CLIMATE CHANGE STRATEGY **2020-2035**

Elecnor Group seeks to study and implement measures that will enable the future development of the services provided, ensuring lower costs and more effective responses to climate change. It also seeks to ensure that this Strategy in the basis for a profitable and constantly growing business, making the Group a resilient, competitive and sustainable company.

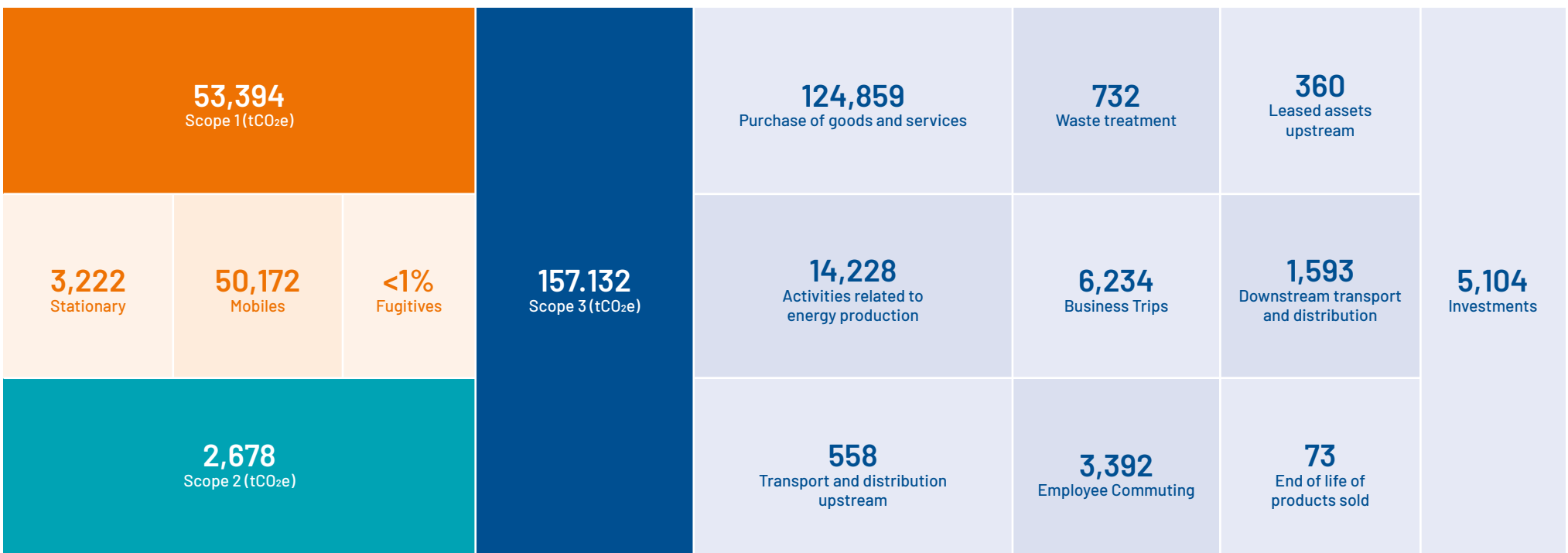
With all this in mind, the Elecnor Group's Climate Change Strategy to 2035 has been developed. **With two main objectives and four work** blocks, creating the framework where all the Group's actions to reduce greenhouse gas emissions, adapt to the impacts of climate change and take advantage of the associated opportunities will be inserted.

Elecnor Group is a Spanish corporation operating in more than 50 countries whose purpose is driven by a business model based on people, and which believes in the generation of shared value and sustainability. A business model that is developed through two key businesses that complement and strengthen each other: Projects and Services and Concessional.

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

STARTING POINT

2020 is the first year that the Elecnor Group calculates the totality of the Scope 1, 2 and all relevant categories of Scope 3 emissions



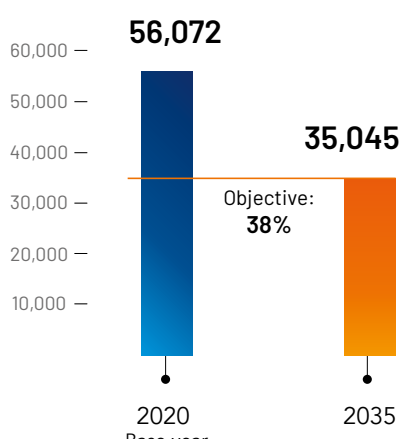
OUR SBT OBJECTIVES*

Given that Spain and the European Union are committed to achieving net zero emissions by 2050, there is an urgent need for companies to quantify and monitor the level of carbon reduction required to align with this target.

