance with what is lawful. The Board of Directors of Elecnor approves these documents and they are available to all employees and interested third parties on Elecnor's website within the "Sustainability" section, as well as on the corporate intranet.

The Elecnor Group enforces a zero-tolerance policy for malpractice in contravention of any provision as regards ethics and integrity and expects its professionals and third parties with whom it deals to keep their conduct and actions permanently aligned with the principles and values which the Code of Ethics and Conduct establishes, as well as with the regulations or legislation on which it is based and/or the policies or procedures that implement it.

With respect to the sphere of information which the Elecnor Group shares with third persons and publishes, the Code of Ethics and Conduct stipulates that "Our related parties... must be able to trust in the truthfulness and integrity" of it. It also states that "Our books and records must faithfully and clearly reflect our transactions to a reasonable level of detail and in harmony with generally accepted accounting principles and policy" and it stresses that, to a greater or lesser extent, we all contribute to the process of recognising transactions properly and keeping records of information, without prejudice to the fact that certain employees have more specific duties in this field.

The Elecnor Group keeps a Compliance System in place, which is designed and operates in accordance with best domestic and international practices to provide adequate prevention and management of risks attaching to potential violation of the principles, values and guidelines applying to behaviour that are laid down in the Code of Ethics and Conduct and other associated regulations, policies and procedures. The Chief Compliance Officer and the Compliance Committee, which regularly reports to the Audit Committee, are in charge of continuous improvement and proper functioning of the Elecnor Group's Compliance System. Specifically, the Compliance Committee is tasked with supervising, monitoring and controlling the Compliance System and ensuring both constant review and upgrading of it, and that it operates effectively. Moreover, it is the body entrusted with looking into potential contravention of the



above-mentioned principles on conduct and lawfulness, and reports its conclusions to the Audit Committee to decide whether to take any corrective action and disciplinary measures. The Compliance Committee presently comprises 10 people (the Chief Compliance Officer and nine others who belong to the areas of general services, human resources and the Group's different business divisions, mainly through the respective legal advisory departments). The body structurally and functionally operates under the Audit Committee, to whom it regularly reports on its work.

The Compliance Committee arranges repeat training courses, which are intended for as many of the organisation's employees as possible and cover the organisation's values and unwanted behaviour regarding risks. Training courses are given through in-class sessions, on-line training or making informative material available. This training plan is part of the overall programme of instruction which the organisation provides. When new employees are hired, including temporary ones, the Elecnor Group provides them with a copy of the Code of Ethics and Conduct along with Compliance Policy in its welcome pack. All the new structure employees joining the organisation in Spain also receive an online induction course which includes a specific and very highly-developed unit on the Elecnor Group's principles and values, and the Compliance System.

Whistle-blower channel allowing notifications to the Audit Committee of irregularities
of a financial and accounting nature, in addition to potential breaches of the code of
conduct and unlawful activities undertaken in the organisation, indicating whether this
channel is confidential and whether anonymous notifications can be made, protecting
the rights of the whistle-blower and the person reported.

The Regulations of the Audit Committee at Elecnor stipulate that the Committee's functions include setting up and supervising a mechanism to allow employees and other people associated with the Company, such as Directors, shareholders, vendors, contractors or subcontractors, to report potentially significant irregularities, including those of a financial, accounting-related or any other nature, in connection with the Company and which they notice within it or its Group. This mechanism must guarantee confidentiality and, in any event, provide for cases where the reporting can be made anonymously, protecting the rights of the whistle-blower and the person reported, while they regularly receive information on its functioning and can propose any appropriate action to improve the mechanism and lessen the risk of irregularities going forward.

All Elecnor Group professionals are obliged to immediately report any irregular practice or unlawful or unethical conduct of which they become aware or which they witness. To facilitate consultation and reporting of this kind, the Elecnor Group has an Internal Integrity and Compliance Reporting System (integrated within the Group's Compliance System) which is tailored to the requirements of Law 2/2023 regulating protection of whistleblowers and is designed and functions in consonance with a set of principles governing action and commitments which the Elecnor Group assumes and which are clearly articulated in its "Policy for the Integrity and Regulatory Compliance Internal Reporting System".

Without prejudice to other reporting mechanisms and channels which interested people can use for the same purpose, since 2011 the Elecnor Group's Ethics Channel has represented the primary means of confidential communication whereby its professionals and/or third parties with a legitimate interest can make contact and report in good faith on improper conduct or behaviour that runs contrary to legislation in force or the provisions set out in its Code of Ethics and Conduct (or any rules and regulations upon which this is based) and policies and procedures which implement this, as well as express any doubts in this field or suggest improvements to the existing internal control systems.



This channel can be accessed via the email address codigoetico@elecnor.com or writing to "apartado de correos n.º 72-48008" (Bilbao, Vizcaya - España) and marking this "a la atención: Canal Ético" (i.e. for the attention of the Ethics Channel). These channels are fully up and running and are clearly set out in the Code of Ethics and Conduct, Compliance Policy and other related policies, on the corporate website or intranet, and in other public communications or publications, such as the Integrated Report.

Reporting received through this channel is reviewed and treated confidentially while following the regulatory framework on personal data protection in accordance with the "Procedure for the Management of Notifications received through the Elecnor Group's Ethics Channel". If anonymous reports are received, where appropriate these will likewise be studied and both processed and investigated in line with the same procedure.

The Elector Group does not tolerate reprisals against anybody using the established channels and procedures for reporting potentially irregular conduct in good faith.

The manager in charge of the Elecnor Group's Internal Integrity and Compliance Reporting System is backed up by other people tasked for this purpose and is responsible for running the system diligently in accordance with the previously discussed procedure. More specifically this entails taking receipt of and processing incoming reports and then identifying their nature and assessing how important they are, as well as deciding which department or unit at the Elecnor Group is best suited to resolving them. The system manager reports directly to the Audit Committee on notifications received, the enquiries carried out and the conclusions reached. The final decision on disciplinary action to take lies with the Audit Committee.

 Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

Training and development policy is built into the Human Resources Integrated Management System.

The Department of Performance Management, Training and Development is responsible for designing and configuring training itineraries for Elecnor's structure workforce, this being customised to address the position held and the training needs identified by the different areas. In particular, for staff with responsibilities in the financial field or who need to improve their skills in this area, there is a specific financial training programme. Over 2023 several courses were delivered as part of this programme, such as finance for non-financial staff, financial project management, funding or an executive development programme run by ESADE.

Elecnor also provides its employees with regular training in the field of Compliance, which, among other issues, provides them with a better understanding of the main risks of this nature and the internal control elements established for adequate prevention and management of them.

In addition, the heads of the departments most directly involved in preparing and reviewing financial information, as well as in evaluating the ICFR system, maintain close ongoing contact with the external auditors and other accounting experts, who inform them promptly of new developments in accounting matters and risk management, and internal control over financial reporting, and provide them with material and assistance to keep abreast of these. If necessary, depending on the extent and importance of the new developments, as well as the group concerned, specific courses are designed on the subject.



#### F.2. Assessment of risks in financial reporting

Report on at least the following:

- F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:
- Whether the process exists and is documented.
- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so, how often.
- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures, holding companies or special purpose vehicles.
- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.
- The governing body within the company that supervises the process.

The process of identifying risks in relation to that of generating and issuing financial information falls within the remit allocated to the General Finance Sub-Division and the Internal Audit area.

To summarise, this risk identification process has the following characteristics:

- Analysis of the consolidated annual financial statements for the year to identify the relevant headings and breakdowns in them.
- On the basis of this information, those processes from which transactions are processed are identified and finally reflected in the aforementioned relevant headings and breakdowns.
- Lastly, the relevant risks that may lead to errors in the process of generating and issuing financial information are identified and prioritised for each of the aforementioned processes. Each risk identified relates to one or more of the potential errors in the process of generating and issuing financial information, such as integrity, accuracy, occurrence, cut-off, valuation and allocation, and classification and comprehensibility, in the main.

The functioning of the ICFR oversight system is structured around the Elecnor Group's annual Internal Audit work plan. The Annual Plan is prepared by the Chief Audit Executive and presented to Elecnor's Audit Committee for approval. Among the tasks included within the Annual Plan is reviewing both the risks and main controls that relate to preparing financial information and the significant risks with a potential impact on the financial statements.

The review of the scope of consolidation is carried out twice a year to coincide with the consolidation process. Corporate transactions are approved by the Board of Directors and reported to the General Finance Sub-Division for the updating of the Group's scope of consolidation.

In performing its tasks, the General Finance Sub-Division and the Internal Audit function continuously monitor the Group's activity, which enables them to identify any significant risk in the different areas of business and activity that could have a significant impact on the financial statements. The Chief Audit Executive regularly reports these risks, as well as their



potential impact on the financial statements, to the Audit Committee at the various meetings which the Committee holds.

#### F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorisation procedures for financial information and a description of the ICFR system, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

With respect to the accounting closing procedure, in coordination with the General Accounting Department, the Management Control Department annually prepares the closing calendar which includes the closing dates, rules and instructions. This calendar is conveyed to all staff involved through email and the computerised directory. In addition, the Elecnor General Accounting and Management Control departments underpin the accounts closing process, both monthly and yearly, through separate closing checklists.

With respect to subsidiaries, the Management Control, Consolidation and Internal Audit Departments permanently monitor the subsidiaries that make up the Elecnor Group, assigning the monitoring of the various investees to the subsidiary controllers. On a monthly basis, these controllers report the integration files, which include all relevant information from the subsidiaries, to the Consolidation and Internal Audit areas. If deemed necessary, subsidiary follow-up meetings are also held.

The Management Control and Consolidation departments prepare all the documentation relating to analysis of the Group's performance on a monthly basis for presentation to the Board of Directors, which is previously reviewed by the General Finance Sub-Division.

With regard to the procedures for reviewing and authorising financial information to be published on the securities markets, a distinction is made between these levels of relevant information:

#### Annual and interim financial statements

The head of Elecnor's General Accounting Department is responsible for preparing the individual annual financial statements. The Head of Consolidation is also responsible for preparing the consolidated annual financial statements and the consolidated interim financial statements.

Subsequently, the individual and consolidated annual financial statements are reviewed by the heads of the various corporate areas of Elecnor, General Finance Sub-Division, the Internal Audit area, the Audit Committee and the Board of Directors. The Audit Committee receives the annual financial statements sufficiently in advance to ensure adequate review of them and meets with the external auditors prior to the meetings of the Board of Directors where the annual and interim financial statements are prepared.

#### • Description of the ICFR system

The General Finance Sub-Division and the Chief Audit Executive are the people entrusted with producing the content of this section of the Annual Corporate Governance Report (ACGR) on



internal risk management and control systems in relation to issuing financial information (ICFR). This process culminates in a review of it by the Audit Committee and approval for it as part of the ACGR by the Board of Directors.

#### Notifications to the CNMV

The department or subsidiary where the information to be reported to the markets, and the CNMV in particular, originates prepares a note that is reviewed by the General Secretary and the Communications Area. The relevant information is also reviewed by the General Finance Sub-Division if it includes financial or accounting information.

#### • Uploading of information to CNMV applications

The annual individual and consolidated financial statements, as well as their associated management reports (including the Annual Corporate Governance Report, or ACGR, and the Annual Report on Director Remuneration, or ARDR), are filed in the European Single Electronic Format in accordance with the formatting and labelling requirements established in Commission Delegated Regulation (EU) 2018/815 in the case of the consolidated annual financial statements, which the Company's Board of Directors prepares in this format. The formatting is sent to the CNMV, along with the letter from the secretary confirming authorisation from the Board for publication, via the applications which it has enabled for these purposes. The Company's Secretary to the Board is responsible for validating and delivering this information and has exclusive access to the smart card for sending information.

Elecnor has documented accounting and administrative procedures for "Purchases and Payments", "Contracting, Invoicing and Collection", "Control of Fixed Assets", "Treasury Control" and "Cash Control", among others. These procedures include the type of transactions for each process, the procedures for their recognition and accounting, and the corresponding controls established by Elecnor. These procedures are reviewed annually by Elecnor's General Accounting Department, which updates them if necessary.

