

## ANNUAL REPORT 2024

### APPOINTMENTS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

#### **I. Introduction**

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

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

Specifically, on November 27, 2024, the Board of Directors of the Company, at the proposal of this Committee, agreed to approve the amendment to the Regulations of the Board of Directors and the Regulations of the Appointments, Remunerations and Sustainability Committee in order to adapt them to new legislation and good corporate governance recommendations, as explained in Section IV of this report. The current versions of the Regulations are available on the corporate website, in the "Corporate Governance" section within the "Shareholders and Investors" section.

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

#### **II. Composition**

The Board of Directors of the Company, at its meeting held on March 20, 2024, unanimously agreed to appoint Mrs. Irene Hernández Álvarez as a member of the Appointments, Remunerations and Sustainability Committee, for the same term for which she was appointed Director, that is, until May 18, 2026. With this agreement, the Board of Directors progresses in complying with the recommendations of the GGC, in particular, with the provisions of recommendation 47.

Likewise, at the meeting dated April 22, 2024, the Appointments, Remunerations and Sustainability Committee accepted the voluntary resignation of Mr. Jaime Real de Asúa Arteche from his position as Secretary of the Committee, who will continue to serve as a member; and it was agreed to appoint, for an indefinite period, Mr. Pedro Enrile Mora-Figueroa, Secretary of the Board of Directors, as Secretary non-director, and Mr. José Javier Ochoa de Eribe Lizarralde as Deputy Secretary non-director.

The Committee thanked the former Secretary, Mr. Jaime Real de Asúa Arteché, for his excellent work, fully approving his management to date without any reservations or objections.

In accordance with the above, the composition of the Appointments, Remunerations and Sustainability Committee, from April 22, 2024 until the date of this report, is as follows:

DIRECTOR	POSITION	CATEGORY	APPOINTMENT
Mr. Emilio Ybarra Aznar	Chairman	Independent	17/06/2015
Mr. Jaime Real de Asúa Arteché	Member	Proprietary	19/01/2011
Mr. Miguel Cervera Earle	Member	Proprietary	24/03/2021
Mrs. Isabel Dutilh Carvajal	Member	Independent	17/06/2015
Mrs. Irene Hernández Álvarez	Member	Independent	20/03/2024
Mr. Pedro Enrile Mora-Figueroa	Secretary non-director	n/a	22/04/2024
Mr. José Javier Ochoa de Eribe Lizarralde	Deputy Secretary non-director	n/a	22/04/2024

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

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

### III. Meetings

The Committee met eight (8) times during 2024, with the attendance of all its members to all of the meetings.

When considered appropriate, the Committee has requested the presence of the Chief Executive Officer (3 meetings) and other executives, in all cases at the invitation of the Committee Chair and in relation to the specific points on the agenda for which they were invited to attend: Specifically, some of the Committee meetings have been attended by the Head of Corporate Development (2 meetings), the Head of HR (2 meetings), the Coordinator of the Sustainability Committee (3 meetings) and the responsible for corporate governance.

In addition, in coordination with the Audit Committee, two joint training sessions were specifically held on sustainability matters and in relation to Technical Guide 1/2024 on audit committees of public interest entities.

During this exercise, the Committee has relied on the collaboration of external advisors for various matters. Their attendance at meetings was not necessary and no conflicts of interest have been revealed between the Company or its related entities and the aforementioned external advisors.

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

#### **IV. Areas of responsibility of the Committee and activities carried on during 2024**

There follows a description of the most important actions taken during 2024 in relation to the duties ascribed to the Committee by article 5 of its Regulations and how the Committee has discharged those duties in practice:

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

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

Every year the Committee engages in continuous analysis and study of the structure, composition and work of the Board of Directors, in order to continue advancing in the adaptation of that structure to governance best practices and recommendations.