In June 2022, the SBT initiative validated the emissions reduction target presented by the Elecnor Group. The target for Scope 1 and 2 emissions is aligned with the Paris Agreement on limiting the global temperature increase to well-below 2ºC, reducing its absolute emissions by 38% by the year 2035 starting in 2020. Regarding scope 3, the Group is committed to reduce its scope 3 emissions from the purchase of goods and services and from fuel and energy-related activities by 18% by 2035 from 2020.

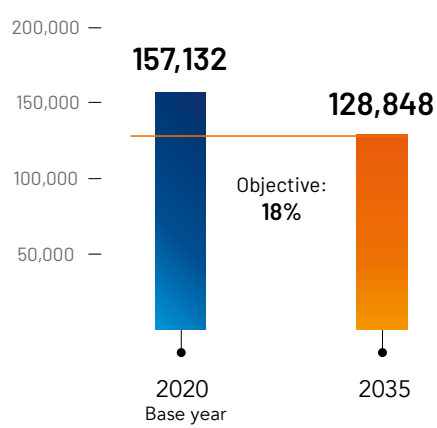
Scope 1 and 2 Reduction Targets

tCO_2e



Scope 3 Reduction Targets

tCO_2e



*Science Based Targets

Our Climate Strategy is structured into four overarching areas of action

Strategy, Governance, Risk Management, Metrics and Targets - with the objective of aligning with best practice climate disclosure following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in our annual corporate reporting.

The TCFD aims to promote the quality of financial reporting in relation to the potential impacts of climate change in order to improve investors' ability to assess climate-related risks and opportunities.

1.STRATEGY. HOW ARE WE GOING TO ACHIEVE THIS OBJECTIVES?

FUEL

- Renewal of the fleet for more efficient and less carbon-intensive vehicles.
- Development of country projects for a change to more sustainable fuels.

RENEWABLE

- Procurement of 100% of electricity from renewable energy by 2035.
- Promote self-consumption in our facilities.

VALUE CHAIN

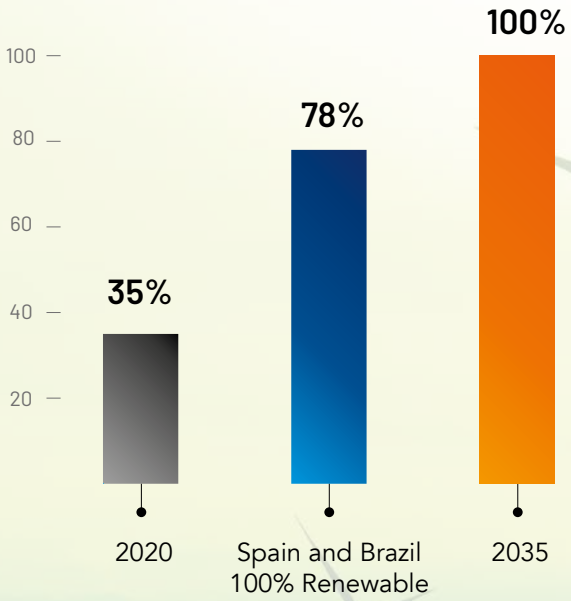
- Establishing a program of collaboration with the main suppliers in terms of carbon, focusing first on obtaining primary information and then accompanying them on their reduction path.

RISK MANAGEMENT

- Management of short, medium and long-term risks and opportunities associated with climate change.

Focus in renewable energies

100% renewable by 2035



As part of its environmental management, one of the Elecnor Group's objectives is to achieve a low-carbon society through renewable energies. In addition to promoting the use of green sources in its operations, specifically, Enerfín, the Group's wind power company, is focused on renewable generation.

1,279 tCO_2e

Were the emissions that Elecnor avoided from third parties thanks to the contribution of Enerfín's activity in 2020.

2. GOVERNANCE STRUCTURE

The Elecnor Group's climate governance is a cross-cutting responsibility at all levels of the company. The Appointments, Remuneration and Sustainability Committee of the Group's Board of Directors, which reviews the issues arising from the Sustainability Committee, has the ultimate responsibility for climate-related issues.

BOARD OF MANAGEMENT

Annual

APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE

The Nomination, Remuneration and Sustainability Committee is, together with the Board of Directors, the body responsible for assessing, reviewing and regularly monitoring the Group's Sustainability Policy and Strategy.