In addition, the General Finance Sub-Division and the Internal Audit area have a matrix of risks and controls associated with financial information, which includes controls related to fraud risks. The risks and controls are reviewed within the Annual Internal Audit Plan, and the matrix is updated yearly.

With regard to the procedures and controls established in relation to the relevant judgements, estimates and projections, the Group has identified the main risks attaching to these aspects. In particular, the main areas with exposure to judgements and estimates have been identified as those associated with:

- Recognition of income from construction contracts under the stage-of-completion method.
- Recognition of provisions of any nature.

All significant estimates are reviewed by the General Finance Sub-Division and the Chief Audit Executive and, where appropriate, are submitted to the Audit Committee and the Board of Directors for analysis and approval.

Elecnor's Board of Directors meets on a monthly basis. Beforehand, the Group's financial information is analysed by the General Finance Sub-Division and the Chief Executive Officer.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.



Elecnor currently has a series of controls that mitigate the main risks relating to the integrity, availability, validity and confidentiality of accounting and financial information. In addition, Elecnor has procedures on Information Security and System Operation.

The management of access to the systems is carried out in accordance with procedures established for this purpose.

Elecnor has a documented Contingency Plan in the event of a Disaster, as well as a Backup Policy and Procedures for the organisation's critical systems.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

As regards subcontracting to third parties of valuations or calculations in connection with certain items in the financial statements, the Group entrusts valuation of interest rate and exchange rate hedging derivatives traded to top-tier financial institutions.

The Treasury Area receives monthly valuations of the derivatives from the financial institutions and evaluates their fairness. In the event of a discrepancy, the financial institutions are contacted for clarification and, if necessary, to obtain new valuations.

In addition, the Elecnor Group in each case evaluates the desirability of engaging the services of independent experts to support certain valuations of assets or businesses, depending on the significance they may have with respect to the balance sheet and income statement. The reports received from these experts, and the consequences that arise from them, if any, for financial information, are reviewed by the areas responsible for preparation of the information (generally, and ultimately, by the General Finance Sub-Division and the Chief Audit Executive if they have a significant impact on the preparation of the financial statements and the annual accounts) for the purposes of their validation, paying particular attention to the methodology and main assumptions used.

#### F.4. Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The responsibility for defining and keeping the Group's accounting policies up-to-date is assigned to Elecnor's General Finance Sub-Division. In this regard, free-flowing and continuous contact is maintained with the external auditors and other accounting experts so as to be informed permanently and duly in advance of the main accounting developments, and, if relevant and considered appropriate, the opportune mechanisms are established to pass these on to areas of the organisation with responsibilities in the preparation of financial information.

The Management Control and Consolidation departments carry out permanent monitoring of the subsidiaries and local offices. The resolution of doubts and queries regarding accounting policies is primarily the responsibility of the Corporate Controllers of each of the subsidiaries. In the event that the query is not resolved or there is a conflict of interpretation, such matters are taken up with the Head of Consolidation and/or the Chief Audit Executive.



If necessary, the Head of Consolidation for the General Finance Sub-Division submits queries to the external auditor.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group and which support its main financial statements and notes, as well as disclosures concerning ICFR.

All transactions are recognised at Elecnor based on documentary evidence and using an operation key format. Each document used to report data to the system has some mandatory data (customer code, centre, project/site, VAT rate, etc.). After the "end-of-day" (transaction validation) is complete, the system reports any erroneous entries, which are verified by the corresponding corporate departments, correcting them if necessary.

As for the reporting tool, a standardised "Consolidation Report Package" is used for all subsidiaries. This "Consolidation Report Package" is reviewed on an annual basis by the external auditor to confirm that it includes all the required information and breakdowns. Subsidiaries generally report under IFRS. The Consolidation Department is where the consolidation process takes place.

The Consolidation Department prepares a reporting schedule and instructions on an annual basis. Once the closing-off has been prepared and supervised by each of the heads of the corresponding Accounting and Finance Departments, each of the subsidiaries sends the required information to the Consolidation Department via the IT solution which supports the whole process. The reporting instructions establish the obligation for the information included in the report package to tally with that obtained from the subsidiary's accounting records, as well as a bar on including subsequent entries in the accounts after the report package has been sent to Elecnor. If a significant subsequent entry is detected, the Management Control and Consolidation departments are notified and the corresponding report package is amended.

This reporting and consolidation process is supported on a well-respected IT application (SAP – Business Planning and Consolidation, or "BPC").

F.5. Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR system as well as whether there is an internal audit function, one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

As described earlier, among the functions which the Audit Committee has is that of supervising and assessing the effectiveness of both the financial and the non-financial risk management and control systems, including the Internal Control over Financial Reporting system. The Audit Committee is also in charge of supervising and assessing the preparation and presentation of the financial and non-financial information of the Company and its Group, checking on compliance with the regulatory requirements, suitable definition of the consolidation scope and proper implementation of accounting standards.

In carrying out these functions, the Audit Committee relies on the internal audit service. The Elecnor Group's internal audit service supervises internal control of the organisation, which is structured around five major control areas: General Accounting, Management Control,



Consolidation, the Finance Department and the Tax Advisory service. These departments act, in their respective areas of competence and under audit criteria, as internal corporate control/audit bodies, carrying on their activities with complete independence from both Elecnor's production departments (business) and the domestic and foreign subsidiaries that comprise the Elecnor Group. The Elecnor Group has an annual Internal Audit Plan, which the Chief Audit Executive presents to the Audit Committee, who approve it. At its various meetings the Audit Committee follows up on execution of the plan using the information which the Chief Audit Executive provides.

The Management Control area continuously monitors the different Elecnor organisations, paying particular attention to the most significant sections of the balance sheet and the income statement, such as work in progress (old production), advance invoicing, customer balances, and recognition of margins and provisions, among others.

With respect to ICFR, the Elecnor Group's Audit Committee supervises internal audit work in relation to the internal control structure existing within the organisation and, as previously stated, approves and supervises the annual internal audit plan, meets at least three times a year with the external auditors and is informed monthly about developments within businesses and activities at the meetings of the Board of Directors. Furthermore, where relevant, it is informed of certain judgements or estimates included in the financial information and, without prejudice to this regular monitoring work, the Audit Committee devotes at least one of its meetings specifically to reviewing key aspects of the ICFR system. The Audit Committee reports on all its relevant actions carried out during the year in its annual Activity Report.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

During the 2023 financial year, the Audit Committee held 12 meetings, three of which were attended by external auditors. These meetings were to:

- Review the planning, strategy and scope of audit work.
- Review the annual financial statements and analyse any monitoring weaknesses
  detected by the external auditor in its review of the main business processes and
  general controls that are implemented in the Group, as well as the suggested corrective
  actions. Prior to this meeting, the external auditors met with the Chair, the Chief
  Executive Officer, members of the General Finance Sub-Division and the Chief Audit
  Executive.
- Review the interim financial statements.

The external auditor also presents to the full Board of Directors on the result and conclusions of its audit regarding the annual financial statements before formulation of them.

In this respect, neither the internal nor the external auditor uncovered any substantial weaknesses of internal control which the Audit Committee consequently might have to report to the Board.



#### F.6. Other relevant information

There is no additional relevant information to consider that has not been covered by the previous points.

#### F.7. External auditor's report

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

This information in relation to ICFR has been submitted for review by the external auditor, whose review is included as an attachment.





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

Auditor's Report on "Information regarding the Internal Control System over Financial Reporting (ICSFR)" of Elecnor, S.A. for the 2023 financial year

To the Board of Directors of Elecnor, S.A.:

In accordance with the request of the Board of Directors of Elecnor, S.A. ("the Entity") and our engagement letter dated November 30, 2023, we have applied certain procedures in respect of the attached "Information regarding the Internal Control System over Financial Reporting" ("ICSFR"), included in the "Appendix F to the Annual Corporate Governance Report" of Elecnor, S.A. for 2023 financial year, which includes a summary of the Entity's internal control procedures relating to its annual financial information.

The Board of Directors is responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to that system and preparing and establishing the content of the accompanying Information regarding the ICSFR.

In this regard, it should be borne in mind that, regardless of the quality of the design and operating efficiency of the internal control system used by the Entity in relation to its annual financial information, only a reasonable, but not absolute, cegree of assurance may be obtained in relation to the objectives it seeks to achieve, due to the limitations inherent in any internal control system.

In the course of our audit work on the consolidated annual accounts and in accordance with Spanish Auditing Standards, the sole purpose of our evaluation of the Entity's internal control system is to enable us to establish the scope, nature and timing of our audit procedures in respect of the Entity's annual accounts. Accordingly, our internal control evaluation, performed for the purposes of our audit, is not sufficient in scope to enable us to issue a specific opinion on the effectiveness of such internal control over the regulated annual financial information.

For the purposes of this report, we have exclusively applied the specific procedures described below, as indicated in the "Guidelines concerning the Auditor's Report on the Information regarding the Internal Control System over Financial Reporting for listed entities" published by the National Securities Market Commission on its web site, which sets out the work to be performed, the minimum scope of such work and the content of this report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the Entity's annual financial information for the 2023 financial year described in the accompanying Information regarding the ICSFR. Had we applied additional procedures to those determined by the aforementioned Guidelines, or had we performed an audit or review of the internal control system in relation to the regulated annual financial information, other matters could have come to light in respect of which you would have been informed.

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Elecnor, S.A.

In addition, as this special engagement is not an audit of financial statements and is not subject to the legislation governing the audit practice in Spain, we do not express an audit opinion under the terms of the aforementioned legislation.

The procedures applied were as follows:

- 1) Reading and understanding the information prepared by the Entity in relation to the ICSFR as disclosed in the Directors' Report and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICSFR, in the model of the Annual Corporate Governance Report, as established in Circular 5/2013 of the National Securities Market Commission dated June 12, 2013 and subsequent modifications, the most recent being Circular 3/2021, of September 28 of the NSMC (hereinafter, the NSMC Circulars).
- 2) Making enquiries of personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described have been implemented and are functioning in the Entity.
- 3) Review of supporting documentation explaining the information described in point 1 above and which will mainly comprise the information made directly available to the persons responsible for preparing the information on the ICSFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal and external specialists in their function of support to the audit committee.
- 4) Comparison of the information described in point 1 above with our knowledge of the Entity's ICSFR, obtained by means of the application of the procedures performed within the framework of the audit engagement on the annual accounts.
- 5) Reading the minutes of meetings of the Entity's board of directors and audit committee, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICSFR and the information described in point 1 above.
- 6) Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied in relation to the Information regarding the ICSFR, no inconsistencies or incidents have been identified which could affect such information.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and "the Circulars of the NSMC", for the purposes of describing the ICSFR in Annual Corporate Governance Reports.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Goretty Álvarez González:

February 28, 2024



## G) DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

	Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.
	In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.
1.	That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.
	Complies <b>区</b> Explain □
2.	That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:
	a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
	b) The mechanisms in place to resolve any conflicts of interest that may arise.
	Complies $\square$ Complies partially $\square$ Explain $\square$ Not applicable $\boxtimes$
3.	That, during the ordinary General Shareholders' Meeting , as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:
	a) Changes that have occurred since the last General Shareholders' Meeting.
	b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.
	Complies <b>■</b> Complies partially □ Explain □



4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

#### Complies ■ Complies partially □ Explain □

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

#### Complies ■ Complies partially □ Explain □

- 6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:
  - a) Report on the auditor's independence.
  - b) Reports on the workings of the audit and nomination and remuneration committees.
  - c) Report by the audit committee on related-party transactions.

#### Complies ■ Complies partially □ Explain □

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and



to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

#### Complies ■ Complies partially □ Explain □

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

#### Complies ■ Complies partially □ Explain □

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

#### Complies ■ Complies partially □ Explain □

- 10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:
  - a) Should immediately distribute such complementary points and new proposals for resolutions.
  - b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
  - c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
  - d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies 

■ Complies partially □ Explain □ Not applicable □



11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

#### Complies □ Complies partially □ Explain □ Not applicable ■

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

#### Complies ■ Complies partially □ Explain □

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

#### Complies **■** Explain □

- 14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:
  - a) Is concrete and verifiable;
  - b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
  - c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or reelection of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.



#### Complies ■ Complies partially □ Explain □

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies □ Complies partially ■ Explain □

The first paragraph of this Recommendation is fully complied with, since the Board of Directors of the Company is composed of an ample majority of nominee and independent directors, with only one executive director.

