

Sustainability Plan

TR GROUP



TECNICAS REUNIDAS

—

October, 2021

External standard applicable in matters of sustainability...

Responsibility for sustainability lies with the **Board of Directors** and its implementation lies with the **Audit and Control Commission**

Capital Companies Act

Good governance code of companies listed in the CNMV

CNMV (National Securities Market Commission) Guide 3/2017 on Audit Commissions

- 1 LSC (529 ter)**
The Board of Directors is exclusively responsible for the approval of the sustainability strategy and policy.
- 2 Good governance code:**
 - Recommendation 53
 - The supervision of sustainability may be assigned to a delegated commission of the Board of Directors
 - Recommendation 52
 - The Audit and Control Commission (CAC) must be comprised by a majority of independent directors, including its Chairman
 - Recommendation 54
 - The CAC must have the following functions:
 - To review the sustainability strategy and policy
 - To supervise and develop its implementation
 - To supervise its application
 - To assess non-financial risks
- 3 CNMV (National Securities Market Commission) Guide 3/2017 on Audit Commissions**
The CAC must include these items in their annual planning and activities report.

... and internal corporate documentation

The company's internal regulations already contemplate this distribution of functions...

Articles of Association

- **Art. 27.i:** The **Board of Directors** is responsible for **approving the strategy and policy** governing corporate social responsibility and sustainability.

Board of Directors' Regulations

- **Art. 5:** The **Board of Directors** is responsible for **approving the strategy and policy** governing corporate social responsibility and sustainability.
- **Art. 13:** The **Audit and Control Commission** is responsible for **supervising compliance with the Company's policies and rules** regarding **sustainability, the environment and social issues**.

CAC Regulations

- **Art. 5:** The **Audit and Control Commission** is **responsible for supervising compliance with the Company's policies and rules** regarding **sustainability, the environment and social issues**.

... and has carried out numerous initiatives in matters of sustainability:

- **Sustainability Policy:** approved by the Board of Directors in September **2020**.
- **Comprehensive Sustainability Report:** published since **2013**.
- **Non-financial Information Statement (EINF):** since the annual accounts of fiscal year **2018**.
- **Sustainability Plan:** approved by the Board of Directors in September 2021.



Areas involved in the Sustainability Plan



The primary areas and scopes of activity of Técnicas Reunidas are included in the Sustainability Policy and have participated in drawing up the Sustainability Plan

The **Sustainability Policy**, approved in September 2020, includes the most important aspects and commitments regarding sustainability and **forms part of the corporate governance model** of Técnicas Reunidas. These commitments are the basis for a plan containing concrete and specific actions.

Areas involved:

- Secretary of the Board of Directors - Sustainability.
- Operations Management (Energy Transition, HSE, Environment, Construction, Procurement).
- HR.
- Financial Management.
- Energy Transition.
- R&D&i.
- Regulatory Compliance.
- Relations with Investors.
- IT.
- Internal Communication.
- Social Action.

Plan methodology

The starting point is the **Sustainability Policy** of Técnicas Reunidas and the **Good Governance Code** of companies listed in the CNMV, updated to 2020, which refers to the principle of **due diligence in matters of sustainability**.



Sources analyzed

The **context analysis** has involved the study of **34 sources**, among others:

- **Guidelines and regulations from high-level authorities**



- **ESG analysts**



- **Benchmark**



- **Reporting frameworks**



- **Trends**



The **gap analysis** has involved the study of the following internal company sources:

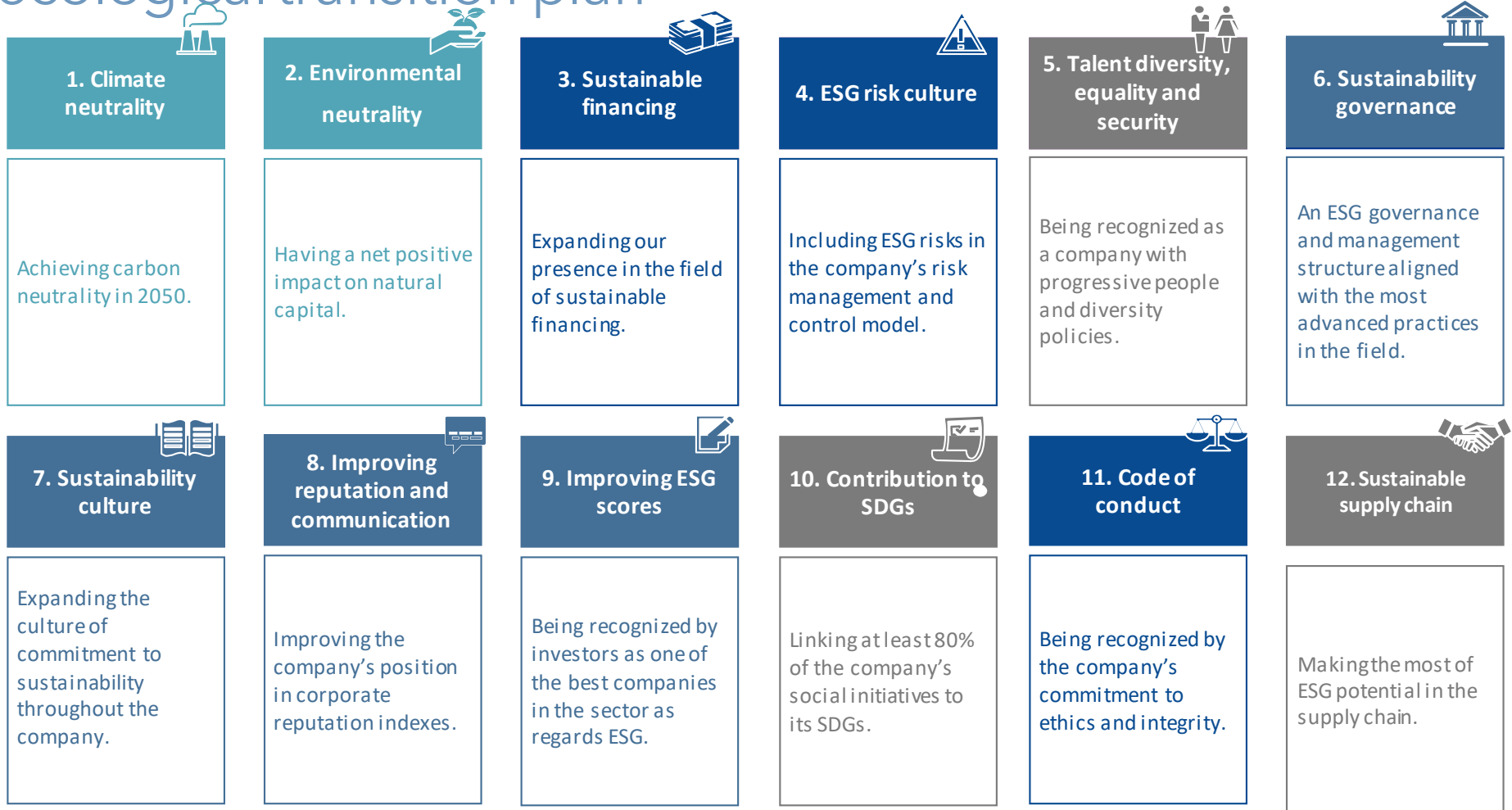
- **Sustainability Plan.**
- **Other corporate policies.**
- **Code of Conduct.**
- **Comprehensive Report 2020.**



In addition, the following interviews were held to define the **specific actions required** to implement the **Sustainability Policy**:

- **Steering Committee.**
- **Management areas responsible for implementing the initiatives.**

Primary goals of the sustainability plan, which includes the ecological transition plan



■ Environmental
 ■ Social
 ■ Corporate governance
 ■ Cross-sectional

Main initiatives of the plan (1/3)

1. Climate neutrality



- New quantitative **goals** for the **reduction of carbon** emissions.
- **Compensating** carbon emissions.
- Consumption of **energy** from **renewable** sources certified in all the company's offices.
- Diagnosis of mature management of **climate risks and opportunities**.
- Measures to enhance **energy efficiency**.

Areas involved

Energy Transition | Operations Management | HSE | Human Resources – General Services | Financial Management | Secretary of the Board of Directors - Sustainability | IT

2. Environmental neutrality



- Quantifying the company's **environmental footprint** and impact on its natural surroundings.
- **Ensuring** reduction of the impact on **natural capital**.
- An action plan for **circular economy at the work site**.
- An action plan for **circular economy at the office**.

Areas involved

HSE | Operations Management | Construction | Human Resources–General Services | Financial Management | Secretary of the Board of Directors-Sustainability

3. Sustainable financing



- Linking **new financing to instruments** or vehicles that are **sustainable**.
- Establishing a **framework for sustainable financing**.
- Identifying **projects** that may be **financed** through **sustainable** credits and loans.

Areas involved

Financial Management | Secretary of the Board of Directors - Sustainability | Business Development

4. ESG risk culture



- Method or **model** for the quantification and **management of ESG risks**.
- Drawing up plans for the **management and mitigation of ESG risks**.
- Procedure for the assessment of **ESG risks** in relationships with **counterparties**.

Areas involved

Financial Management | Secretary of the Board of Directors - Sustainability | Internal Audit | Regulatory Compliance

Main initiatives of the plan (2/3)

5. Talent diversity, equality and security



- Defining a **goal for diversity and inclusion**.
- **Equality plan** agreed on with social agents.
- **Goal** in the mid-term to reduce the frequency rate of **accidents**.
- Promoting the **plan for a health and safety culture**.

Areas involved

Human Resources | HSE | Internal Communication

6. Sustainability governance



- Implementation of an **Internal Control System for Non-Financial Information (SCIINF)**.
- Promulgating a **sustainability strategy and initiatives**.

Areas involved

Secretary of the Board of Directors - Sustainability

7. Sustainability culture



- Defining **ESG metrics** to be used for the assessment of performance and **variable remuneration** of the members of the Steering Committee.
- **Training courses and awareness campaigns** in matters of **sustainability** for all employees.
- Increasing the **investment in R&D&i**.

Areas involved

Human Resources | Internal Communication | Secretary of the Board of Directors - Sustainability | R&D&i

8. Improving reputation and communication



- Inclusion in **reputation** reference **indexes**.
- Reviewing the **stakeholders map** and fostering **interaction**.
- Developing an adhesion plan for **initiatives or alliances** sponsored by third parties in matters of **sustainability**.

Areas involved

Secretary of the Board of Directors - Sustainability

Main initiatives of the plan (3/3)

9. Improving ESG scores



- Identifying which third parties give an opinion or issue **ESG scores** about the company.
- Identifying the most significant **ESG indexes** that the company is eligible for.
- Analyzing how the **shareholders and investors** who are relevant for the company approach **ESG aspects**.
- Prioritizing **replies to ESG analysts, agencies and information providers**.

Areas involved

Secretary of the Board of Directors - Sustainability

10. Contribution to SDGs



- Analyzing the company's degree of **alignment** with **SDGs**.
- Drawing up a **global philanthropic or social contribution plan or strategy** to be able to **contribute directly to SDGs**.
- Analyzing **current** company initiatives involving social actions and **associated with SDGs**.

Areas involved

Secretary of the Board of Directors - Sustainability

11. Code of conduct



- Discovering potential opportunities for improvement with regard to the **code of conduct and drawing up a plan**.
- Setting up a **human rights policy**.

Areas involved

Regulatory Compliance | Secretary of the Board of Directors - Sustainability | Human Resources

12. ESG in the supply chain



- Integrating **quantitative ESG goals** in the management strategy of the **supply chain**.
- **Evaluating ESG performance** of suppliers and subcontractors.
- Identifying **construction equipment and materials** that can **reduce emissions**.
- Promoting plans intended to ensure **respect for human rights at the work-site**.

Areas involved

Procurement | Operations Management | Construction | Human Resources





TECNICAS REUNIDAS