In this regard, as reported in Section II of this Report, the independent Director Mrs. Irene Hernández Álvarez has joined as a new member of the Appointments, Remunerations and Sustainability Committee, following her appointment by the Board of Directors on March 20, 2024, thus making progress in compliance with the GGC recommendations (recommendation 47).

Therefore, the Committee considers that the current composition of the Board of Directors is appropriate for the best exercise of its functions, and reflects the appropriate balance of suitability and diversity requirements of the members of the Board, particularly in terms of training, professional experiences, skills, experience in the sector to which the Company belongs and knowledge of the Company and its Group, personal and professional origins, among others.

All of this is reflected in the Directors' capabilities matrix that defines the skills and knowledge that they must have, identifying, where appropriate, the areas to improve.

Likewise, the Appointments, Remunerations and Sustainability Committee has carried out an analysis of the *Draft of the Organic Law on equal representation of women and men in decision-making bodies*, first, and of *Organic Law 2/2024, of August 1, on equal representation and balanced presence of women and men*, second, highlighting the main aspects of it and its possible impact on the composition of the administration bodies.

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

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

Specifically, the Committee, at the request of the Board of Directors, has reported favourably on the proposed reappointment as director, with the category of proprietary, of Mr. Joaquín Gómez de Olea Mendaro for the statutory period of four years.

Furthermore, in relation to the members of the management team, the Appointments, Remunerations and Sustainability Committee has issued a favourable report on the proposed appointment of a new Executive Chairman of the subsidiary Elecnor Servicios y Proyectos, S.A.U. and a Director representing the Company on the Board of Directors of Celeo Concesiones e Inversiones, S.L.

Likewise, the Committee has reviewed and reported favourably to the Board of Directors on the organizational changes agreed for the management of the Elecnor Group.

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

As reported in Section II of this Report, within the framework of the Action Plan approved by the Board of Directors on March 20, 2024, the Appointments, Remunerations and Sustainability Committee, on April 22, 2024, agreed to appoint, for an indefinite period, Mr. Pedro Enrile Mora-Figueroa (Secretary of the Board of Directors) as Secretary non-director of the Committee and Mr. José Javier Ochoa de Eribe Lizarralde as Deputy Secretary non-director. This improves the coordination of the various Committees by consolidating their secretariats under the Secretary of the Board of Directors.

Furthermore, in 2024, the Committee reviewed the Succession Plan for the Chairman, the CEO, and the members of the management team, proposing to the Board of Directors the appointment of a new CEO for the Elecnor Group, effective as from January 1, 2025. Appointments, Remunerations and Sustainability Committee

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

The Committee has proposed the annual fixed and variable remuneration for the CEO, based on compliance with the established metrics, it has reported the proposal of the metrics applicable in 2024 in relation to the annual variable remuneration; and has prepared the Annual Report on Remuneration of Directors for the year 2023 that the Board of Directors submitted to the Ordinary General Meeting for its advisory vote, which was approved by a wide majority of the Meeting held on 22 May 2024.

Moreover, the Committee has analyzed the degree of compliance with the Strategic Plan 2023-2025, which will conclude one year early as a result of the extraordinary corporate sale of the subsidiary Enerfín Sociedad de Energía, S.L.U. ("**Enerfín**"), in order to calculate the incentive derived from it, the distribution by participant groups, as well as the corresponding individual allocation. Work will be done to develop a new 2025-2027 Strategic Plan taking into account the current situation of the Elecnor Group.

Additionally, as a result of the Chief Executive Officer's special involvement and performance in the aforementioned sale of Enerfín, the Appointments, Remunerations and Sustainability Committee, in accordance with the provisions of section 8 of the current Remuneration Policy and article 529 novodecies.5 of the Spanish Companies Act, proposed to the Board of Directors the granting of extraordinary compensation to the Chief Executive Officer, which was approved by a large majority at the Extraordinary Shareholders' General Meeting held on December 11, 2024. The specialized consulting firm Willis Towers Watson provided advice and analysis in preparing this proposal.