As to the second paragraph, the Company's director selection procedures (which the Appointments, Remunerations and Sustainability Committee in particular looks after within its remit) are based on objective criteria that enable achievement of the most suitable composition of the Board by bearing in mind the particularities of the Company and its Group and choosing the best profiles available to this end.

Without prejudice to this, and although the current number of female directors is less than 40%, the Company intends to continue to promote an increase in the presence of female directors on the Board of Directors to be able to comply with the Recommendation without affecting its normal functioning and the overall suitability of its members for the performance of their duties.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies □ Explain 🗷

Elecnor is a company with a long tradition in its sector, and since its inception it has been managed by a variety of family groups, the founders of the company. Through the significant shareholder CANTILES XXI, S.L., and the Directors who represent it at the Company, the Family Groups which this comprises are represented in the broadest and most diverse manner possible, with a profile that is suitable for the exercise of their obligations and always aimed at producing shareholder value.



Elecnor's Nominee Directors perform a supervisory task similar to that assigned to Independent Directors. The composition of the Board of Directors of Elecnor corresponds with its shareholder structure.

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies □ Explain 🗷

Elecnor is a company with a long tradition in its sector, and since its inception it has been managed by a variety of family groups, the founders of the company. Through the significant shareholder CANTILES XXI, S.L., and the Directors who represent it at the Company, the Family Groups which this comprises are represented in the broadest and most diverse manner possible, with a profile that is suitable for the exercise of their obligations and always aimed at producing shareholder value.

Elecnor's Nominee Directors perform a supervisory task similar to that assigned to Independent Directors. The composition of the Board of Directors of Elecnor corresponds with its shareholder structure.

- 18. That companies should publish the following information on directors on their website, and keep it up to date:
  - a) Professional profile and biography.
  - b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
  - c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
  - d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
  - e) Company shares and share options that they own.

Complies 

■ Complies partially 

□ Explain 

□



19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies □ Complies partially □ Explain □ Not applicable 

■

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies □ Complies partially □ Explain □ Not applicable 

■

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

#### Complies **■** Explain □

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the



information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

#### Complies **■** Complies partially □ Explain □

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

#### Complies ■ Complies partially Explain Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

#### Complies $\blacksquare$ Complies partially $\square$ Explain $\square$ Not applicable $\square$

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

#### Complies ■ Complies partially □ Explain □

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.



#### Complies ■ Complies partially □ Explain □

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies 

■ Complies partially □ Explain □

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies 

■ Complies partially 

□ Explain 

□ Not applicable 

□

29. That the company should establishes [sic] adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies 

■ Complies partially □ Explain □

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies 

Explain □ Not applicable □

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies 

■ Complies partially □ Explain □

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies **I** Complies partially □ Explain □



33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

#### Complies ■ Complies partially □ Explain □

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

#### Complies □ Complies partially □ Explain □ Not applicable ■

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

#### Complies **■** Explain □

- 36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:
  - a) The quality and efficiency of the Board of Directors' work.
  - b) The workings and composition of its committees.
  - c) Diversity in the composition and skills of the Board of Directors.
  - d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
  - e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and, for the evaluation of the Board, a report from the nomination committee.



Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee. Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report. The process and the areas evaluated must be described in the annual corporate governance report. Complies **■** Complies partially □ Explain □ 37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board. Complies □ Complies partially ■ Explain □ Not applicable □ The Executive Committee consists of a CEO and five Nominee Directors, all of whom have extensive knowledge of the business and the sector in which the Company operates, this being the essential reason for their appointment as members of the Executive Committee given the nature of the business-related subject-matter discussed in it. As for the post of Secretary, at its meeting of 11 May 2022 and as a result of the voluntary stepping down of the previous Secretary, the Executive Committee resolved to appoint the Non-Director Secretary to the Board of Directors, Mr Pedro Enrile Mora-Figueroa, as its own Non-Director Secretary. 38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee. Complies 🗷 Explain □ Not applicable □ 39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial. Complies 

■ Complies partially □ Explain □ 40. That under the supervision of the audit committee, there should be a unit in charge of

the internal audit function, which ensures that information and internal control systems



operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

#### Complies ■ Complies partially □ Explain □

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

#### Complies ■ Complies partially □ Explain □ Not applicable □

- 42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:
  - 1. With regard to information systems and internal control:
  - a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
  - b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
  - c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
  - d) Generally ensuring that internal control policies and systems are effectively applied in practice.
  - 2. With regard to the external auditor:



- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditor's independence.

### Complies **■** Complies partially □ Explain □

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

### Complies **■** Complies partially □ Explain □

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

### Complies ■ Complies partially □ Explain □ Not applicable □

- 45. That the risk management and control policy identify or determine, as a minimum:
  - a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including, among the financial or economic risks, contingent liabilities and other off-balance sheet risks.
  - b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
  - c) The level of risk that the company considers to be acceptable.



- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised [sic].
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

### Complies **■** Complies partially □ Explain □

- 46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:
  - a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
  - b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
  - c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

### Complies ■ Complies partially □ Explain □

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

#### Complies □ Complies partially ■ Explain □

The members of the Appointments, Remunerations and Sustainability Committee are appointed ensuring that they have the knowledge, skills and experience appropriate to the functions that they are called upon to perform, without prejudice to also seeking to promote gender diversity and other diversity criteria among its members.

In regard to its composition, the Company fully complies with the provisions of the Corporate Enterprises Act, Article 529 quindecies, section 1), which establishes that "the appointments and remunerations committee shall consist entirely of non-executive directors appointed by the board of directors, at least two of whom must be independent directors," which is also reflected in Articles 14 of the Regulations of the Board and 3 of the Regulations of the Committee. The Appointments, Remunerations and Sustainability Committee comprises two Independent Directors and two Nominee Directors.



Without prejudice to the foregoing, our understanding is that independence of the decisions of the Appointments, Remunerations and Sustainability Committee is ensured, given that it is exclusively made up of non-executive directors and chaired by an independent director.

48. That large-cap companies have separate nomination and remuneration committees.

Complies □ Explain □ Not applicable 🗵

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies 

■ Complies partially □ Explain □

- 50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:
  - a) Proposing the basic conditions of employment for senior management to the Board of Directors.
  - b) Verifying compliance with the company's remuneration policy.
  - c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
  - d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
  - e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies 

■ Complies partially □ Explain □

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies 

■ Complies partially □ Explain □



- 52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:
  - a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
  - b) That their chairpersons be independent directors.
  - c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
  - d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
  - e) That their meetings be recorded and their minutes be made available to all directors.

Complies □ Complies partially □ Explain □ Not applicable 

■

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies □ Complies partially 

Explain □

The supervisory functions covered in Recommendation 54 are divided between, on the one hand, the Audit Committee (charged with overseeing compliance with the Company's corporate governance rules and the internal codes of conduct), which exclusively comprises non-executive directors, most of whom are independent directors too, and, on the other hand, the Appointments, Remunerations and Sustainability Committee (tasked with reviewing and assessing the corporate governance system and sustainability policy, as well as supervising compliance with sustainability practices), composed of two nominee directors and two independent directors, all of whom are appointed by the Board of Directors based on their knowledge, skills and experience. In this sense, we refer to the explanation from Recommendation 47 above.



- 54. The minimum functions referred to in the foregoing recommendation are the following:
  - a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
  - b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
  - c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
  - d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
  - e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

### Complies ■ Complies partially □ Explain □

- 55. That environmental and social sustainability policies identify and include at least the following:
  - a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.
  - b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
  - c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
  - d) Channels of communication, participation and dialogue with stakeholders.
  - e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.



56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

### Complies **■** Explain □

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

### Complies ■ Complies partially □ Explain □

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

### Complies ■ Complies partially □ Explain □ Not applicable □

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.



That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies 

■ Complies partially 

■ Explain 

■ Not applicable 

■

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies 

■ Complies partially 

Explain 

Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies □ Complies partially □ Explain 

Not applicable □

Although Article 12 of the Articles of Association provides for the possibility of the Directors being paid by means of remuneration based on the provision of shares or option rights on shares of the Company itself, at the moment the Company has not considered it necessary to establish remuneration for its Chief Executive Officer through shares or financial instruments linked to their value, since it considers that the current variable remuneration systems for the Chief Executive Officer are the most appropriate to encourage the latter's motivation and professional performance, as well as commitment and linkage to the interests of both the Company and the Group. In particular, the Chief Executive Officer's variable remuneration is linked to predetermined and measurable performance criteria that allow them to be paid for their continuous performance over a period of time sufficient to appreciate their contribution to the creation of sustainable value.

In addition, the length of time over which the current Chief Executive Officer has been linked to the Company allows us to conclude that their long-term interests are sufficiently aligned with those of the Company.

Likewise, the Company has chosen to maintain the same policy for all the Directors, no distinction being made among the various categories of them, for which reason no percentage of the Chief Executive Officer's variable remuneration has been linked to payment in shares even though this possibility is included within the current Directors' Remunerations Policy. This is all without prejudice to the fact that the Appointments, Remunerations and Sustainability Committee will at all times give consideration to the advisability or otherwise of changing policy, in which case it will submit the motion of making payment in shares to the Chief Executive Officer to the Shareholders' General Meeting for approval pursuant to Article 219 of the Corporate Enterprises Act. Notwithstanding, the Remunerations Policy approved by the Shareholders' General Meeting for the fiscal years 2022-2025 expressly establishes the possibility that the Board of Directors, upon proposal of the Appointments, Remunerations and Sustainability Committee, may submit to the approval by the Shareholders' General Meeting the granting of special incentives by way of extraordinary remuneration for Board members in the event of extraordinary corporate transactions involving acquisitions, investment, divestment, restructuring or of any other kind; which may be received in cash, shares or share options when the Board considers that it is in the Company's best interests to incentivise and reward the involvement and meritorious performance of Directors in certain transactions.



62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing [sic] shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies □ Complies partially □ Explain □ Not applicable 

■

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies 

■ Complies partially 

Explain 

Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies  $\square$  Complies partially  $\boxtimes$  Explain  $\square$  Not applicable  $\square$ 

The CEO's compensation amounts to the equivalent of two (2) years of total remuneration, from which long term variable remuneration is excluded. Even so, exceptionally, if cessation and termination of the contract with the CEO is due to a change of control of the Company in the sense which Article 42 of the Commercial Code provides for, or the assignment or transfer of all or a material part of its activities or its assets or liabilities to a third party or merger into another business group, as well as a change to current shareholders owning over 50% of the share capital or the Company's key shareholder, the CEO would be entitled to receive an additional sum equal to one (1) year of their total remuneration. Total remuneration shall in any event be calculated as the average of that received in the past three (3) years.

The CEO's contract also establishes a post-contractual non-compete agreement for a two (2) year period from contract termination, where the consideration shall be the sum equal to one (1) year of the CEO's overall remuneration, including both fixed and variable pay, though expressly excluding that earned under annual or multi-year programmes or incentives.



### H) FURTHER INFORMATION OF INTEREST

- If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
- This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.
  - Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.
- The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

Via giving formal notification of price-sensitive information on 17 November 2023, the Company's Board of Directors reported to the market on the signing of the sale agreement for the entire share capital of Enerfín Sociedad de Energía, S.L.U. ("Enerfín") with Statkraft European Wind and Solar Holding AS (a Statkraft Group company) whereby Statkraft would acquire Enerfín in its entirety and, once the sale has gone through, become the sole shareholder thereof.

To this end, and given that Enerfín is an essential asset for the purposes of Article 160.f of the Spanish Corporate Enterprises Act, on 24 January 2024 the Extraordinary Shareholders' General Meeting approved the deal with voting in favour speaking for 99.9997% of the share capital with owners present or represented at the Shareholders' General Meeting.

On the other hand, in regard to sections C.1.14 and C.1.27 it is reported here that, with effect from 1 January 2024, the new Deputy General Manager of Internal Audit and Finance (CFO) of the Elecnor Group – Mr David Rodríguez Rincón – has been appointed, on the occasion of the retirement of Mr Luis Alcíbar Villa, whereby both will share in office until 3 March 2024, when the retirement becomes effective.