Quarterly

SUSTAINABILITY COMMITTEE

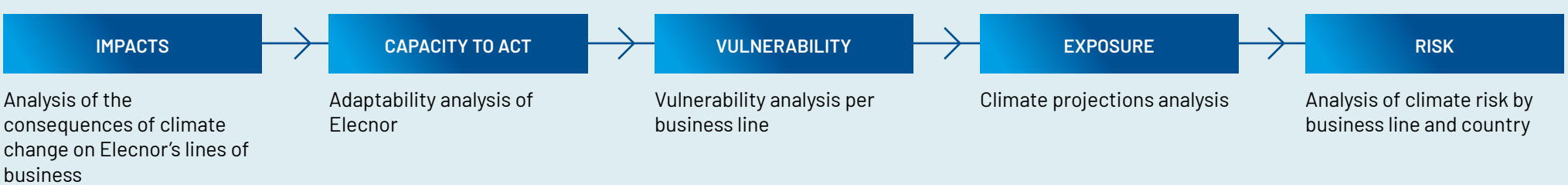
The Sustainability Committee was established in June 2020. In 2021, the Sustainability Committee consolidated its structure and established a systematic system of meetings for sustainability management in the Group. The Committee's responsibility is to design the necessary tools to manage sustainability, promote a coordinated strategy, ensure its adoption, follow up on the progress made and monitor it in order to promote best practices.

3. RISK MANAGEMENT SYSTEM

1. Continious identificactiom, evaluation and prioritisation of risks.
2. Identification of the management and control mechanisms in place for the main risks and assessment of their effectiveness.
3. Continuous improvement of risk management through the identification of areas of opportunity, new trends in the sector, and the development and implementation of initiatives and projects aimed at improving management instruments.
4. Permanent supervision and monitoring.

Elecnor's resilience to climate change will be defined by the Group's capacity to face the risks and take advantage of the opportunities arising from this phenomenon. Considering that, in the Services and Projects Business, the Elecnor Group acts as an integral project manager, the effect of a climate impact will provide the company with an opportunity to develop a new repair, construction or maintenance project commissioned by a third party. On the other hand, if the climate impact affects the Concession Business, it will be Elecnor itself that will be forced to pay for the repair of its own installation or building; therefore, a climate event will represent a risk for its activity.

Currently, there is no standardized methodology in international use to define climate risk and opportunities arising from a changing climate. The analysis presented below derives from the qualitative application of the recommendations developed by the IPCC in its 4th Assessment Report, analyzing exposure to climate change together with the strengths and vulnerability that the results will offer in relation to business opportunity and climate risk, respectively. The following figures outline the methodology followed in this diagnosis, both for the business opportunity analysis and the climate risk analysis.



DETAILS OF IMPACTS

Analysis of the impact of climate change on Elecnor's business lines

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
ELECTRICITY	◗ Impact on the transmission and distribution of electrical power involving increased losses, reduced capacity and increased voltage levels in the distribution system. ◗ Increased voltage levels in electrical installations due to the peak load being able to push the conductor to thermal capacity, while internal components, in substation transformers may suffer from a higher level of deterioration due to increase load. ◗ Losses in power transmission and distribution. ◗ Collapse of overhead transmission lines due to thermal expansion. ◗ Increased risk of fires with power cuts as a result. ◗ Increased risk of contact between vegetation and power lines due to potential increase in vegetation growth ratio, which may require greater.	◗ Greater risk of flooding. ◗ Increased risk of infrastructure problems (masts, aerials, switch boxes, overhead cables and standard cables) due to heavy rainfall. ◗ Risk of reduced water reserves, increased competition for their use, and potentially les availability of water for infrastructure cooling.	◗ Power cuts. ◗ Physical damage to infrastructure, even causing infrastructure to collapse. ◗ Land destabilisation possibly causing infrastructures to collapse. ◗ Greater fire risk , resulting in increased risk for electricity transmission causing physical damage to high-voltage pylons. ◗ Cyclones and other wind storms can make it dangerous or impossible for employees to get to work.	◗ Increased risk of intense storm surges, which in turn increase the risk of saline corrosion of coastal infrastructures. ◗ Damage to network by coastal floods and their effects on Access routes.