Finally, the Committee has likewise has analyzed various aspects related to the remuneration of employees and members of the management team, including its proposal for the short-term (annual) variable remuneration for the management team. It has also carried out a salary review of national structure personnel for the fiscal year 2024 and has proposed to the Board of Directors the approval of special incentives for certain employees, due to the successful completion of the sale of Enerfín.

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

Within the framework of the powers conferred upon it by Articles 14 of the Board of Directors Regulations and 5.1 of the Committee Regulations, during the 2024 financial year, the Appointments, Remunerations and Sustainability Committee has worked, together with the heads of the Sustainability Committee, the General Secretariat, IT and Internal Audit, on a project for the overall evaluation and review of the ElecNOR Group's Corporate Governance System (now called the "Governance System"), based on which the following actions have been carried out:

a) Review of corporate sustainability standards in environmental and social matters, taking into account, in particular, the Sustainability Reporting Directive<sup>1</sup>, developed by Delegated Regulation 2023/2772<sup>2</sup> and the Sustainability Due Diligence Directive<sup>3</sup>, proposing to the Board of Directors the **modification** of the Sustainability Policy, the Human Rights Policy, the Policy on Relations with Local Communities and the Code of Ethics and Conduct for suppliers, subcontractors and ElecNOR Group employees, as well as the **approval** of a new Sustainability Due Diligence Policy for the ElecNOR Group.

b) Review of corporate standards related to new technologies, taking into account European regulations related to artificial intelligence and cybersecurity (in particular, the Artificial Intelligence Regulation<sup>4</sup> and the NIS 2 Directive on cybersecurity<sup>5</sup>), proposing to the Board the **approval** of three new policies: the ElecNOR Group's Artificial Intelligence Development and Responsible Use Policy, the Information Security and Cybersecurity Policy, and the Intangible Asset Protection and Confidentiality Policy, as well as the **modification** of the Integrated Policy on Environmental Management, Quality, Health and Safety, Energy Management, R&D&I Management, Information Security, and Risk Management.

c) Review of corporate governance policies: an **update** has been proposed to the ElecNOR Group's Structure Definition Policy (as a result of the sale of Enerfín), the Corporate Governance Policy, the Board of Directors Diversity and Director Selection Policy, and the Related-Party Transactions Protocol.

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<sup>1</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards sustainability reporting by companies.

<sup>2</sup> Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

<sup>3</sup> Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859.

<sup>4</sup> Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828.

<sup>5</sup> Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive).

d) Proposal to **amend** the Regulations of the Board of Directors and its Committees to adapt them to the new provisions of Technical Guide 1/2024 on audit committees of public-interest entities and the aforementioned regulations.

e) Review of the Elecnor Group's compliance system, proposing to the Board of Directors an **update** of the Code of Ethics and Conduct, the Compliance Policy, the Anti-Corruption Policy, and the Competition Policy.

Furthermore, and as reflected in the report issued by the Appointments, Remunerations and Sustainability Committee dated November 25, 2024, the Committee has carried out:

- a review of the Directors' Remuneration Policy for the years 2022, 2023, 2024, and 2025, concluding that the principles set forth in the Policy have been complied with;
- a review of other corporate standards that comprise the Group's Governance System (Equality Plan, Information Communication Policy, contacts and engagement with shareholders, institutional investors, asset managers, financial intermediaries, proxy advisors, and other stakeholders, etc.); and
- an evaluation of the Company's corporate governance system, concluding that it fulfills its function of promoting and developing sustainable governance for the Company's social interest, taking into account the legitimate interests of the various stakeholders.