This Annual Corporate Governance Report was approved by the Board of Directors of the Company at its meeting held on **28 February 2024**.

Indicate whether any director voted against or abstained from approving this report.

Yes □ No 🗷



# ANNUAL REPORT ON DIRECTOR REMUNERATION 2023

### **ISSUER IDENTIFICATION DETAILS**

Year end-date: 31/12/2023

**Tax ID (N.I.F.):** A48027056

Company Name: ELECNOR, S.A.

Registered Office: C. del Marqués de Mondéjar, 33, 28028 Madrid



### **ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES**

## A) REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR (2024)

A.1.1 Explain the current Directors' Remuneration Policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the Shareholders' General Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the directors and with the remuneration policy approved by the Shareholders' General Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity.
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The purpose of the current Directors' Remuneration Policy, which was approved by the Shareholders' General Meeting on 18 May 2022, applicable to the period remaining in the 2022 financial year since its approval and for the 2023, 2024 and 2025 financial years (the "Policy"), is to define the Company's remuneration practices in relation to its Directors, thereby contributing to the sustainable creation of value for its Shareholders in the long term. Consequently, the Appointments, Remunerations and Sustainability Committee performs an ongoing review to ensure that the Remuneration Policy is contributing to long-term value creation for Shareholders and other stakeholders of the Company.

The following bodies take part in the process for the determination, approval and application of the Policy:

(i) The **Appointments, Remunerations and Sustainability Committee**: this Committee, made up solely by Non-executive Directors, in addition to drawing up the proposal for the Remuneration Policy to be referred to the Board of Directors, must also approve a specific report explaining and justifying the Remuneration Policy.

Likewise, the Appointments, Remunerations and Sustainability Committee will perform a regular review of the remuneration policy applied to the Directors and members of the management team, including, as appropriate, the remuneration systems with shares and



their application, ensuring that the individual remuneration will be proportionate to the remuneration being paid to the rest of the Directors and to the members of the Company's management team.

In turn, this Committee will inform the Board of Directors about the individual determination of the remuneration of each Director for the discharge of their non-executive duties within the framework of the Articles of Association and of the Remuneration Policy, as well as in relation to the individual determination of the remuneration of each Director for the discharge of the executive duties assigned to them within the framework of the Remuneration Policy and in accordance with the provisions of their contracts.

- (ii) The **Board of Directors** is the body responsible for making a reasoned proposal for the Remuneration Policy to the Shareholders' General Meeting, making the proposal available to the Shareholders' General Meeting at the time when it is called. Likewise, the Board of Directors is the competent body for the determination and approval of the terms and conditions of the Company's Chief Executive Officer, on the proposal of the Appointments, Remunerations and Sustainability Committee and within the framework of the Remuneration Policy approved by the Shareholders' General Meeting (articles 249 and 529 octodecies LSC). The Chief Executive Officer will abstain from participating in the discussion and voting on these resolutions.
- (iii)The **Shareholders' General Meeting**: will approve as the case may be the Company's Remuneration Policy, which will remain in effect as from the time of its approval and throughout the following three financial years, and will also be the body responsible for determining for each financial year the maximum amount of the remuneration that the Directors will be entitled to receive. To avoid possible conflicts of interest, the Directors who, following a public request, are designated as proxies by a shareholder for the Shareholders' General Meeting, will abstain from exercising the right to vote pertaining to the shares represented with respect to the resolutions relating to the Remuneration Policy, unless they have received voting instructions in this regard. Any amendment or replacement of the Policy will also require prior approval by the Shareholders' General Meeting, without prejudice to the provision contained in article 529 novodecies.5 LSC, with respect to those remunerations expressly approved by the Shareholders' General Meeting.

Specifically, and for the purpose of expressly including the new points included in the Good Governance Code approved by the CNMV [Spain's National Securities Market Commission] in June 2020 and in Act 5/2021, of 12 April, amending the revised text of the Companies Act, with respect to the furthering of the long-term involvement of the shareholders in listed companies, dated 18 May 2022, Elecnor's Shareholders' General Meeting, on the proposal of the Board of Directors and of the Company's Appointments, Remunerations and Sustainability Committee, approved the currently prevailing Policy, with the affirmative vote of 96.79% of the share capital present in person and by proxy. This Policy had been previously approved by the Company's Board of Directors through a resolution dated 30 March 2022 on a proposal by Elecnor's Appointments, Remunerations and Sustainability Committee, following a reasoned report, at a meeting held on 28 March 2022.

The currently prevailing Policy, which continues along the lines of the previous Remuneration Policy, intends for the remuneration system of all of the Directors, both for the discharge of their non-executive duties as well as for the discharge of such duties by the Chief Executive Officer, to be set in the framework of the remuneration system described in article 12 of the Articles of Association, which was likewise amended by the Shareholders' General Meeting held on 18 May 2022, and to contribute to the attraction, retention and development of the best talent, thereby contributing to the business strategy and to the interests and long-term sustainability of the Company.

In this regard, the Policy is governed by the following fundamental principles:

 Moderation: the remunerations must be reasonable, in line with the trends and references of similar companies, and maintain a reasonable proportion with the



Company's situation and the circumstances of the economy at all times, taking into account, in the case of remunerations tied to the Company's results, the eventual reservations that could appear in the external auditor's report reducing such outcomes.

- **Proportionality**: the Directors' remuneration will be reasonably proportionate to the importance of the Company, its financial situation at all times and the evolution of its consolidated profits, as well as to the market standards of comparable companies.
- **Adequacy**: the Directors' remuneration will be that which is necessary for attracting and retaining Directors with the desired profile and for rewarding the dedication, qualification and responsibility the office requires, but not so high as to compromise the independence of criteria of the Non-executive Directors.
- **Profitability and sustainability**: the remunerations of the Chief Executive Officer will serve as an incentive for performance and professional output and will reward long-term value creation, ensuring the Officer's alignment with the interests of the Company and its shareholders. Accordingly, and in particular, the objective of the Policy is to provide an incentive in the long term for the sustainable attainment of results and an alignment with the interests of the Shareholders and all of the stakeholders of the Company.
- **Transparency**: the design, approval and application of the Policy will be carried out by ensuring adequate transparency. In particular, in the event of submitting a new Policy or an amendment thereof for approval, the Company will make available to the Shareholders a reasoned proposal concerning the Policy, together with the specific report to be prepared by the Appointments, Remunerations and Sustainability Committee when the Shareholders' General Meeting is called, providing full information on the preparation, approval or, as the case may be, the amendment and implementation of the Policy both in the notes to the annual accounts as well as in the Company's Annual Report on Director Remuneration.
- Protection of the Shareholders' interests: the current Policy seeks to establish a
  Director Remuneration system that will protect the interests of the Shareholders in the
  short, medium and long term.

The pay and employment conditions of the Company's workers have been taken into account for the establishment of the remuneration terms of the Directors set out in the Policy. Accordingly, the remuneration system established in the Policy is included in the Elecnor Group's Equality Plan, which expresses and formalises the Company's commitment and strategic positioning in order to further equal opportunities, respect for diversity and non-discrimination in all of the activities associated with people management, and intends for the remuneration policies and practices to ensure at all times non-discrimination on the basis of sex, age, culture, religion, race, or any other circumstance.

### A. Director remuneration system for the discharge of non-executive duties

In accordance with the relevant legislation and article 12 of the Articles of Association, the Company's Directors will have the right to receive remuneration for the performance of the non-executive tasks which are their responsibility, consisting of an annual fixed amount in cash, allowances for attendance at meetings of the Board of Directors and, also, the Directors shall be included in the civil liability insurance policy for members of the management team and Directors arranged by the Company at all times.

Likewise, they can be paid or reimbursed, as appropriate, the reasonable and duly justified expenses they incur as a consequence of their travel, attendance at meetings and other tasks directly related to the discharge of the duties of their office.

In addition, those Directors who belong to the Committees of the Board of Directors will receive an additional fixed remuneration, as will also apply in the case of the Chairperson of the Board.

All of the foregoing will be explained in greater detail in paragraph A.1.3. below.

Pursuant to article 12 of the Articles of Association, the Policy determines that the maximum annual amount of the remunerations which the Company may pay to its Directors taken overall for the items set out in this section must not exceed the amount of four (4) million euros. This



amount will remain in place until such time as it is changed through a new resolution passed by the Shareholders' General Meeting.

### B. Director remuneration system for the discharge of executive duties

The Company has only one Executive Director, the Chief Executive Officer.

The remuneration of the Chief Executive Officer for the discharge of executive duties shall be independent and compatible with the remunerations and compensations established for Directors for the performance of non-executive functions and shall be in line with the remuneration policy in force at any given time.

In this context, pursuant to article 12 of the Articles of Association and to the current Remuneration Policy, in addition to the remuneration for the discharge of non-executive duties, the Company's Chief Executive Officer will be entitled to receive the remuneration stipulated in his contract on the basis of the following possible items:

- a. An annual fixed remuneration in cash which, as set out in the Policy, will amount to EUR¹ 588,379. Nevertheless, the possibility has been established for the Board of Directors, on a proposal and following a report by the Appointments, Remunerations and Sustainability Committee, to determine specific variations in the Chief Executive Officer's fixed remuneration during the period of validity of the Policy, provided that such pay does not exceed the amount of EUR 750,000 per year
- b. A variable remuneration, linked both to personal and the Company's performance, calculated on the basis of qualitative and quantitative reference indicators or parameters, both financial and non-financial, tied to the degree of achievement with quantifiable and measurable objectives set by the Board of Directors, at the proposal of the Appointments, Remunerations and Sustainability Committee.

The Company has two variable remuneration schemes applicable to the Chief Executive Officer: short-term (annual) variable remuneration and long-term variable remuneration, in the terms stated in paragraph A.1.2. below.

### c. Other remuneration items:

- $\circ\quad$  A remuneration based on the handover of Company shares or share options.
- The following benefits or remuneration in kind: (i) continuing entitlement to participate in the corporate welfare systems (for survivor, illness, accident coverage, etc.) in terms similar to those established at all times on a general basis for the executives of the Company; and (ii) being included as a beneficiary of a life insurance policy and health insurance, as well as enjoying all of those benefits which, as the case may be, the Company makes available to its executives taken as a group.
- As well as future compensation for the termination of their contract, provided that their termination does not stem from reasons of noncompliance with their duties.

In the current Policy no procedures are considered for the application of temporary exceptions to it.

<sup>&</sup>lt;sup>1</sup> This sum is the fixed cash payment established in the Directors' Remuneration Policy and relates to the period remaining in the 2022 financial year since its approval and for the 2023, 2024 and 2025 financial years, and not that received in the year in progress.



On the other hand, in the drafting of the Directors' Remuneration Policy, the Appointments, Remunerations and Sustainability Committee and the Board of Directors had recourse to external consultancy provided by the Écija Abogados law firm.

Likewise, comparable companies, essentially in terms of invoicing and business sector, were taken into account for establishing the Policy.

Finally, it is noted here that the Remuneration Policy approved by the Shareholders' General Meeting, together with the date and the result of the voting, is available on the Elecnor Group's corporate website.

A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The Company has only one Executive Director (the Chief Executive Officer), who is the only member of the Board of Directors receiving a variable remuneration.

The Chief Executive Officer's variable remuneration is tied to the Company's outcomes and to the director's personal performance, calculated on the basis of qualitative and quantitative reference indicators or parameters, both financial and non-financial, in relation to the degree of achievement of targets.

In this regard, the Chief Executive Officer's variable remuneration will be determined, in accordance with his contract, in relation to the degree of achievement of a number of quantifiable and measurable targets, which will be set by the Board of Directors, on the proposal of the Appointments, Remunerations and Sustainability Committee, within the framework of the Remuneration Policy.

In any case, and in conformity with the initiatives of the Elecnor Group's Sustainability Strategy, the variable components of the Chief Executive Officer's remuneration are tied to predetermined and measurable criteria that consider the risk assumed for the obtaining of a result, promote the Company's sustainability and are shaped on the basis of a balance between the attainment of short-, medium- and long-term targets, in such a way that these do not derive solely from one-off, occasional or extraordinary events or from the general evolution of the markets or of the Company's sector of activity. Thus, the remunerations of the Chief Executive Officer should serve as an incentive for performance and reward long-term value creation.