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
FACILITIES	◗ Power cuts due to increased energy demand during heat waves. Linked to this an increase in the cost of electricity could also arise as a side effect. ◗ Malfunction or premature equipment failure of design limits are exceeded, with reduced infrastructure lifespans. ◗ Greater fire risk, resulting in physical damage to infrastructure.	◗ Greater risk of flooding. ◗ Increased risk of damage to infrastructure due to heavy rainfall. ◗ Risk of reduced water reserves, increased competition for their use, and potentially les availability of water.	◗ Physical damage to infrastructure. ◗ Land destabilisation possibly causing infrastructures to collapse. ◗ Risk to the lifespan od devices caused by increased environmental stress (including high winds, higher temperatures, etc.). ◗ Problems with the supply of materials and delays in the progress of projects. ◗ Damage to the structure of buildings and their contents (including systems, equipment, etc.). ◗ Economic losses due to problems accessing work sites.	◗ Increased risk of erosion or flooding of coastal and underground infrastructures

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
GAS	◗ Greater cooling requirements. ◗ Reduction in the amount of water available to plants due to increased evaporation and transpiration. ◗ Loss of transformer efficiency and reduction of cooling capacity. ◗ Malfunction or premature failure of equipment, if design limits are exceeded with a reduction in plant lifespan. ◗ Greater fire risk, resulting in physical damage to infrastructure.	◗ Greater risk of flooding. ◗ Increased risk of damage to infrastructure due to heavy rainfall. ◗ Risk of reduced water reserves, increased competition for their use, and potentially less availability of water for infrastructure cooling.	◗ Physical damage to infrastructure. ◗ Land destabilisation, potentially leading to the subsidence of transport infrastructure. ◗ Damage to the structure of buildings and their contents (including systems, equipment, etc.).	◗ Increased risk of erosion of flooding of coastal gas, transmission infrastructures.

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
POWER GENERATION	◗ Impact on wind farm production due to the increase in air density caused by the rise in temperature. ◗ Greater need for air conditioning and cooling. ◗ Reduction in the amount of water available to plants due to increased evaporation and transpiration. ◗ Reduction in the peak generation capacity of hydroelectric facilities due to changes in the structure and diversity of aquatic fauna caused by the increase in air and water temperature. ◗ Reduction in electricity generation due to the impact on the efficiency of photovoltaic cells caused by the rise in temperatures.	◗ Changes in the wind farm power capacity due to low humidity high temperatures and wind changes affecting the northern extension. ◗ Reduction in wind farm production efficiency due to rainfall levels. ◗ Imbalances in the rotor and increase in the loads in the wind turbine caused by ice melting on the blades. ◗ Increased risk of infrastructure problems (masts, aerials, switch boxes, overhead cables and standards cables) due to heavy rainfall. ◗ Reduction in hydroelectric power production due to the impact on the river courses cussed by changes in rainfall patterns.	◗ Greater fire risk, resulting in physical damage to infrastructure. ◗ Reduced availability of water for cooling and for hydroelectric production. ◗ Reduction in wind turbine performance due to ice formation and extreme precipitation associated with low temperatures n northern latitudes. ◗ Damage to dam and generation equipment as well as increased maintenance needs of installations and reservoirs. ◗ Damage and cuts in supply due to increased contributions to reservoirs and discharges from landslides.	◗ Physical damage to coastal installations. ◗ Increased risk of erosion or flooding of coastal and underground infrastructures.

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
POWER GENERATION	◗ Transmission losses. ◗ Loss of transformer efficiency and reduction of cooling capacity. ◗ Impact on turbine performance caused by lower air density, greater fuel requirements and the consequent decrease in the generation efficiency of thermal power plants.	◗ Reduction in hydroelectric power production due to increased evaporation. ◗ Impact on electrical generation caused by the impact on atmospheric transmissivity due to changes in the water vapour content of the atmosphere, of the clouds and even in the characteristics of the clouds.	◗ Impact on wind power capacity potential due to changes in the wind intensity. ◗ Physical damage to infrastructure. ◗ Power supply cuts. ◗ Impacts on access routes to the installations, hindering or preventing the arrival of the workers and supplies required for the activity to operate, potentially putting at risk the continuity of the activity. ◗ Interruption off supply due to the impact of extreme weather events such as hail that can cause damage to the cylindrical parabolic collectors in the solar power facility.	

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
RAILWAYS	◗ Damage to tarmac and rails due to excessive melting and dilation. ◗ Greater cooling requirements. ◗ Increased risk of equipment overheating, in particular diesel engines. ◗ Collapse of catenaries due to thermal expansion. ◗ Wear and tear or melting of tyres. ◗ Greater fire risk.	◗ Greater risk of flooding. ◗ Increased risk od accidents due to heavy rainfall.	◗ Physical damage to infrastructure. ◗ Land destabilisation, with potential sinking. ◗ Problems with the supply of materials and delays in the progress of projects. ◗ Increased accidents during extreme events. ◗ Possible flood damage in train sheds. ◗ Impossibility of completing journeys due to damage to the tracks. ◗ Economic losses due to problems accessing work sites. ◗ Loss of signals due to landslides.	◗ Greater risk of damage to coastal and underground infrastructures.