Furthermore, the Committee has continued to oversee actions associated with promoting sustainability and, in this regard: (i) has analyzed the degree of compliance with the Strategic Sustainability Plan 2023-2025; (ii) has monitored participation in one of the most prestigious sustainability ratings, which the Elecnor Group obtained for the first time with a very positive rating; (iii) has reviewed and approved, within its areas of competence, the content of the Non-Financial Information Statement for the 2023 financial year, as well as the Annual Corporate Governance Report and the Remuneration Report for the aforementioned financial year; and (iv) has analyzed legislative developments in the areas of sustainability, governance, and regulatory compliance.

Finally, the Appointments, Remunerations and Sustainability Committee has received regular information on various corporate governance and sustainability issues. In particular, it has reviewed the CNMV's analysis of the Annual Corporate Governance Reports and the Annual Reports on Directors' Remuneration of listed companies for the 2023 financial year, having specifically analyzed the degree of compliance with corporate governance recommendations and taken into consideration the most relevant aspects identified by the CNMV and applicable to the Company in the preparation of said report

- **In relation to the evaluation of the Board of Directors and the Appointments, Remunerations and Sustainability Committee**

Regarding the self-assessment of the Board, Chairman, CEO, Secretary, and Committees for the 2023 financial year, the Committee led the process, reviewing the questionnaires completed by each Director, as well as their conclusions, and conducted a self-assessment of the Committee itself.

This process aims to identify strengths and areas for improvement, assessing areas such as meeting dynamics, follow-up on topics discussed, the composition of the Committee, the training of its members, etc.

The results of these assessments are reviewed by the Board and the Committees (each with its own results). In addition, the Appointments, Remunerations and Sustainability Committee reviews the results of the assessments of the Board, Chairman, CEO, and Secretary.

The evaluation for the 2023 financial year ended very positively, concluding that the Appointments, Remunerations and Sustainability Committee operates with high standards and professionalism, and that the applicable composition and operational requirements have been satisfactorily met.

The degree of compliance with the 2023 Action Plan for this Committee was also analyzed, and a proposed Action Plan for 2024 was developed, highlighting the following aspects:

- Considering the addition of another independent director, as well as the Secretary of the Board as secretary of the Committee.
- Continuing to promote the Strategic Sustainability Plan and further strengthening members' knowledge and training in sustainability.
- Monitoring of Succession Plans and those up for promotion;
- Maintaining good coordination with the Audit Committee; and
- Continuous improvement in making information available to be discussed at meetings of the Board and its Committees.

On the other hand, the Commission has approved the hiring of the consulting firm Deloitte as an independent expert to carry out the evaluation of the Board, Committees, President, CEO and Secretary corresponding to the 2024 financial year, in accordance with recommendation 36 of the GGC.

- **Other duties**

The Committee has analyzed the potential conflicts of interest that have arisen in connection with the appointment of some Directors in other companies, concluding that this does not entail a permanent conflict with the interests of the Company and its Group that would affect the full performance of the duties performed by the affected Director.

Furthermore, the Committee has reviewed various aspects related to the Human Resources area, such as the development of a job map, workforce development, the different remuneration levels, the performance evaluation procedure for all personnel included in the job map, talent acquisition and retention, identity reinforcement, and others.

Finally, and regarding its own operations, the Committee has prepared the Committee's activity annual report for 2023 for the review and approval by the Board of Directors, as well as a Work Plan and a Committee meeting schedule for 2025.



## **V. Conclusions**

The composition of the Committee has been adjusted to the legal provisions, with its members having the relevant knowledge in relation to the responsibilities of the Committee and the sector of activity to which the Company belongs, with the majority of its members being independent Directors.

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

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

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

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

In view of the foregoing, the Committee concludes that it has complied with the rules foreseen in the law and in the Corporate Policies in relation to its composition, frequency of meetings and on the attendance and informed participation of its members, and addressed the matters within its competence satisfactorily during 2024.

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This report was issued by the Appointments, Remunerations and Sustainability Committee on January 27, 2027, and was presented for examination by the Board of Directors and approved by the Board at its meeting of January 29, 2025.