In terms of the relative importance of the variable remuneration items in comparison to the fixed items (remuneration mix), it should be noted that the Company has two variable remuneration schemes applicable to the Chief Executive Officer:



### a) Short-term (annual) variable remuneration:

The Chief Executive Officer's variable remuneration for each financial year could amount to as much as 160% of the Chief Executive Officer's annual fixed remuneration and will accrue in relation to the attainment of specific previously determined targets, between 50% and 80% of which will refer to financial questions of the Group and between 20% and 50% to non-financial parameters of the Group.

The limit of the potential overachievement is placed at 120% and, as regards the lower part of the range, Earnings After Tax (EAT) and contracting are key considerations, according to each case, and must reach at least 80% of the target in order to enable the application of this annual variable incentive.

The Board of Directors, following a proposal by the Appointments, Remunerations and Sustainability Committee, will approve the targets at the start of each financial year. Likewise, at the end of the year and within a maximum time limit of four (4) months, the Appointments, Remunerations and Sustainability Committee will evaluate the degree of achievement of the targets previously set and draw up a proposal for their payment within a time limit of six (6) months as from the date of attainment, taking into account the Company's cash needs and any other circumstances that could concur, for submission to the Board of Directors for approval.

### b) Long-term (multiannual) variable remuneration:

The Chief Executive Officer is the beneficiary of a multiannual remuneration derived from a long-term incentives plan approved in the 2023 financial year for the 2023-2025 period, that is based on economic and financial targets, adding value for Shareholders and sustainability-related targets.

Multiannual remuneration shall be adjusted on the basis of the Chief Executive Officer's average annual variable remuneration for the three (3) years over which the plan runs and will accrue in relation to the achievement of previously determined targets, 80% of which will refer to financial questions of the Group and 20% to non-financial parameters of the Group.

The conditions necessary for this incentive to be applicable are:

- a) Financial parameters: the growth and appraisal of the subsidiaries and investee companies and cash generation will be taken into account for the calculation of the incentive c.
- b) Non-financial parameters: the Appointments, Remunerations and Sustainability Committee will also evaluate excellence in the Chief Executive Officer's fulfilment of the following parameters: Prevention, Compliance, Contingencies and Performance Assessment, and accomplishment by business partners. Likewise, the Committee will assess compliance with sustainability criteria -environmental, social and good governance- and the value for shareholders.

The maximum overachievement in each parameter will be 120%.

The multiannual variable remuneration will be paid within a maximum time limit of four (4) months as from the end of the long-term incentives plan, once the Appointments, Remunerations and Sustainability Committee has evaluated the extent to which both the financial as well as the non-financial parameters have been met and submits a proposal to the Board of Directors for its payment, within a time limit of six (6) months as from the date of completion, taking into account the Company's cash needs and any other circumstances that could concur.

The metrics and the targets connected with the variable remuneration of the office of Chief Executive Officer will be proposed by the Appointments, Remunerations and Sustainability



Committee, taking into account for this purpose their possible impact in the long term, the sustainability of the results and any associated risk whatsoever.

Notwithstanding the foregoing, the variable remuneration of the Director who discharges executive duties is not guaranteed and is completely flexible, in such a way that the Director might not receive any amount whatsoever for this item if the minimum thresholds of attainment are not achieved.

Finally, the contract with the Chief Executive Officer includes a clawback clause, according to which the Chief Executive Officer must return to the Company those amounts received as variable remuneration or resulting from the settlement of incentive plans, if at any time during (1) year subsequent to the payment thereof, as a consequence of a culpable action or involving serious negligence by the Chief Executive Officer, the following circumstances would have arisen: (i) alterations or inaccuracies would have been evidenced in the business data which were relevant for calculating the variable remuneration or incentive plans and these are confirmed by the Company's external auditors; (ii) as a consequence of the preceding circumstance, the Company would need to significantly restate its accounts. The Chief Executive Officer must pay the amount notified by the Company within a time limit of forty-five (45) days following the date on which he was given notice to do so.

### A.1.3 Amount and nature of fixed components due to be accrued during the year by directors in their capacity as such.

The current Remuneration Policy establishes the criteria for determining the annual fixed remuneration of each Director, taking into account, among other aspects: (i) the specific duties and responsibilities assumed; (ii) the experience and knowledge required for performing such duties; and (iii) other objective circumstances as may be considered relevant.

Taking into account the foregoing, it has been determined that each of the Company's Directors will receive a fixed remuneration for the discharge of their non-executive duties, during the 2024 financial year, in the amount of EUR 143,500.

In addition, those members of the Board who serve on:

- the **Executive Committee** will be paid an additional annual fixed remuneration in the amount of EUR 30,000;
- the Audit Committee will be paid an additional annual fixed remuneration in the amount of EUR 20,000, and the Chairperson of that Committee will receive an annual fixed amount of EUR 25,000; and
- the **Appointments, Remunerations and Sustainability Committee** will be paid an additional annual fixed remuneration in the amount of EUR 17,500, while the annual remuneration of its Chairperson will be EUR 22,500.
- the **Elecnor Committee**, provided for in the Structure Definition Policy of the Elecnor Group, will be paid an additional annual fixed remuneration in the amount of EUR 12,500 for their participation in the meetings of that Committee.

Finally, the **Chairperson of the Board** will be paid an additional annual fixed remuneration in the amount of EUR 270,000.

The preceding amounts may be modified by the Board of Directors, following a report by the Appointments, Remunerations and Sustainability Committee, in view of the specific circumstances of each Director, such as their track record and professional experience, their capacities and skills for the discharge of the duties of the office, observing in any case the maximum limit established in the Directors' Remuneration Policy for the performance of non-executive duties (EUR 4 million yearly).



In addition, the members of the Board of Directors will be entitled to receive the amount of EUR 1,500 by way of fees for their personal and effective attendance at each of the meetings of the Board of Directors held.

A.1.4 Amount and nature of fixed components due to be accrued during the year for the performance of senior management functions of executive directors.

As mentioned in paragraph A.1.1. above, and in accordance with what has been established in the Remuneration Policy, the Company's Chief Executive Officer will be paid the amount of EUR 588,379 on a yearly basis, as fixed remuneration for the discharge of his executive duties. Nevertheless, the Board of Directors, following a report by the Appointments, Remunerations and Sustainability Committee, will be able to decide on specific variations in the Chief Executive Officer's fixed remuneration during the period of validity of the Policy, provided that such changes do not exceed an annual amount of EUR 750,000.

For the determination of the fixed remuneration and of its possible revisions, the Board of Directors, following a report by the Appointments, Remunerations and Sustainability Committee, must take into account the principles of the Remuneration Policy, as well as, whenever advisable, appropriate salary analyses, for the purpose of establishing a suitable remuneration for retaining the Chief Executive Officer and for rewarding his dedication, qualification and responsibility, also taking into account the market standards of similar companies.

In the event that such variations do occur, this must be reflected in the Annual Report on Director Remuneration.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

During the 2024 financial year, the Company will have the following insurance coverage in place for its directors, although they will not receive any other payment in kind:

- Life insurance, with an estimated premium for 2024 totalling EUR 4,702.92.
- Health insurance, with an estimated premium for 2024 totalling EUR 1,986.58.
- A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.



As indicated in paragraph A.1.2. above, the Remuneration Policy embraces two variable remuneration schemes applicable to the Chief Executive Officer:

### a) Short-term (annual) variable remuneration:

The Chief Executive Officer's variable remuneration for each financial year could amount to as much as 160% of its annual fixed remuneration and will accrue in relation to the attainment of specific previously determined targets, of which:

- (i) Between 50% and 80% of the annual variable remuneration refers to the evolution of certain financial parameters relating to the Group which are specified and quantified on the basis, in particular, of the Group's consolidated Earnings After Tax (EAT) and others such as the Group's annual turnover, the annual volume of contracting in the Group's different lines of business, industrial and operational aspects (efficiency ratios) and the trend in the level of the Group's debt, without prejudice to being able to take other parameters into account depending on the circumstances and, in any case, aligned with the corporate interest and with the Elecnor Group's Sustainability Strategy initiatives.
- (ii)Between 20% and 50% of the annual variable remuneration refers to non-financial parameters, in particular, to the evolution of risk, compliance with sustainability principles (such as, for example, emission reduction, reduction in accident rates or waste reduction), the coordination of succession in the management team, prevention, performance management (with respect to the financing of growth in concessions, corporate development and Team compliance), and the evaluation which, if any, is made by the Board of Directors.

The limit of the potential overachievement is placed at 120% and, as regards the lower part of the range, EAT and contracting are key considerations, according to each case, and must reach at least 80% of the target in order to enable the application of this annual variable incentive.

The Board of Directors, following a proposal by the Appointments, Remunerations and Sustainability Committee, will approve the targets at the start of each financial year. Likewise, at the end of the year and within a maximum time limit of four (4) months, the Appointments, Remunerations and Sustainability Committee will evaluate the degree of achievement of the targets previously set and draw up a proposal for their payment within a time limit of six (6) months as from the date of attainment, taking into account the Company's cash needs and any other circumstances that could concur, for submission to the Board of Directors for approval.

### b) Long-term (multiannual) variable remuneration:

The Chief Executive Officer is the beneficiary of a multiannual remuneration derived from a long-term incentives plan approved in the 2023 financial year for the 2023-2025 period that is based on economic and financial targets, adding value for shareholders and sustainability-related targets.

The multiannual remuneration shall be adjusted on the basis of the Chief Executive Officer's average annual variable remuneration for the three (3) years over which the plan runs and will accrue in relation to the achievement of previously determined targets, 80% of which will refer to financial questions of the Group and 20% to non-financial parameters of the Group.

The conditions necessary for this incentive to be applicable are:

- a) Financial parameters: the growth and appraisal of the subsidiaries and investee companies and cash generation will be taken into account for the calculation of the incentive.
- b) Non-financial parameters: the Appointments, Remunerations and Sustainability Committee will also evaluate excellence in the Chief Executive Officer's fulfilment of the following parameters: Prevention, Compliance, Contingencies and Performance Assessment, accomplishment by business partners. Likewise, the Committee will assess



compliance with sustainability criteria -environmental, social and good governance- and the value for shareholders.

The maximum overachievement in each parameter will be 120%.

The multiannual variable remuneration will be paid within a maximum time limit of four (4) months as from the end of the long-term incentives plan, once the Appointments, Remunerations and Sustainability Committee has evaluated the extent to which both the financial as well as the non-financial parameters have been met and submits a proposal to the Board of Directors for its payment, within a time limit of six (6) months as from the date of completion, taking into account the Company's cash needs and any other circumstances that could concur.

In any case, and in conformity with the initiatives of the Elecnor Group's Sustainability Strategy, the variable components of the Chief Executive Officer's remuneration are tied to predetermined and measurable criteria that consider the risk assumed for the obtaining of a result, promote the Company's sustainability and are shaped on the basis of a balance between the attainment of short-, medium- and long-term targets, in such a way that these do not derive solely from one-off, occasional or extraordinary events or from the general evolution of the markets or of the Company's sector of activity. Thus, the remunerations of the Chief Executive Officer should serve as an incentive for performance and reward long-term value creation.

The metrics and the targets connected with the variable remuneration of the office of Chief Executive Officer will be proposed by the Appointments, Remunerations and Sustainability Committee, taking into account for this purpose their possible impact in the long term, the sustainability of the results and any associated risk whatsoever.

A.1.7 Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short-or long-term performance.

The Remuneration Policy does not contemplate these systems.

A.1.8 Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

There is no indemnification covenanted or paid in the event of the termination of non-executive duties as a Director.

The only indemnification provided for or covenanted in favour of a director is the indemnification stipulated in the contract entered into between the Company and the Chief Executive Officer for the performance of his senior managerial functions, which will accrue for



the Chief Executive Officer provided that termination of the contract is not a consequence of a breach of contact attributable to the Director or due to his exclusive initiative. This indemnification includes the Chief Executive Officer's fixed remuneration and the short-term variable remuneration tied to the annual profits obtained by the Company, while it excludes the long-term variable remuneration tied to any additional incentive plans or programmes as the Company may implement.