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
CONSTRUCTION, ENVIRONMENT AND WATER	◗ Power cuts due to increased energy demand during heat waves. Linked to this, an increase in the cost of electricity could also arise as a side effect. ◗ Malfunction or premature equipment failure if design limits are exceeded, with reduced infrastructure lifespans. ◗ Greater fire risk, resulting in physical damage to infrastructure. ◗ Faster decomposition of organic matter present in waste material, causing changes in composition and treatment needs.	◗ Greater risk of flooding. ◗ Increased risk of damage to infrastructure due to heavy rainfall. ◗ Risk of reduced water reserves, increased competition for their use, and potentially less availability of water. ◗ Need to adjust WWTPs (wastewater treatment plant) and drinking water treatment plants to new water conditions.	◗ Physical damage to infrastructure. ◗ Land destabilisation, possibly causing infrastructure to collapse. ◗ Risk to the lifespan of devices caused by increased environmental stress (including high winds, higher temperatures, etc.). ◗ Problems with the supply of materials and delays in the progress of projects. ◗ Damage to the structure of buildings and their contents (including systems, equipment, etc.). ◗ Economic losses due to problems accessing work sites.	◗ Increased risk o erosion or flooding of coastal and underground infrastructures.

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
TELECOMMUNICATIONS	◗ Overloads in systems due to higher cooling needs. ◗ Higher energy consumption. ◗ Impact of electricity cuts on the provision of services. ◗ Physical damage to infrastructure due to increased fire hazard. ◗ Electricity cuts.	◗ Impact on the radio spectrum of wireless communications due to increased humidity. ◗ Increased competition for water use and reduced availability for cooling.	◗ Physical damage to infrastructure. ◗ Interruptions and problems in the services provided. ◗ Power cuts.	◗ Risk of erosion, corrosion and/or flooding of coastal infrastructure. ◗ Changes in reference data, for transmission calculations.

DETAILS OF IMPACTS

ACTIVITIES	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE
MAINTENANCE	◗ Power cuts due to increased energy demand during heat waves. Linked to this, an increase in the cost of electricity could also arise as a side effect. ◗ Malfunction or premature equipment failure if design limits are exceeded, with reduced infrastructure lifespans.	◗ Greater risk of flooding.	◗ Problems with the supply of materials and delays in the progress of projects. ◗ Economic losses due to problems accessing work sites.	◗ Increased risk of erosion or flooding in work sites near the coast.

ASSESSING EXPOSURE TO CLIMATE CHANGE

Analysis of the consequences of climate change on Elecnor's lines of business

	TEMPERATURE VARIATION	RAINFALL VARIATION	EXTREME WEATHER EVENTS	SEA LEVEL RISE	INFRASTRUCTURE LEVEL	EXPOSURE
ANGOLA	High	High	Medium	Low	Medium	E3
ARGENTINA	Low	Medium	Medium	Medium	Medium	E1
BRAZIL	High	High	High	Medium	Medium	E3
CANADA	High	Medium	Medium	Medium	High	E2
CHILE	Low	Medium	High	High	Medium	E2
ECUADOR	Medium	Medium	High	Medium	Medium	E2
SPAIN	Medium	Low	Low	Medium	High	E1
UNITED STATES	High	Medium	Medium	Medium	High	E2
UNITED KINGDOM	Medium	High	Medium	High	High	E2
HONDURAS	High	Medium	High	High	Medium	E3
ITALY	Medium	Medium	Low	Medium	High	E1
MEXICO	Medium	High	High	Medium	Medium	E2
PORTUGAL	Low	Medium	Low	High	Medium	E1
DOMINICAN REPUBLIC	High	Medium	High	High	Medium	E3
URUGUAY	Low	Medium	Medium	Low	Medium	E1

E1: Low E2: Medium E3: High

CLIMATE CHANGE ADAPTATION PLANNING

The Elecnor Group wants to actively and decisively contribute to building a sustainable, low-carbon future. Climate change has been a challenge and strategic priority for the Group since 2014, when it began calculating its carbon footprint in accordance with international standards and implemented actions to reduce GHG emissions in its sphere of action. Elecnor is currently committed to a sustainable way of doing business that is adapted to the new climatic conditions, through the development of a Strategic Sustainability Plan in which one of its fundamental objectives is carbon neutrality by 2035.

group elecnor

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