The amount of the Chief Executive Officer's indemnification is equivalent to two (2) years of his total remuneration. Nevertheless, on an exceptional basis, in the event that termination of the contract with the Chief Executive Officer is due to a change in the control of the Company in the context described in article 42 of the Commercial Code, or the split-off or transfer of all or a significant portion of its business or of its assets or liabilities to a third party or its inclusion in another business group, as well as a change in the current shareholders owning more than 50% of the share capital or in the Company's reference shareholder, the Chief Executive Officer would be entitled to receive an additional amount equivalent to one (1) year of his total remuneration. In any case, the total remuneration shall be calculated as the average of the remuneration received in the last three (3) years.

Moreover, the Chief Executive Officer's contract establishes a post-contractual non-competition pact during a period of two (2) years as from the termination of the contract, in return for a consideration in an amount equivalent to one (1) year of the Chief Executive Officer's total remuneration, including the fixed and variable remuneration but expressly excluding the income obtained in plans or incentives, on an annual or multiannual basis.

Likewise, the contract with the Chief Executive Officer includes a clawback clause, according to which the Chief Executive Officer must return to the Company those amounts received as variable remuneration or resulting from the settlement of incentive plans, if at any time during (1) year subsequent to the payment thereof, as a consequence of a culpable action or involving serious negligence by the Chief Executive Officer, the following circumstances would have arisen: (i) alterations or inaccuracies would have been evidenced in the business data which were relevant for calculating the variable remuneration or incentive plans and these are confirmed by the Company's external auditors; (ii) as a consequence of the preceding circumstance, the Company would need to significantly restate its accounts.

The Chief Executive Officer must pay the amount notified by the Company within a time limit of forty-five (45) days following the date on which he was given notice to do so.

A.1.9 Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreements on noncompetition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

### Main terms and conditions of the contracts of the Executive Directors with the Company.

The contract entered into between the Chief Executive Officer and the Company is based on the following terms and conditions:

(a) Duration:



The Chief Executive Officer's contract will remain in force for as long as he continues in his office.

#### (b) Termination of the contract and indemnification:

The contract with the Chief Executive Officer contains an indemnification clause in the event of termination, provided that termination is not a consequence of a breach of contact attributable to the Director or due to his exclusive initiative.

The amount of the Chief Executive Officer's indemnification is equivalent to two (2) years of his total remuneration, excluding long-term variable remuneration. Nevertheless, on an exceptional basis, in the event that termination of the contract with the Chief Executive Officer is due to a change in the control of the Company in the context described in article 42 of the Commercial Code, or the split-off or transfer of all or a significant portion of its business or of its assets or liabilities to a third party or its inclusion in another business group, as well as a change in the current shareholders owning more than 50% of the share capital or in the Company's reference shareholder, the Chief Executive Officer would be entitled to receive an additional amount equivalent to one (1) year of his total remuneration. In any case, the total remuneration shall be calculated as the average of the remuneration received in the last three (3) years.

The Chief Executive Officer must exercise the right to terminate his contract within a maximum time limit of six (6) months as from the date on which he became aware of the reason for termination. Once this period has transpired without his having exercised the right to termination, the Chief Executive Officer will not be entitled to receive any indemnification whatsoever for this reason.

### (c) Compliance with the Company's corporate governance system:

The Chief Executive Officer is under the obligation of strictly observing the rules and provisions contained in the Company's corporate governance system, as applicable.

### (d) Exclusivity and post-contractual non-competition pact:

The Chief Executive Officer's contract establishes an obligation of exclusivity and full dedication to the Company, except with the express consent of the Company. Likewise, it establishes a post-contractual non-competition pact during a period of two (2) years as from the termination of the contract, in return for a consideration in an amount equivalent to one (1) year of the Chief Executive Officer's total remuneration, including the fixed and variable remuneration but expressly excluding the income obtained in plans or incentives, on an annual or multiannual basis.

### (e) Confidentiality:

The Chief Executive Officer's contract establishes a stringent duty of confidentiality. Moreover, upon termination of his relationship with the Company, the Director must return to the Company any documents and objects associated with his activity in his possession.

### (f) Clawback clause:

The contract with the Chief Executive Officer includes a clawback clause, according to which the Chief Executive Officer must refund to the Company those amounts received as variable remuneration or resulting from the settlement of incentive plans, if at any time during the year subsequent to the payment thereof, as a consequence of a culpable action or involving serious negligence by the Chief Executive Officer, the following circumstances would have arisen: (i) alterations or inaccuracies would have been evidenced in the business data which were relevant for calculating the variable remuneration or incentive plans and these are confirmed by the Company's external auditors; or (ii) as a consequence of the preceding circumstance, the Company would need to significantly restate its accounts.



The Chief Executive Officer must pay the amount notified by the Company within a time limit of forty-five (45) days following the date on which he was given notice to do so.

A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

There is no such remuneration.

A.1.11 Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

There are none.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

During the current financial year, a number of the Company's directors (specifically, Mr Jaime Real de Asúa, Mr Ignacio Prado Rey-Baltar, Mr Rafael Martín de Bustamante, Mr Joaquín Gómez de Olea y Mendaro, Mr Cristóbal González de Aguilar Alonso-Urquijo, Mr Miguel Cervera Earle, Mr Juan Landecho Sarabia, Mr Miguel Morenés Giles, Mr Santiago León Domecq and Mr Rafael Prado Aranguren) are expected to be paid €20,000 as remuneration for their membership on the Board of Directors of Enerfín Sociedad de Energía, S.L.U. ("Enerfín"), a company 100%-owned by Elecnor, S.A. This sum shall be adjusted in proportion to the time over which Enerfín remains part of the Elecnor Group.

In this respect, by the publication of Inside Information communication dated 17 November 2023, the Company's Board of Directors reported to the Market on the signing of the sale agreement of the 100% of the share capital of Enerfín entered into with Statkraft European Wind and Solar Holding AS (a Statkraft Group company) whereby Statkraft will acquire all the shares of Enerfín and, once the sale is completed, become the sole shareholder thereof.

To this end, and given that Enerfín is an essential asset for the purposes of article 160.f of the Revised Text of the Companies Act, on 24 January 2024 the Extraordinary Shareholders' General Meeting approved the deal, with voting in favour speaking for 99.9997% of the share capital with owners present or represented at the Shareholders' General Meeting.

- A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:
  - a) A new policy or an amendment to a policy already approved by the Shareholders' General Meeting.
  - b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
  - c) Proposals that the Board of Directors has agreed to submit to the Shareholders' General Meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

The Company's current Remuneration Policy has not been subject to any change during the present year.



A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://www.elecnor.com/resources/files/1/Responsabilidad Corporativa/20220518-politica-de-remuneraciones-2022-2025-maquetado.pdf

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the Shareholders' General Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Elecnor's Annual Report on Director's remuneration for the 2022 financial year was approved by the Shareholders' General Meeting of 17 May 2023, through a consultative vote, with 96.72% of the share capital in attendance in person or by proxy voting in favour.

Voting on the resolution: 69,484,724

Votes in favour: 69,450,363

Votes against: 3,464 Abstentions: 30,897

In this regard, the great majority of the Company's shareholders have shown their support to the remuneration issues and matters raised at the Shareholders' General Meeting.



# B) GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED (2023)

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

In the process for the determination and approval of the Remuneration Policy, the Appointments, Remunerations and Sustainability Committee, made up exclusively by Non-Executive Directors and chaired by an Independent Director, proposes the Directors' Remuneration Policy to the Board of Directors. Such Policy must be clear, precise, verifiable and based on objective criteria, setting out the remuneration items of the Directors for their non-executive duties as well as the Executive Director's individual remuneration and other contract terms and conditions.

On the basis of the relevant legal provisions and in accordance with the remuneration system established in the Articles, the Appointments, Remunerations and Sustainability Committee is responsible for drawing up a Remuneration Policy proposal coherent with the particular circumstances of the Company, which, together with the mandatory report, is referred to the Board of Directors, who will decide on its submission to the Shareholder's General Meeting for approval, as a separate point on the agenda, pursuant to article 529 novodecies LSC. The Remuneration Policy proposal, together with the specific report by the Appointments, Remunerations and Sustainability Committee, will be made available to shareholders on the Company's website as from the date of the call for the Shareholders' General Meeting, handing them over or sending them without cost to all those shareholders who so request. The Remuneration Policy approved by the Shareholders' General Meeting, together with the date and the result of the voting, is accessible on the Company's website.

Specifically, over the 2023 financial year the current Directors' Remuneration Policy which relates to the period remaining in the 2022 financial year since its approval and the 2023, 2024 and 2025 financial years was applied. The proposal for the Policy was made by the Appointments, Remunerations and Sustainability Committee at its meeting of 28 March 2022 and was then approved by the Board of Directors on 30 March 2022 and, finally, by the Shareholders' General Meeting on 18 May 2022, with the affirmative vote of 96.79% of the share capital present in person and by proxy. In the drafting of such Policy, recourse was had to external consultancy provided by the Écija Abogados law firm, and comparable companies were taken into account, essentially in terms of invoicing and business sector.

B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

No deviations have occurred.

B.1.3 Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its



viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No exceptions have been applied.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

See Sections A.1. and A.2. above in relation to the "Directors' Remuneration Policy for 2022, 2023, 2024 and 2025".

Likewise, as reflected in the Policy, the profitability and sustainability of the Company and its Group constitute one of the principles on which the Company's Remuneration Policy is based, the objective in the long term being to provide an incentive in the long term for the sustainable attainment of results and an alignment with the interests of the Shareholders and all of the stakeholders of the Company.

In this regard, the Company's Remuneration Policy is a fundamental instrument so that sustainability will be a concept integrated into the daily routines of all of the areas of the Company. In this direction, the initiatives in the Elecnor Group's Sustainability Strategy which the Board of Directors approved in 2021 (and which were brought up-to-date in 2023) were taken into account when drafting of the current Remuneration Policy, whereby this is seen as one more element among the rest of the internal policies and principles of the Group, contributing to the business strategy and to the interests and sustainability of the Company and of the Elecnor Group in the long term.

In accordance with the foregoing, the variable components of the remuneration accrued by the Chief Executive Officer, the only Director who discharges executive duties in the Company, have been tied to pre-determined, measurable criteria that take into consideration the risk assumed for the achievement of a result, promote the Company's sustainability and are shaped on the basis of a balance between the attainment of short-, medium- and long-term targets, in such a way that these do not derive solely from one-off, occasional or extraordinary events or from the general evolution of the markets or of the Company's sector of activity.

Likewise, the remuneration systems of the Directors in return for the discharge of their non-executive duties during the 2023 financial year have not incorporated measurement elements that would provide an incentive for taking excessive risks by the Company, given that they are restricted to fixed remunerations for membership on the Board of Directors and attendance at Board meetings.

B.3 Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been



deferred, and how such remuneration contributes to the short- and long-term results of the company.

The remuneration accrued and consolidated in the year has complied with the terms of the current Directors' Remuneration Policy. In this regard, the rules in relation to the procedure for determining the individual remuneration for each Director have been applied, in terms of both their non-executive as well as of their executive duties. The Directors have received solely the remuneration items expressly stipulated in the Articles and in the Policy, and within the maximum amount allowed by the latter.

The remunerations accrued by the Directors for their non-executive duties are limited to the amount of four (4) million euros, and this is provided for in the current Policy.

Through the application of this Policy, during 2023, the amount of the remuneration accrued by the Directors for the discharge of their non-executive duties (a fixed amount for membership on the Board of Directors, Committees, offices held, attendance fees and membership on the Boards of Group companies) totals EUR 3,249,100, thereby complying with the limit set in the Policy.

Similarly, the remuneration accrued by the Chief Executive Officer in 2023, both the fixed as well as the variable remuneration (short and/or long term), the amount of which totals EUR 2,155,500, has been in accordance with the Company's current Remuneration Policy.

With respect to how the remuneration accrued and vested in 2023 by the Directors contributes to the sustainable and long-term performance of the Company and to the proportion between the remuneration obtained by the Directors and the results or other performance measurements in the short- and long-term, the criteria proposed by the Appointments, Remunerations and Sustainability Committee and approved both by the Board of Directors and the Shareholders' General Meeting in relation to the Chief Executive Officer's variable remuneration are set out below:

### a) Short-term (annual) variable remuneration:

The Chief Executive Officer's variable remuneration for each financial year could amount to as much as 160% of the Chief Executive Officer's annual fixed remuneration and will accrue in relation to the attainment of specific previously determined targets, of which:

- Between 50% and 80% of the annual variable remuneration refers to the evolution of certain financial parameters relating to the Group which are specified and quantified on the basis, in particular, of the Group's consolidated Earnings After Tax (EAT) and others such as the Group's annual turnover, the annual volume of contracting in the Group's different lines of business, industrial and operational aspects (efficiency ratios) and the trend in the level of the Group's debt, without prejudice to being able to take other parameters into account depending on the circumstances and, in any case, aligned with the corporate interest and with the Elecnor Group's Sustainability Strategy initiatives.
- Between 20% and 50% of the annual variable remuneration refers to non-financial parameters, in particular, to: the evolution of risk, compliance with sustainability principles (such as, for example, emission reduction, reduction in accident rates or waste reduction), the coordination of succession in the management team, prevention, performance management (with respect to the financing of growth in concessions, corporate development and Team compliance), and the evaluation which, if any, is made by the Board of Directors.

The limit of the potential overachievement is placed at 120% and, as regards the lower part of the range, EAT and contracting are key considerations, according to each case, and must reach at least 80% of the target in order to enable the application of this annual variable incentive.



### b) Long-term (multiannual) variable remuneration:

The Chief Executive Officer is the beneficiary of a multiannual remuneration derived from a long-term incentives plan approved in the 2020 financial year for the 2020-2022 period, which could amount to as much as 50% of the average of his annual variable remuneration over the last three (3) years and will accrue in relation to the achievement of previously determined targets, 80% of which will refer to financial questions of the Group and 20% to non-financial parameters of the Group.

The conditions necessary for this incentive to be applicable are:

- a) Financial parameters: the appraisal of the assets of subsidiaries and investee companies and cash generation will be taken into account for the calculation of the incentive. The maximum overachievement in each parameter will be 120%.
- b) Non-financial parameters: the Appointments, Remunerations and Sustainability Committee will also evaluate excellence in the Chief Executive Officer's fulfilment of the following parameters: Prevention, Compliance, Contingencies and Performance Assessment. Likewise, the Committee will assess compliance with sustainability criteria -environmental, social and good governance and the value for shareholders.
- B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	69,484,724	79.87%

	Number	% of votes cast
Votes against	3,464	0.005%
Votes in favour	69,450,363	99.951%
Blank ballots	0	0%
Abstentions	30,897	0.044%

Observations									
The Annual Report on Director's remuneration for the 2022 financial year was									
approved with 96.72% of the share capital in attendance in person or by proxy voting									
in favour by the Shareholders' General Meeting held on 17 May 2023									

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

The remuneration of the Directors for the performance of their non-executive functions has been determined in accordance with the provisions of the current Remuneration Policy for the 2022-2025 financial years and has not changed relative to the previous year.



In particular, the total annual fixed remuneration for each of the directors, for their non-executive functions, for membership on the Board of Directors, was EUR 143,500 and EUR 1,500 by way of attendance fees for each Board meeting, plus what they receive for their membership on Board Committees, as set out below:

For membership on the Executive Committee: EUR 30,000.

• For membership on the Audit Committee

o Member: EUR 20,000.

Chairperson: EUR 25,000.

For membership on the Appointments and Remuneration Committee

o Member: EUR 17,500.

o Chairperson: EUR 22,500.

For membership on the Elecnor Committee: EUR 12,500.

• Non-executive Chairperson for the Board of Directors: EUR 270,000.

B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

The amount and the nature of the fixed components of the remuneration accrued for the performance of senior management functions by the Chief Executive Officer have been determined within the framework of the Company's Remuneration Policy, and was as follows:

Mr Rafael Martín de Bustamante Vega (Chief Executive Officer)

• Salary: EUR 617,798.04.

Consequently, this amount has increased 5% with respect to the previous financial year.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

### In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for



- acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- b) Each director who is a beneficiary of remuneration systems or plans that include variable remuneration, and his or her category (executive director, external nominee director, external independent director or other external director).
- c) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

### Explain the short-term variable components of the remuneration systems

The only Director to receive short-term variable remuneration during 2023 was the Executive Director (Mr Rafael Martín de Bustamante Vega), in the amount of EUR 1,053,342.

Pursuant to the current Remuneration Policy, the Chief Executive Officer's short-term variable remuneration for each financial year could amount to as much as 160% of the Chief Executive Officer's annual fixed remuneration and will accrue in relation to the attainment of specific previously determined targets, of which:

- Between 50% and 80% of the annual variable remuneration refers to the evolution of
  certain financial parameters relating to the Group which are specified and quantified
  on the basis, in particular, of the Group's consolidated Earnings After Tax (EAT) and
  others such as the Group's annual turnover, the annual volume of contracting in the
  Group's different lines of business, industrial and operational aspects (efficiency ratios)
  and the trend in the level of the Group's debt, without prejudice to being able to take
  other parameters into account depending on the circumstances and, in any case,
  aligned with the corporate interest and with the Elecnor Group's Sustainability Strategy
  initiative.
- Between 20% and 50% of the annual variable remuneration refers to non-financial parameters, in particular, to: the evolution of risk, compliance with sustainability principles (such as, for example, emission reduction, reduction in accident rates or waste reduction), the coordination of succession in the management team, prevention, performance management (with respect to the financing of growth in concessions, corporate development and Team compliance), and the evaluation which, if any, is made by the Board of Directors.

The limit of the potential overachievement is placed at 120% and, as regards the lower part of the range, EAT and contracting are key considerations, according to each case, and must reach at least 80% of the target in order to enable the application of this annual variable incentive.

The Board of Directors, following a proposal by the Appointments, Remunerations and Sustainability Committee, is the body responsible for approving and determining the targets at the beginning of each financial year. Likewise, at the end of the year and within a maximum time limit of four (4) months, the Appointments, Remunerations and Sustainability Committee will evaluate the degree of achievement of the targets previously set and draw up a proposal for their payment within a time limit of six (6) months as from the date of attainment, taking into account the Company's cash needs and any other circumstances that could concur, for submission to the Board of Directors for approval.

### Explain the long-term variable components of the remuneration systems

The only Director to receive long-term variable remuneration during 2023 was the Executive Director (Mr Rafael Martín de Bustamante Vega), in the amount of EUR 484,369.67 and arose under the long-term incentives plan for 2020-2022.



Under the current Remuneration Policy, the Chief Executive Officer is the beneficiary of a multiannual remuneration derived from a new long-term incentives plan approved in the 2023 financial year for the 2023-2025 period and which is based on economic and financial targets, adding value for shareholders and sustainability-related targets.

Multiannual remuneration shall be adjusted on the basis of the Chief Executive Officer's average annual variable remuneration for the three (3) years over which the plan runs and will accrue in relation to the achievement of previously determined targets, 80% of which will refer to financial questions of the Group and 20% to non-financial parameters of the Group.

The conditions necessary for this incentive to be applicable are:

- Financial parameters: the growth and appraisal of the subsidiaries and investee companies and cash generation will be taken into account for the calculation of the incentive.
- Non-financial parameters: the Appointments, Remunerations and Sustainability Committee will also evaluate excellence in the Chief Executive Officer's fulfilment of the following parameters: Prevention, Compliance, Contingencies and Performance Assessment, and accomplishment by business partners. Likewise, the Committee will assess compliance with sustainability criteria -environmental, social and good governance- and the value for shareholders.

The maximum overachievement in each parameter will be 120%.

The multiannual variable remuneration will be paid within a maximum time limit of four (4) months as from the end of the long-term incentives plan, once the Appointments, Remunerations and Sustainability Committee has evaluated the extent to which both the financial as well as the non-financial parameters have been met and submits a proposal to the Board of Directors for its payment, within a time limit of six (6) months as from the date of completion, taking into account the Company's cash needs and any other circumstances that could concur.

The metrics and the targets connected with the variable remuneration of the office of Chief Executive Officer will be proposed by the Appointments, Remunerations and Sustainability Committee, taking into account for this purpose their possible impact in the long term, the sustainability of the results and any associated risk whatsoever.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

No amount whatsoever has been claimed or returned under the clawback clause contained in the contract signed between the Company and the Chief Executive Officer. At the present time, no "malus" (reduction) clauses are included in the contract with the Chief Executive Officer, although the Company is considering the possibility of incorporating such clauses for the payment of the variable remuneration. As of the date of this report, the Company has not reached a decision as yet in this regard.

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions



on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The Company does not have systems of this kind in place.

B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

There is no indemnification covenanted or paid in the event of the termination of duties as a Director.

The only indemnification covenanted is the indemnification stipulated for the Chief Executive Officer in the contract signed by him with the Company, which will operate provided that termination is not a consequence of a breach of contract attributable to the Director or due to his exclusive initiative (except in cases of the Chief Executive Officer's death or invalidity).

The amount of the Chief Executive Officer's indemnification is equivalent to two (2) years of his total remuneration, including the Chief Executive Officer's fixed remuneration and the short-term variable remuneration tied to the annual profit obtained by the Company, while it excludes the long-term variable remuneration linked to any additional incentive plans or programmes as the Company may implement. Nevertheless, on an exceptional basis, in the event that termination of the contract with the Chief Executive Officer is due to a change in the control of the Company in the context described in article 42 of the Commercial Code, or the split-off or transfer of all or a significant portion of its business or of its assets or liabilities to a third party or its inclusion in another business group, as well as a change in the current shareholders owning more than 50% of the share capital or in the Company's reference shareholder, the Chief Executive Officer would be entitled to receive an additional amount equivalent to one (1) year of his total remuneration. In any case, the total remuneration shall be calculated as the average of the remuneration received in the last three (3) years.

Likewise, as stipulated in the current Remuneration Policy 2022-2025, the Chief Executive Officer must exercise the right to terminate his contract within a maximum time limit of six (6) months as from the date on which he became aware of the reason for termination.

Without detriment to the above, no such indemnity was accrued or received in 2023.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There have been no significant changes in the contract with the Chief Executive Officer during the 2023 financial year.

B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No such remuneration exists.



B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

No such remuneration exists.

B.14 Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

During the 2023 financial year, the Company had the following insurance coverage in place for its Directors and they did not receive any other payment in kind:

- Life insurance, with a premium totalling EUR 4,702 in 2023.
- Health insurance, with a premium totalling EUR 2,006 in 2023.
- B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

There is no such remuneration.

B.16 Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

During the 2023 financial year, a number of the Company's Directors (specifically, Mr Jaime Real de Asúa Arteche, Mr Ignacio Prado Rey-Baltar, Mr Rafael Martín de Bustamante Vega, Mr Joaquín Gómez de Olea y Mendaro, Mr Cristóbal González de Aguilar Alonso-Urquijo, Mr Miguel Cervera Earle, Mr Juan Landecho Sarabia, Mr Miguel Morenés Giles, Mr Santiago León Domecq and Mr Rafael Prado Aranguren) were paid EUR 20,000 as remuneration for their membership on the Board of Directors of Enerfín Sociedad de Energía, S.L.U., a company 100%-owned by Elecnor, S.A.



# C) ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Туре	Period of accrual in financial 2023
MR JAIME REAL DE ASÚA ARTECHE	NOMINEE	From 01/01/2023 to 31/12/2023
MR IGNACIO PRADO REY-BALTAR	NOMINEE	From 01/01/2023 to 31/12/2023
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA	EXECUTIVE	From 01/01/2023 to 31/12/2023
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO	NOMINEE	From 01/01/2023 to 31/12/2023
MR CRISTOBAL GONZALEZ DE AGUILAR ALONSO-URQUIJO	NOMINEE	From 01/01/2023 to 31/12/2023
MR MIGUEL CERVERA EARLE	NOMINEE	From 01/01/2023 to 31/12/2023
MS ISABEL DUTILH CARVAJAL	INDEPENDENT	From 01/01/2023 to 31/12/2023
MS IRENE HERNÁNDEZ ÁLVAREZ	INDEPENDENT	From 01/01/2023 to 31/12/2023
MR JUAN LANDECHO SARABIA	NOMINEE	From 01/01/2023 to 31/12/2023
MR SANTIAGO LEÓN DOMECQ	NOMINEE	From 01/01/2023 to 31/12/2023
MR MIGUEL MORENÉS GILES	NOMINEE	From 01/01/2023 to 31/12/2023
MS FRANCISCA ORTEGA HERNÁNDEZ-AGERO	INDEPENDENT	From 01/01/2023 to 31/12/2023
MR RAFAEL PRADO ARANGUREN	NOMINEE	From 01/01/2023 to 31/12/2023
MR EMILIO YBARRA AZNAR	INDEPENDENT	From 01/01/2023 to 31/12/2023

- C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.
  - a) Remuneration from the reporting company:
  - i) Remuneration accruing in cash (thousands of euros)



Name	Fixed remuner ation	Attenda nce fees	Remunerati on for membershi p of board committees	Salary	Short- term variable remuner ation	Long- term variable remunera tion	Indemnificati on	Other items	Total 2023	Total 2022
MR JAIME REAL DE ASÚA ARTECHE/NOMINEE	143.5	21	47.5					282.5	494.5	487.3
MR IGNACIO PRADO REY- BALTAR/NOMINEE	143.5	21	50					12.5	227.0	219.8
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA/EXECUTIVE	143.5	21	30	617.8	1,053.3	484.4		12.5	2,362.5	1,728.9
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO/NOMINEE	143.5	21	30					12.5	207.0	191.5
MR CRISTOBAL GONZALEZ DE AGUILAR ALONSO- URQUIJO/NOMINEE	143.5	21	30					12.5	207.0	201.9
MR MIGUEL CERVERA EARLE/NOMINEE	143.5	21	17.5					12.5	194.5	189.4
MS ISABEL DUTILH CARVAJAL/INDEPENDENT	143.5	21	37.5						202.0	194.8
MS IRENE HERNANDEZ ÁLVAREZ/INDEPENDENT	143.5	21	22						186.5	184.4
MR JUAN LANDECHO SARABIA/NOMINEE	143.5	21							164.5	161.5
MR SANTIAGO LEON DOMECQ/NOMINEE	143.5	18						12.5	174.0	174
MR MIGUEL MORENÉS GILES/NOMINEE	143.5	21	50					12.5	227.0	219.8
MS FRANCISCA ORTEGA HERNÁNDEZ-AGERO	143.5	21	22.9						187.4	119.3
MR RAFAEL PRADO ARANGUREN/NOMINEE	143.5	21							164.5	161.5
MR EMILIO YBARRA AZNAR/INDEPENDENT	143.5	21	22.5					12.5	199.5	195.5

Observations



ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name Name		Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instrum ents mature d but not exercis ed	Financial instruments at end of year n	
		No. of instrum ents	No. of equivale nt shares	No. of instrum ents	No. of equival ent shares	No. of instrum ents	No. of equival ent / vested shares	Price of vested shares	No. of instrum ents	No. of equival ent shares	No. of instrum ents	No. of equiv alent share s
				·	_		_					

Observations

iii) Long-term savings schemes.

Remuneration from vesting of rights to savings schemes

	Contribu	ution for the thousand:	s of euros)	. ,	Amount of the vested funds (thousands of euros)				
Name	Savings schemes with vested economic rights		non-vested	hemes with d economic hts	Yea	arn	Year n-1		
	Year n	Year n-1	Year n	Year n-1	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights	

iv) Details of other items



Name	Life insurance premiums	Health insurance premiums
MR JAIME REAL DE ASÚA ARTECHE/NOMINEE		
MR IGNACIO PRADO REY-BALTAR/NOMINEE		
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA/EXECUTIVE	€4,702	€2,006
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO/NOMINEE		
MR CRISTOBAL GONZALEZ DE AGUILAR ALONSO- URQUIJO/NOMINEE		
MR MIGUEL CERVERA EARLE/NOMINEE		
MS ISABEL DUTILH CARVAJAL/INDEPENDENT		
MS IRENE HERNÁNDEZ ÁLVAREZ/INDEPENDENT		
MR JUAN LANDECHO SARABIA/NOMINEE		
MR SANTIAGO LEÓN DOMECQ/NOMINEE		
MR MIGUEL MORENÉS GILES/NOMINEE		
MS FRANCISCA ORTEGA HERNÁNDEZ-AGERO		
MR RAFAEL PRADO ARANGUREN/NOMINEE		
MR EMILIO YBARRA AZNAR/INDEPENDENT		
TOTAL	€4,702	€2,006

- b) Remuneration of directors of the listed company for membership on the boards of subsidiary companies:
  - i) Remuneration accruing in cash (thousands of euros)



Name	Fixed remuner ation	Attenda nce fees	Remunerati on for membership of board committees	Salary	Short- term variable remuner ation	Long-term variable remunerati on	Indemni fication	Other items	Total 2023	Total 2022
MR JAIME REAL DE ASÚA ARTECHE/NOMINEE	20.0								20.0	20.0
MR IGNACIO PRADO REY- BALTAR/NOMINEE	20.0								20.0	20.0
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA/EXECUTIVE	20.0								20.0	20.0
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO/NOMINEE	20.0								20.0	20.0
MR CRISTOBAL GONZALEZ DE AGUILAR ALONSO- URQUIJO/NOMINEE	20.0								20.0	20.0
MR MIGUEL CERVERA EARLE/NOMINEE	20.0								20.0	20.0
MS ISABEL DUTILH CARVAJAL/INDEPENDENT										
MS IRENE HERNANDEZ ÁLVAREZ/INDEPENDENT										
MR JUAN LANDECHO SARABIA/NOMINEE	20.0								20.0	20.0
MR SANTÍAGO LEON DOMECQ/NOMINEE	20.0								20.0	
MR MIGUEL MORENÉS GILES/NOMINEE	20.0								20.0	20.0
MS FRANCISCA ORTEGA HERNANDEZ- AGERO/INDEPENDENT										
MR RAFAEL PRADO ARANGUREN/NOMINEE	20.0								20.0	20.0
MR EMILIO YBARRA AZNAR/INDEPENDENT										

Observations	



## ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Nam e	Disco						Fina instru granted yea	ments I during	Financial	instrument ye		luring the	Instrum ents matured but not exercise d	instrumer	ncial nts at end ear n
е	riaii	No. of instrume nts	No. of equivale nt shares	No. of instrum ents	No. of equivale nt shares	No. of instrum ents	No. of equivale nt/veste d shares	Price of vested shares	No. of instrume nts	No. of equivale nt shares	No. of instrum ents	No. of equivale nt shares			

Observations	

### Long-term savings schemes

Remuneration from vesting of rights to savings schemes

	Contribution (thousands		r by the com	pany		Amount of the	vested funds		
	Savings sch vested econ	emes with nomic rights	Savings sch non-vested rights		(thousands of euros)				
Name	Year n	Year n-1	Year n	Year n-1	Year n Schemes with vested economic rights	Schemes with non-vested economic rights	Year n-1 Schemes with vested economic rights	Schemes with non-vested economic rights	

Observations	

### iii) Details of other items

Name	Item	Amount of remuneration



### Observations

### c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remu	Remuneration accruing in the Company					Remuneration accruing in group companies				
Name	Total cash remunerati on	EBITD A from vested shares or financi al instru ments	Remuner ation by way of savings schemes	Other items of remuner ation	Total 2023	Total cash remuner ation	EBITDA from vested shares or financial instrume nts	Remuner ation by way of savings schemes	Other items of remu nerati on	Total 2023 Group	Total 2023 company + group
MR JAIME REAL DE ASÚA ARTECHE/NOMINEE	494.5				494.5	20.0				20.0	514.5
MR IGNACIO PRADO REY- BALTAR/NOMINEE	227.0				227.0	20.0				20.0	247.0
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA/EXECUTIVE	2,362.5			6.7	2,369.2	20.0				20.0	2,389.2
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO/NOMINEE	207.0				207.0	20.0				20.0	227.0
MR CRISTOBAL GONZALEZ DE AGUILAR ALONSO- URQUIJO/NOMINEE	207.0				207.0	20.0				20.0	227.0
MR MIGUEL CERVERA EARLE/NOMINEE	194.5				194.5	20.0				20.0	214.5
MS ISABEL DUTILH CARVAJAL/INDEPENDENT	202.0				202.0						202.0
MS IRENE HERNANDEZ ÁLVAREZ/INDEPENDENT	186.5				186.5						186.5
MR JUAN LANDECHO SARABIA/NOMINEE	164.5				164.5	20.0				20.0	184.5
MR SANTIAGO LEON DOMECQ/NOMINEE	174.0				174.0	20.0				20.0	194.0
MR MIGUEL MORENÉS GILES/NOMINEE	227.0				227.0	20.0				20.0	247.0
MS FRANCISCA ORTEGA HERNÁNDEZ-AGERO	187.4				187.4						187.4
MR RAFAEL PRADO ARANGUREN/NOMINEE	164.5				164.5	20.0				20.0	184.5
MR EMILIO YBARRA AZNAR/INDEPENDENT	199.5				199.5						199.5
Total:	5,197.9			6.7	5,204.6	200.0				200.0	5,404.6

Observations	

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries who are not directors of the listed company.



ı									
				Total amounts a	ccrued and o	% annual variation			
	2023	% variation 2023/2022	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019
MR JAIME REAL DE ASÚA ARTECHE/NOMINEE	514.5	1.42%	507.3	1.16%	501.5	4.31%	480.8	-7.5%	519.8
MR IGNACIO PRADO REY- BALTAR/NOMINEE	247	3.00%	239.8	2.48%	234	13.98%	205.3	-9.68%	227.3
MR RAFAEL MARTÍN DE BUSTAMANTE VEGA/EXECUTIVE	2,388.7	36.15%	1,754.40	2.29%	1,715.2	-11.86%	1,946.0	6.96%	1,819.3
MR JOAQUÍN GÓMEZ DE OLEA Y MENDARO/NOMINEE	227	7.33%	211.5	9.02%	194	0.36%	193.3	-16.79%	232.3
MR CRISTOBAL GONZALEZ DE AGUILAR ALONSO- URQUIJO/NOMINEE	227	2.30%	221.9	1.32%	219	4.89%	208.8	-12.01%	237.3
MR MIGUEL CERVERA EARLE/NOMINEE	214.5	2.44%	209.4	3.15%	203	10.33%	183.8	-13.42%	212.3
MS ISABEL DUTILH CARVAJAL/INDEPENDENT	202	3.70%	194.8	3.07%	189	5.53%	179.1	-6.18%	190.9
MS IRENE HERNANDEZ ALVAREZ/INDEPENDENT	186.5	1.14%	184.4	1.60%	181.5	5.95%	171.3	-4.62%	179.6
MR JUAN LANDECHO SARABIA/NOMINEE	184.5	1.65%	181.5	0.00%	181.5	5.40%	172.2	-39.81%	286.1
MR SANTIAGO LEON DOMECQ/NOMINEE	194	0.00%	194	9.17%	177.7	339.85%	40.4	N/A	N/A
MR MIGUEL MORENÉS GILES/NOMINEE	247	3.00%	239.8	2.48%	234	4.42%	224.1	-11.18%	252.3
MS FRANCISCA ORTEGA HERNÁNDEZ-AGERO	187.4	57.08%	119.3	N/A	N/A	N/A	N/A	N/A	N/A
MR RAFAEL PRADO ARANGUREN/NOMINEE	184.5	1.65%	181.5	0.00%	181.5	5.77%	171.6	-14.11%	199.8
MR EMILIO YBARRA AZNAR/INDEPENDENT	199.5	2.05%	195.5	0.77%	194	5.55%	183.8	-5.26%	194.0
Consolidated results of the company	110,058	7.05%	102,813	19.71%	85,883	9.68%	78,303	-38.04%	126,377
Average employee remuneration	38,679	7.69%	35,918	2.49%	35,045	2.03%	34,347	7.14%	32,057

Observations	



### D) OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

During the 2023 financial year, the Company took out a civil liability insurance policy for its Directors and senior managers with a premium totalling EUR 260,544.

This annual report on remuneration was approved by the Board of Directors of the Company at its meeting of 28 February 2024.

Indicate whether any director voted against or abstained from approving this report.

Yes No **∑** 

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons	