



Integrated Report 2020





Integrated Report 2020

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S U M M A R Y

1



LETTER FROM
THE CHAIRMAN

p. 4

2



BOARD OF
DIRECTORS

p. 8

3



GET TO KNOW
ELECNR

p. 10

4



ELECNR
IN 2020

Infrastructure
Business
p. 68

•
Concessions
Business
p. 154

p. 28

5



SUSTAINABLE
VALUE

Our people,
our best asset

p. 180

•

We look after our people

p. 228

•

Operational excellence

p. 246

•

Commitment to
the Environment

p. 252

•

Technology
and innovation

p. 284

•

Responsible
management

p. 300

•

Social impact

p. 340

p. 178

6



APPENDICES

p. 380

LETTER FROM THE CHAIRMAN

GRI 102-14

Dear Friend,

I am pleased to present you the Elecnor Group's Integrated Report for 2020. An exceptional year for everyone, and also for Elecnor, in which we were all marked by the painful coronavirus pandemic causing the disease known as COVID-19.

I would therefore firstly like to remember those most affected by it, those who have left us or who suffered the disease, and their family members. I would also like to highlight the work of our extraordinary team and express my deepest gratitude to the 20,000 people that work in the Elecnor Group, for their commitment, effort, personal sacrifice and responsibility. Especially to those who provided their service in the most critical activities and toughest moments of the pandemic. Thanks to the work of some brilliant and committed professionals, we have remained one of the market leaders.

Since the outbreak of the pandemic, internally in the Elecnor Group we have been monitoring and creating



protocols for action adapted to the recommendations issued by the Ministry of Health and competent authorities, both in Spain and in every country in which we operate. In parallel, we continue to provide essential services in all markets, working with all the *utilities* and carrying out the maintenance of critical infrastructures in the health, energy, telecommunications, water, gas and transport sectors.

And always with clear priorities: protect our employees' health and safety, continue to provide a service to our customers and stakeholders, and help prevent and combat the spread of the virus and its effects with different measures designed by an ad-hoc committee created to manage this crisis.

Thanks to the work of some **brilliant and committed professionals**, we have remained one of the market leaders during the pandemic

We carry out a whole range of actions of which we are especially proud, contributing with our experience to the tremendous work of all the health workers. The Elecnor Group helped with the functioning of many hospitals around Spain, with different maintenance and support work, such as the adaptation of the ICU and the commissioning of special infrastructure in the field hospital erected on the Ifema trade fair site; we also

brought optical fibre to many homes that needed to feel connected more than ever, and we continue to maintain the electrical, water and gas infrastructure for people's well-being.

Reflection, reinvention and recovery

Last year was also one of reflection and reinvention. Digitisation is here to stay in the business world, even in sectors that had not previously considered digital transformation as a necessary tool. Elecnor has been committed to digitisation

2020, a year of huge challenges

long before these turbulent times, helping us to make major progress in process improvement, operating efficiency, cultural change and competitiveness.

This is therefore a unique moment to give environmental policies an additional impetus, by supporting a short-term green economic recovery with the transformation of the economic model to one that is more sustainable and environmentally-friendly for the future.

Socially, the challenge will be to bridge the gap that the situation has caused, particularly in more vulnerable countries, where the pandemic will leave deep scars. In Elecnor, we have provided medical and protection equipment, invested in basic infrastructure and training, and have not forgotten about the people from those regions especially affected by the circumstances.

The information contained in the following pages is intended to be a simple, clear, reasoned and transparent summary of all the activities and policies carried out by Elecnor in 2020 to achieve the commitment we make, year after year, to all our stakeholders: to generate shared value and make our business model sustainable.

In 2020 Elecnor recorded a consolidated net profit of EUR 78.3 million. Comparability with prior year profit/loss is mainly affected by the impact of various corporate transactions and other non-recurring amounts, as shown in our Annual Accounts. However, without considering these effects on profit/loss for the previous year, the Group has remained at similar levels to 2019, as the essential nature of our business during the crisis caused by the pandemic has meant that the consolidated net profit of Infrastructures and Concessions is similar to the previous year.

The Group's turnover was EUR 2.455 billion, in line with the previous year. The total portfolio was 2.273 billion, a 2.3% increase.

A sound financial strategy

As you know, one of our key strategic objectives is the generation of long-term value for the shareholder. After a 2019 in which our share price fell in a bearish environment in Spanish markets, it ended 2020 at EUR 11.

Growth and financial strength reflected in shareholder remuneration. The dividend yield was 3.1% during the year, compared with 2.4% the previous year. And with the situation unchanged, we wanted to offer the same dividend as in 2019, tying a new year of remuneration with its distribution in cash.

Committed to the future

Since our beginnings, we have been committed to sustainability, encouraging initiatives that promote a social, environmental and governance dividend, always with the aim of generating sustainable value for all our stakeholders.

Yet another year, through this report we renew our firm commitment to the ten principles of the United Nations Global Compact and to sustainability, taking into account environmental, social and corporate governance criteria.

In 2021, we will continue to make progress in our most important projects. Our people are our best asset, which is why we will continue to foster the integrated human resources management system with the aim of capturing and retaining our most valuable asset, as well as promoting and developing all current talent in our organisation.

The Safety Excellence project, whose aim is to promote the culture of safety and occupational health and safety in all our work centres. And Digital Transformation, with which the Group continues to promote an efficient management model that aligns processes, technologies and people.

We will also continue to focus on innovation to bring more added value to the services

that we provide our customers; we will strengthen our responsibility to society through the Elecnor Foundation, and we will progress on the path of adaptation to good Corporate Governance recommendations.

All these aspects, as well as our contribution to the fight against climate change established within our Climate Change Strategy; the recognition, for the third consecutive year, in the *Carbon Disclosure Project* initiative of the efficiency of our environmental management actions and approaches, achieving this year the level of leadership; dialogue, respect and relations with the communities in which we work; and our commitment to the Sustainable Development Goals, play a leading role in this Integrated Report.

Among all these initiatives and corporate policies, I must make special mention of our unwavering commitment to assume the highest ethical standards by constantly improving the regulatory compliance system.

Also this year we intend to legally become a holding. To this end, we will submit to the General Shareholders' Meeting the plan to spin-off the Services and Projects line of business.

I sign off with the uncertainty caused by the pandemic globally and thanking once again all our staff for their effort, sacrifice and professionalism. No one doubts that the recovery from this crisis will be difficult and slow.

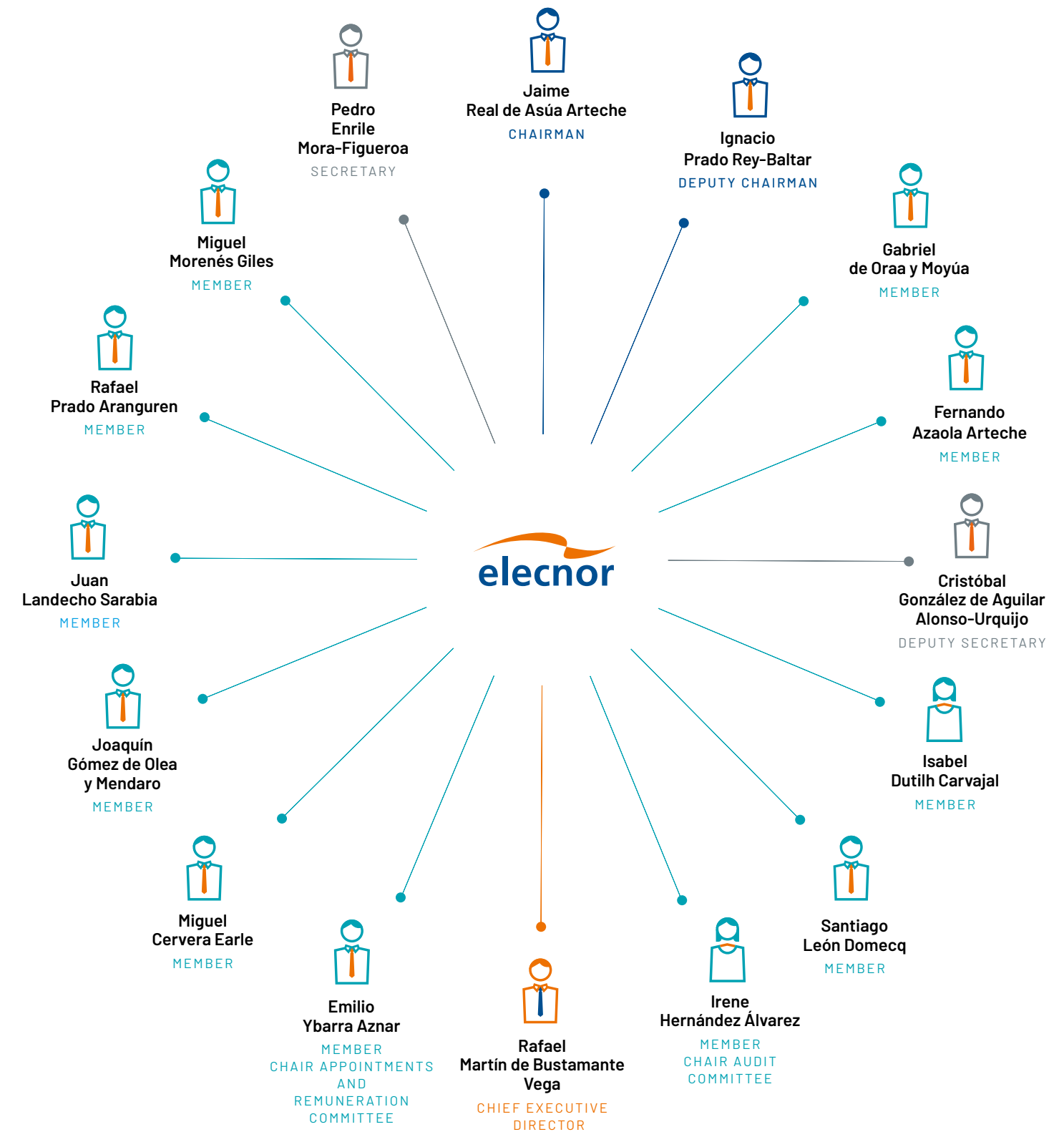
In the Elecnor Group, we will continue to work and provide our services, human capital and knowledge as we come out of this pandemic and hasten, as far as possible, the reconstruction of the welfare state for everyone.

Yours sincerely,



Jaime Real de Asúa
CHAIRMAN

BOARD OF DIRECTORS



GET TO KNOW ELECNOR



OUR MISSION, OUR RAISON D'ÊTRE

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's well-being.

Elecnor is a Spanish company operating in more than 50 countries whose purpose is driven by a people-centric business model and that believes in generating shared value and sustainability.

It is a model implemented by means of two key businesses that are complementary and mutually strengthening: Infrastructure and Concessions.

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

GENERATION OF SHARED VALUE AND SUSTAINABILITY

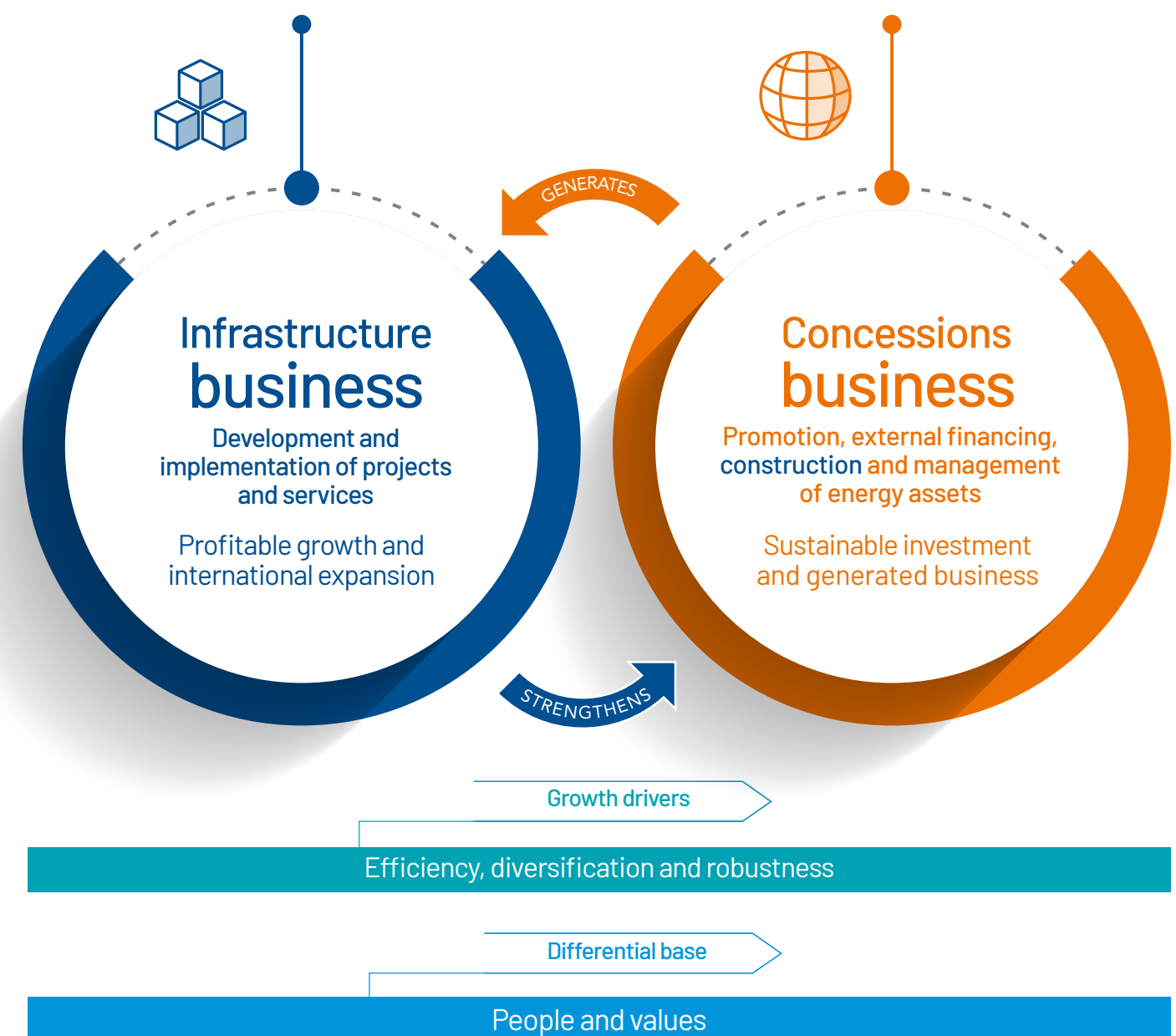
GRI 102-2

INFRASTRUCTURE

Execution of engineering, construction and service projects, with special activity in the electricity, energy generation, gas, telecommunications and systems, railways, maintenance, facilities, construction, water, environment and space sectors.

CONCESSIONS

Promoting, seeking funding and operating services through investment in power transmission systems, power generation and other strategic assets.



THE VALUES THAT DEFINE US



Customers

Committed

Hard Work
Perseverance
Trust



We are reliable

Team

Focused on people

Talent
Passion
Safety



We are a family team

Company

Responsible

Integrity
Ethics
Respect



We care about others



ELECNOR, GENERATOR OF CHANGE AND WELL-BEING



THE GENERATION OF SHARED VALUES AND SUSTAINABILITY, KEYS IN OUR STRATEGY

The Elecnor Group has a strong mission and values, as well as a multi-disciplinary, skilled and diverse team that enables it to tap into business opportunities and to drive growth.

elecnor



A BUSINESS MODEL THAT GENERATES SUSTAINABLE VALUE

Elecnor, in the development of its activities, promotes not only its economic performance, but also the development and progress of society.

The Group is therefore aware of the importance of its actions on people and the environment in which it undertakes its activities. Its purpose therefore is to maximise positive impacts and minimise negative impacts on society and the environment, through responsible, ethical and transparent behaviour.

This commitment is inherent in every aspect of its activities and business strategy, as well as in its relations with stakeholders.

Elecnor, committed to the SDGs

The mission, the actions of the Group and its Foundation, are very much aligned with the challenges presented in the Sustainable Development Goals of the 2030 Agenda.

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, the energy gap, and others.

Contribution to SDGs deriving from the main businesses



Contribution to the SDGs deriving from the Elecnor Foundation's social action



Materiality at Elecnor

GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-46, GRI 102-47

In 2020, the Elecnor Group conducted a Materiality Analysis with the dual purpose of defining significant issues in connection with sustainability and prioritising the contents included in the Non-Financial Information Statement of the Directors' Report which is part of the Annual Accounts. In this regard, the process implemented consisted of:

1. Identification of material issues

for which purpose the company performed a benchmarking of major players in the sector and of its competitors based on their materiality matrices, as well as an analysis of the main public announcements and initiatives both in Spain and abroad. In addition, it considered sustainability standards such as SASB, GRESB and GRI, as well as regulations governing non-financial information.

A total of 25 issues were identified, and grouped into five dimensions: Economy, People, Environment, Society and Governance.

Environment

- ▶ Energy transition
- ▶ Resource efficiency
- ▶ Climate change
- ▶ Biodiversity
- ▶ Circular economy
- ▶ Water footprint



Governance

- ▶ Ethics and Compliance
- ▶ Human rights
- ▶ Management of non-financial risks
- ▶ Good governance



Social

- ▶ Dialogue with local communities
- ▶ Managing dialogue with stakeholders



People

- ▶ Occupational health and safety
- ▶ Developing human capital
- ▶ Work-life balance
- ▶ Management of equality and diversity



Economic

- ▶ Service quality and customer focus
- ▶ Business opportunity
- ▶ Digital transformation
- ▶ Financial management (financial performance)
- ▶ Cybersecurity
- ▶ Regulatory environment
- ▶ Supply chain management
- ▶ Innovation
- ▶ Socially responsible investment



2. Consultation with internal and external stakeholders.

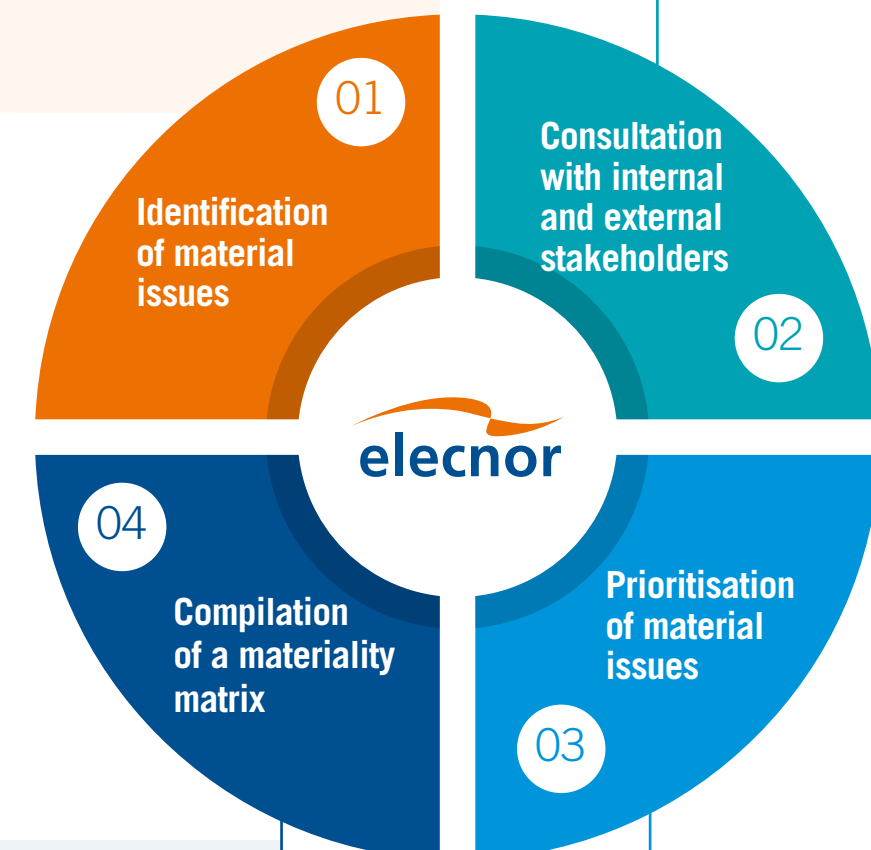
Elecnor sent a questionnaire to both its main stakeholder groups and the Group's Management in order to obtain their assessment of the issues identified in the preliminary phase.

3. Prioritisation of material issues.

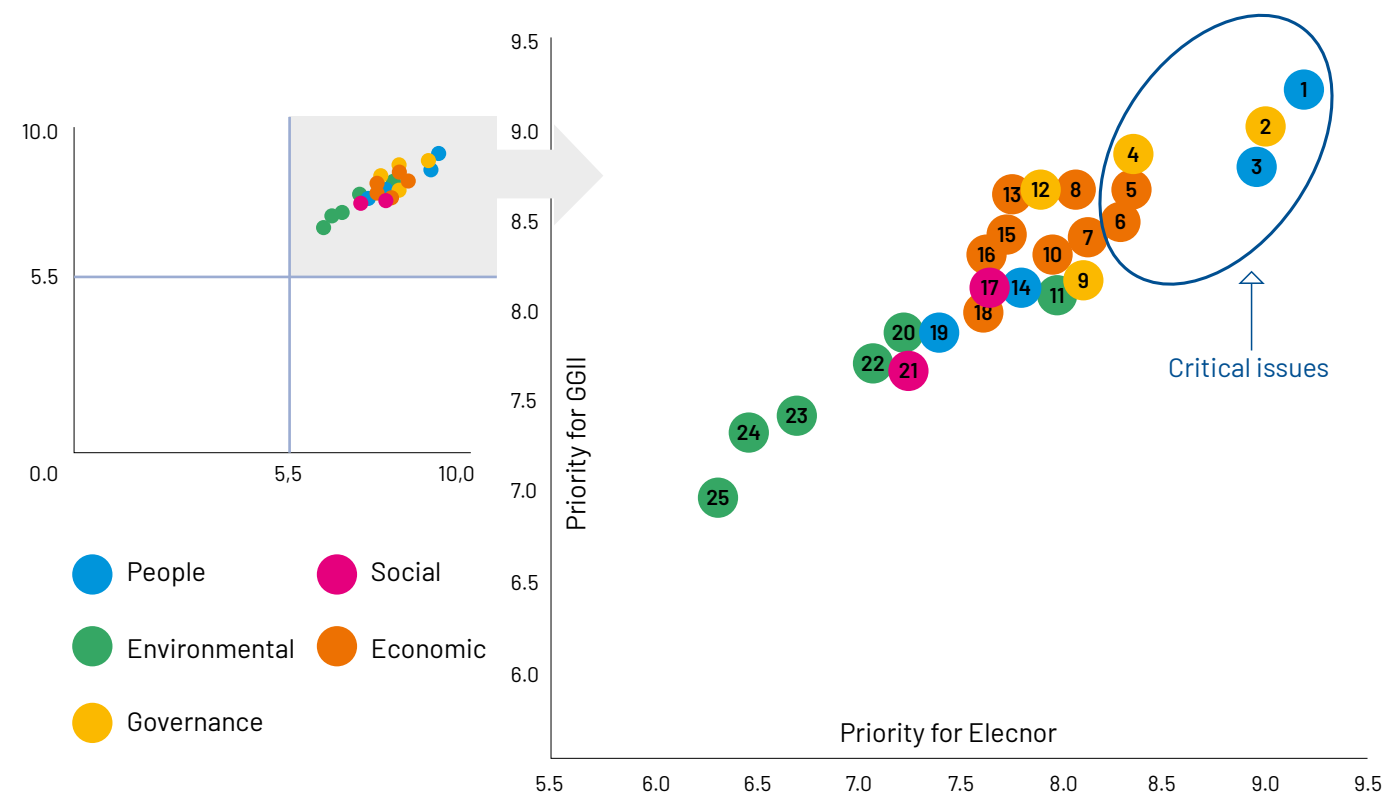
Based on the assessments by the stakeholder groups and Management, a list of priority material issues was compiled, ordered from highest to lowest significance.

4. Compilation of a materiality matrix

based on the results obtained. Said matrix contains the issues arranged by significance for the Elecnor Group and its stakeholders. The results were validated by Management.



MATERIALITY MATRIX AND MATERIAL ISSUES



Critical issues	Priority issues	Relevant issues
1 Occupational health and safety	7 Digital transformation	19 Management of equality and diversity
2 Ethics and Compliance	8 Financial management (financial performance)	20 Resource efficiency
3 Developing human capital	9 Management of non-financial risks	21 Dialogue with local communities
4 Human rights	10 Cybersecurity	22 Climate change
5 Service quality and customers focus	11 Energy transition	23 Biodiversity
6 Business opportunities	12 Good governance	24 Circular economy
	13 Regulatory environment	25 Water footprint
	14 Work-life balance	
	15 Supply chain management	
	16 Innovation	
	17 Managing dialogue with stakeholders	
	18 Socially responsible Investment	

All the issues identified were considered to be material for the Elecnor Group and this is reflected in the Non-Financial Information Statement and in

this Integrated Report, which provides details on all of them. Because of the significance of critical issues, below is an outline of their relationship with GRI standards and the

Sustainable Development Goals, as well as their internal and external impact:

Critical issues	GRI standard	SDGs	Internal Impact	External Impact
Occupational health and safety	403-1	 	✓	✓
	403-2			
	403-3			
	403-4			
	403-5			
	403-6			
	403-7			
	403-8			
	403-9			
	403-10			
Ethics and Compliance	102-16	 	✓	✓
	102-17			
	102-18			
	205-2			
	205-3			
Developing human capital	401-1	  	✓	
	404-1			
	404-2			
	404-3			
Human rights	102-16	  	✓	✓
	102-17			
	406-1			
	410-1			
	412-2			
Service quality and customer focus	416-1	  		✓
Business opportunities	Elecnor's own indicator. GRI does not include indicators linked to this aspect.	   	✓	

Sustainability management

Elecnor considers it has an inherent responsibility in every aspect of the implementation of its activities and its business strategy, as well as its relations with stakeholders. This commitment is enshrined in the Group's Corporate Social Responsibility Policy, where it outlines its undertakings with employees, customers, suppliers and shareholders, among others.

In a milestone development, in 2020 Elecnor established a Sustainability Committee that reports to the General Secretariat. This Committee, coordinated by the Group's Communications Department, is transversal and has representation in the various corporate and business areas: Human Resources, General Services, Health and Safety, Quality and Environmental Management, Finance, Internal Audit and Compliance, Export Financing, the wind power subsidiary Enerfin, Elecnor

Foundation, Investor Relations and Corporate Governance.

This Committee was established 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.

The Committee's actions are supervised by Elecnor's Management and referred to the Appointments and Remuneration Committee of the Board of Directors.



ELECNOR IN 2020



2020 MILESTONES



JAN

Award of a contract to build the 9.2 MW Arrecife wind farm owned by the Lanzarote Water Consortium, for EUR 11 million respectively.



FEB

After a hard-fought international tender, the Group was awarded the construction of one of the largest developments for the provision and supply of water in Oman for EUR 192 million.

Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria (Sareb) chose Elecnor to provide maintenance services for around 26,000 properties, one fifth of its portfolio.

Elecnor was awarded in the Dominican Republic the construction of the largest solar PV farm in the country, the 120 MW Girasol solar farm.



MAR

Elecnor has opened a new market in Belgium with the construction in the city of Ghent of a biomass cogeneration plant for EUR 86 million. It will have a power generation capacity of 20 MW.

In the context of the health crisis, Elecnor created the COVID-19 Monitoring Committee which prepared an action plan to protect the health of its workers; it launched a Special Contingency Plan focused on its activity as an essential supplier of critical operators in the system, and it established a procedure for its most vulnerable groups.



APR

In Valencia, Enerfín commissioned the Cofrentes wind farm, the first facility of this type opened in the region since 2012. Investment in the wind farm was EUR 53 million.



MAY

Elecnor was awarded the construction of the energy transmission system for the new natural gas generation plant in El Salvador. This new plant will result in a transformation in the energy mix of the country and Central America.



JUN

The group signed with Société Générale its first line of 'green guarantees' worth EUR 70 million, to finance environmentally respectful and socially responsible ecological projects.

Elecnor consolidated its presence in Norway with the award of the construction of two substations for the state-owned company in charge of the country's electricity grid.



JUL

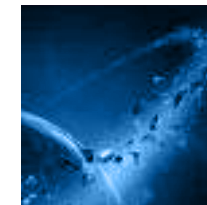
In Chile, Elecnor was awarded the construction of the 185 MW Cerro Tigre wind farm and its associated electrical systems. This wind farm will provide clean energy to the national mix from 2021 on.

The Group entered Finland to develop a 59 kilometre stretch of the 400 kV transmission line called "Forest Line", which will be the country's most modern line.



AUG

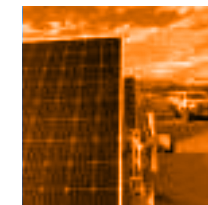
Start of the renewable activity in the Colombian market with the award of the construction of the 20 MW Guajira I wind farm. This is the second wind farm to be developed in Colombia.



SEP

In Mexico, award of the Coromuel wind farm, with a capacity of 50 MW and located in the Baja California Sur desert. This project will have a major impact on the power generation model in the area.

The Elecnor Group will provide the control system for the first European mission to clean space debris within the framework of the ADRIOS programme of the European Space Agency.



OCT

Elecnor Australia won the turnkey agreement for the first phase of the New England Solar Farm hybrid solar project which anticipates the commissioning of 520 MWp of the total 900 MWp. It is the largest hybrid solar energy project with batteries in the country.

The company was also chosen in Australia for the joint venture with Clough to build the EnergyConnect electrical infrastructure: 700 kilometres of high-voltage lines and 4 substations. The New South Wales government declared this project "Critical State Significant Infrastructure".



NOV

IQA, Elecnor's subsidiary in the United Kingdom, obtained a new telecommunications agreement to build a fibre optic network in north-east England.

The infrastructure will allow a service of 1,000 megabytes per second and will reach 109,000 homes.



DEC

Elecnor set up a Securitisation Fund called "Elecnor Eficiencia Energética 2020", to which it has assigned the credit claims derived from the contracts for the management of energy services and maintenance of street lighting installations. It is the first operation of this type in Spain.

ELECNOR ATTAINED PROFITS OF EUR 78.3 MILLION

Elecnor finished 2020 with a turnover of EUR 2.456 billion, a slight increase on the previous year.

The performance of the Group's businesses during the COVID-19 crisis has shown the essential nature of its operations, enabling consolidated net profit in the Infrastructure and Concessions businesses to reach levels attained in the previous year.

The Infrastructure Business showed a growth in its profit after tax of 7.5% compared to the previous year. Concessions Business assets showed good performance, despite the impact of the currency depreciations in the countries in which the group operates (Brazilian real and US dollar).

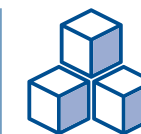
The Group's consolidated net profit finally came to EUR 78.3 million. Comparability with 2019 profit/loss is mainly affected by the impact of the corporate transaction arranged at the end of that year with APG; the acquisition of 42.6% and 44.3% of the stake in the companies Dioxipe Solar, S.L. and Aries Solar Termoeléctrica, S.L., respectively, by the company Celeo Termosolar, as well as other non-recurring amounts recorded in the Group's Annual Accounts.

Excluding these effects on profit/loss in the previous year, the Group's profit in 2020 is similar to that of last year.

The production portfolio at the end of 2020, whose execution is expected to occur within the next twelve months, came to EUR 2.273 billion, 2.3% more than in 2019. 73% of the portfolio corresponds to the international market.

In 2020, the Group's operating activity enabled it to generate a cash flow of EUR 194 million and its net investment amounted to 209.6 million.

Corporate net financial debt (EUR 130 million) fell by 4.2% with respect to the end of 2019, thanks mainly to the positive evolution of the Group's businesses in terms of cash generation.



INFRASTRUCTURES

Domestic

- Positive growth rates thanks to the maintenance or growth of customer investments.
- Leadership position in the services sector for major operators mainly in electricity and telecommunications.
- Major activity in the renewable energy sector developing construction projects in wind and solar PV farms.

International

- Positive evolution with the construction of electricity transmission lines in Brazil and Chile.
- Growth in US subsidiaries Hawkeye and Belco; in Italy with the power distribution and telecommunications activities; and in the United Kingdom with the electricity activity carried out by the IQA subsidiary.
- Of note are the substation, transmission line and hydroelectric plant projects and construction of the water supply systems in Angola; the substations and construction of solar PV farms in Ghana; and the construction of hydroelectric plants in Cameroon.
- In Australia work has commenced to install the substation and transmission line for a hybrid solar-wind farm at Port Augusta, as well as on the engineering and construction of the New England Solar Farm. Elecnor was also chosen to build the Energy Connect project which includes 700 km of high-voltage lines and 4 substations.



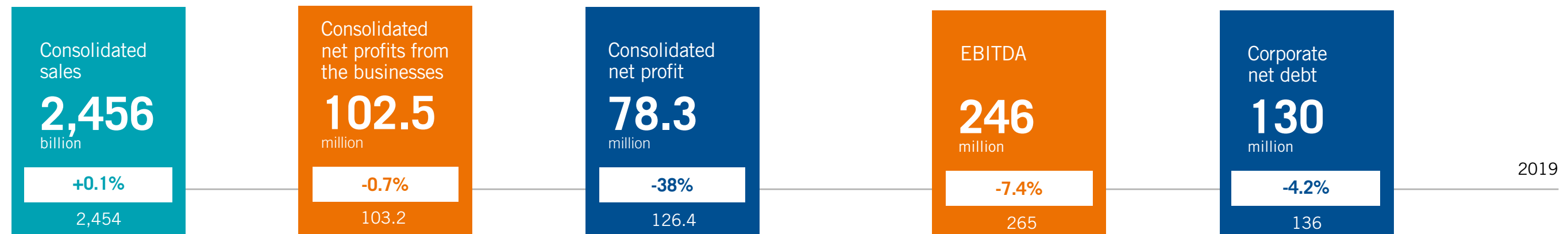
CONCESSIONS

- The effect of the pandemic on business was modest because most of the assets are in operation.
- Some assets performed well, despite the impact on the income statement of currency depreciations in countries where operations are carried out.
- Some assets currently under construction have experienced delays, but they are not expected to significantly affect the profitability of the business.
- The Group operates 5,740 km of electricity transmission lines in Chile and Brazil, and has a capacity of 1,349 MW of wind energy in operation and under construction in Spain, Brazil, Canada, Colombia and Australia.

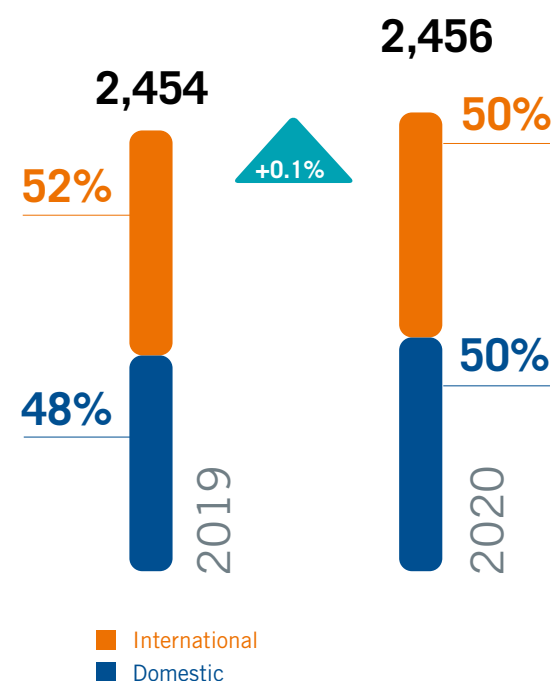


MAIN FIGURES FOR 2020

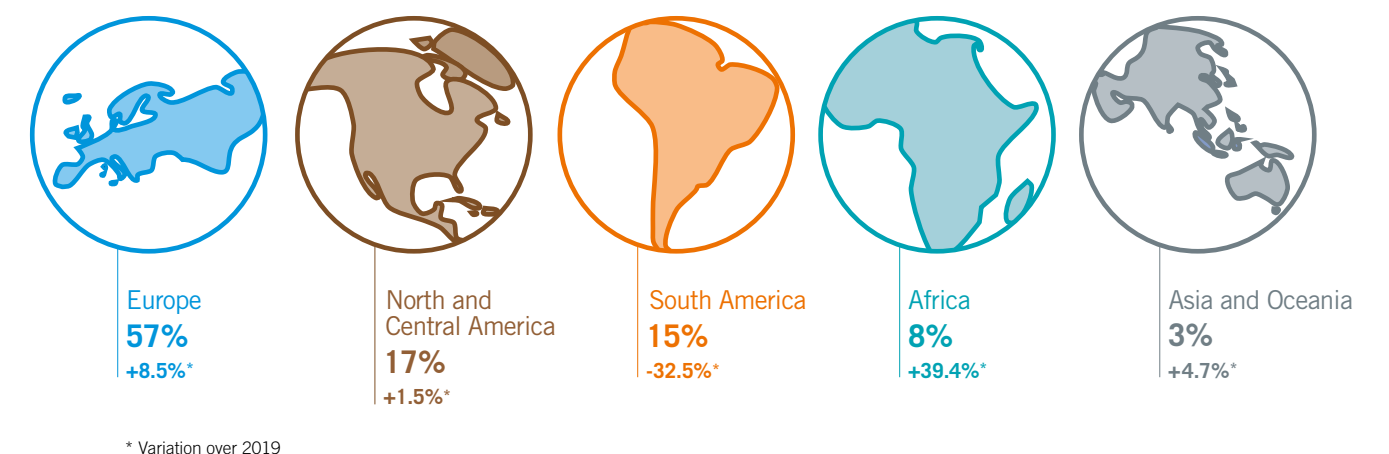
GRI 102-6, GRI 102-7



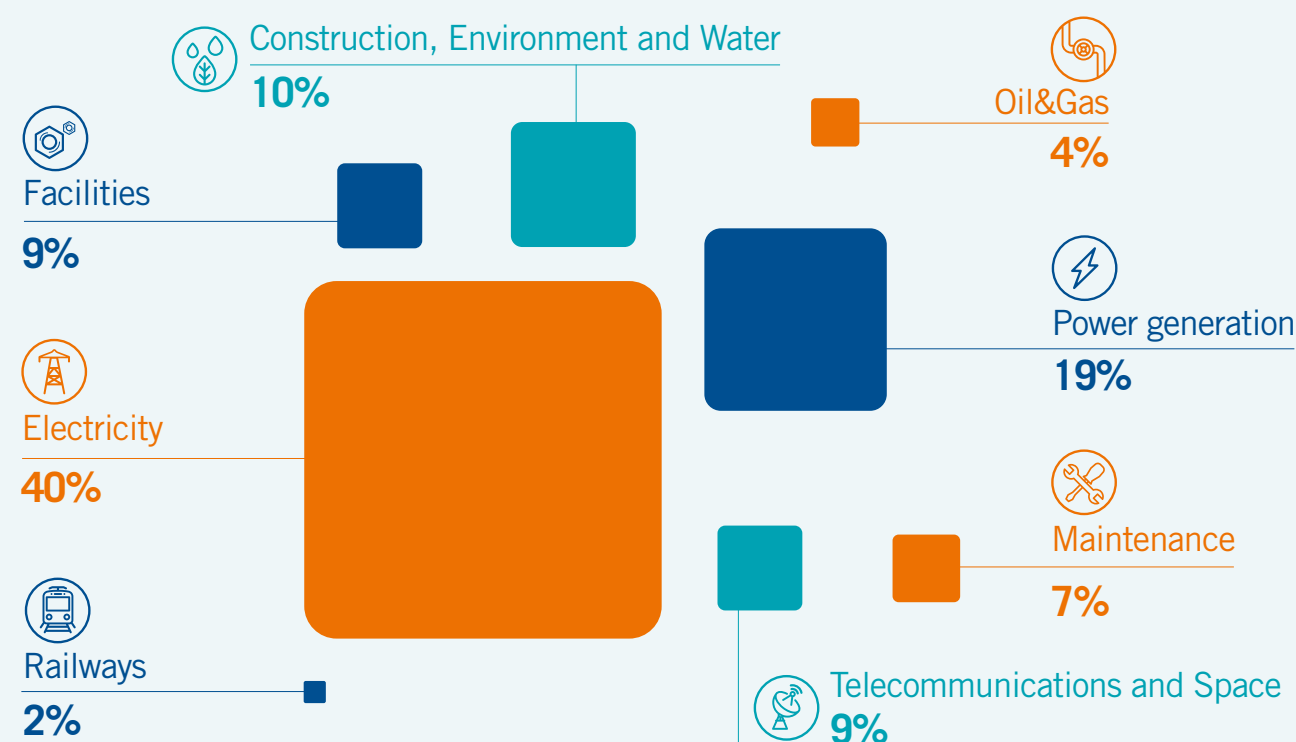
Sales
In EUR million



Sales by geographical area

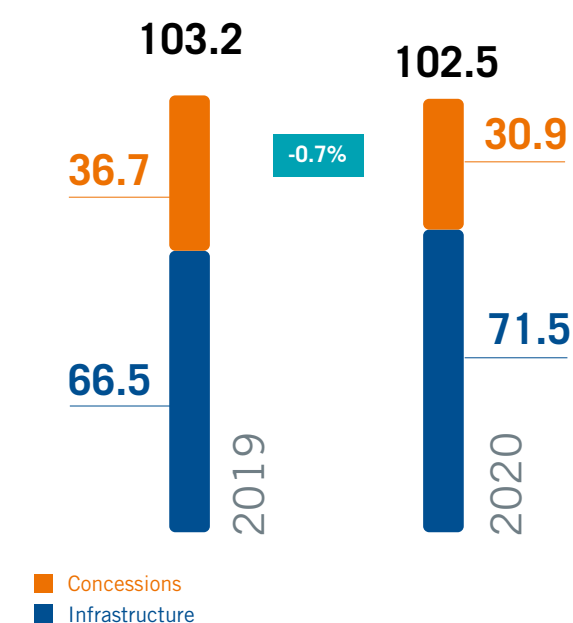


Diversification of activities as a strategy for continuing to grow and providing a global service



Consolidated net profits from the businesses

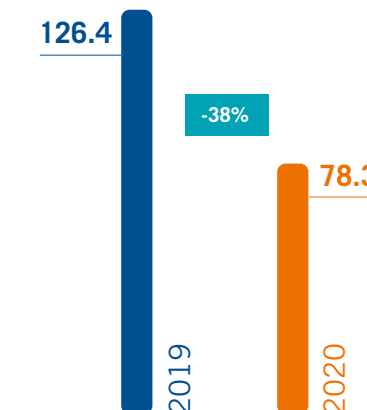
In EUR million



The performance of the Group's businesses during the COVID-19 crisis is showing the essential nature of its operations, enabling consolidated net profit in the Infrastructure and Concessions businesses to reach levels attained in the previous year.

The Infrastructure Business showed a growth of 7.5% compared to the previous year. Concessions Business assets showed good performance, despite the impact of the currency depreciations in the countries in which the group operates (Brazilian real and US dollar).

Net profit
In EUR million



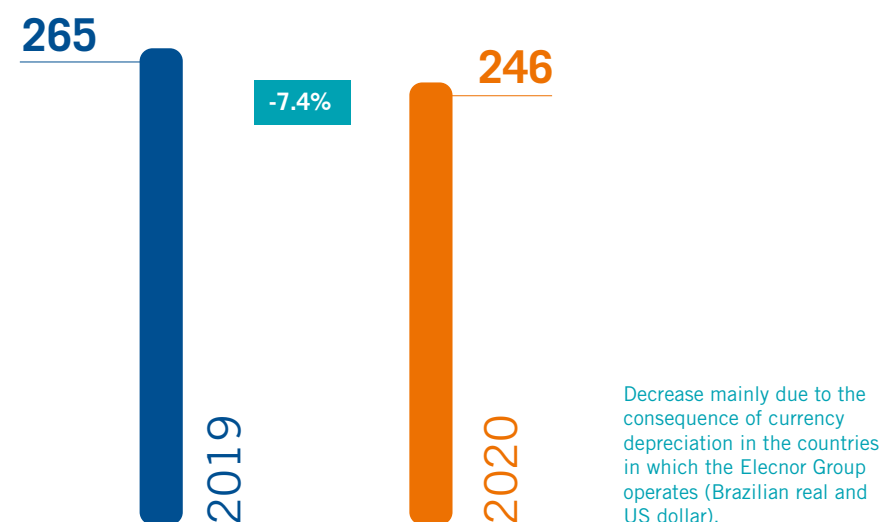
Comparability with 2019 profit/loss is mainly affected by:

- » The impacts resulting from the corporate transaction agreed at the end of 2019 with APG
- » The acquisition in July 2019 of 42.6% and 44.3% of the stake in the companies Dioxipe Solar, S.L. and Aries Solar Termoeléctrica, S.L., respectively, by the company Celeo Termosolar
- » Other non-recurring amounts recorded in the Notes to the Annual Accounts

Excluding these effects on profit/loss in the previous year, the Group's profit is similar to that of last year.

EBITDA was EUR 246 million

EBITDA In EUR million



Corporate net debt has fallen by 4.2%

Net Financial Debt

In EUR million

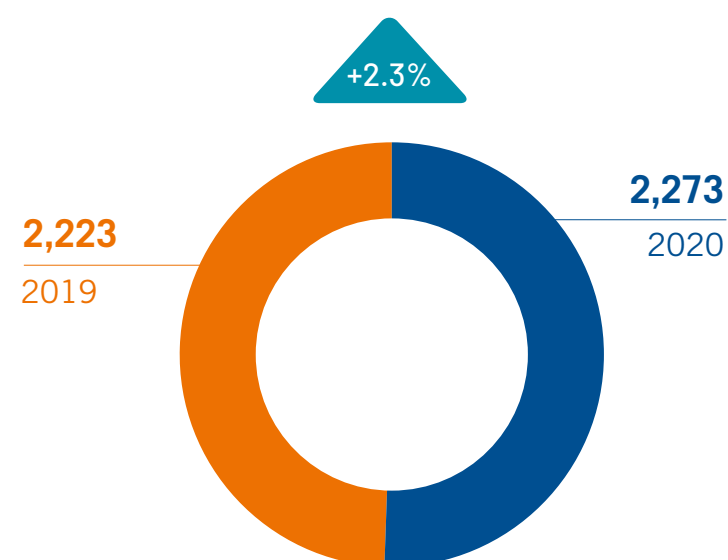
	2019	2020	
Corporate Net Financial Debt	136	130	-4.2%
Ratio of Debt to EBITDA with recourse + Projects div	0.92	0.83	
Total Net Financial Debt	494	537	+8.6%
Ratio of Net Financial Debt to EBITDA net from corporate transactions	1.86	2.18	

Positive evolution of the Group's businesses

Due to the financing under *project finance* arrangements for the São Fernando projects in Brazil

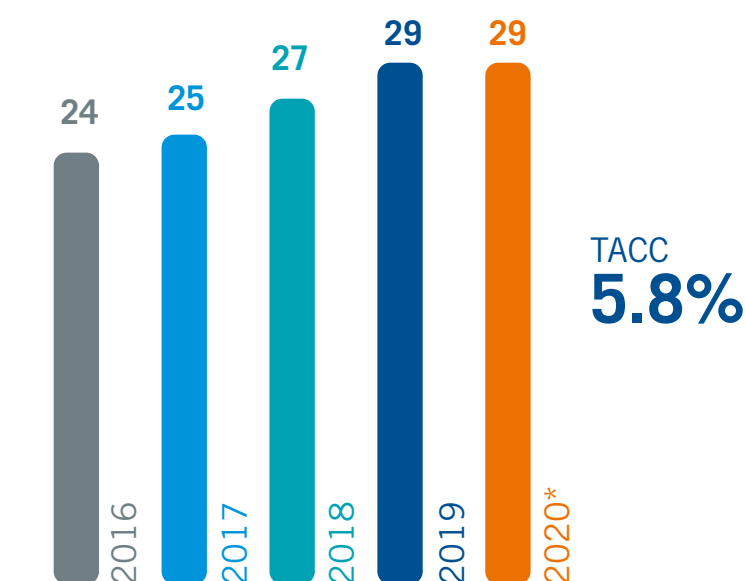
Portfolio of contracts pending execution over the next 12 months

Backlog In EUR million



Shareholder remuneration. Distributed dividend

In 5 years In EUR million



Accumulated dividend
EUR **134** million

Average
EUR **27** million

Pay-out 2020
36.9%

Dividends always distributed in cash

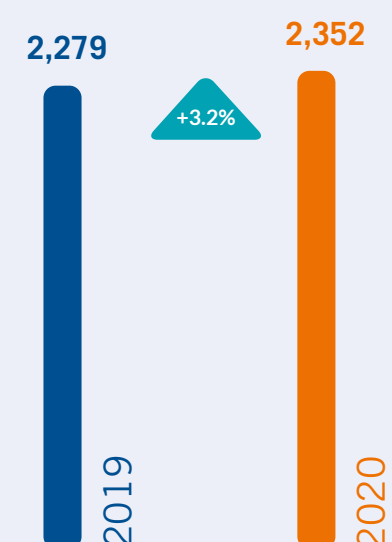
* Implementation of the 2020 results included in the report of the Board of Directors, pending approval by the General Shareholders' Meeting

Infrastructure Business

The Infrastructure Business has surpassed the levels achieved the previous year due to the essential nature of its operations and the strategic nature of its turnkey projects.

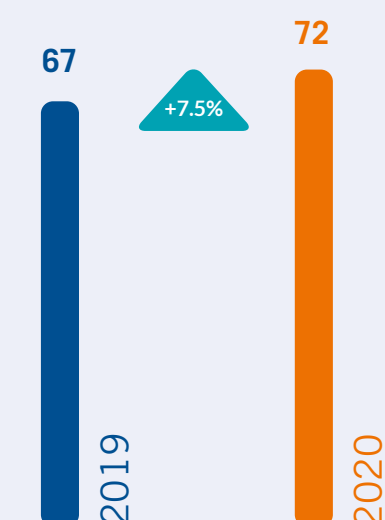
Sales

In EUR million



Net Profit

In EUR million

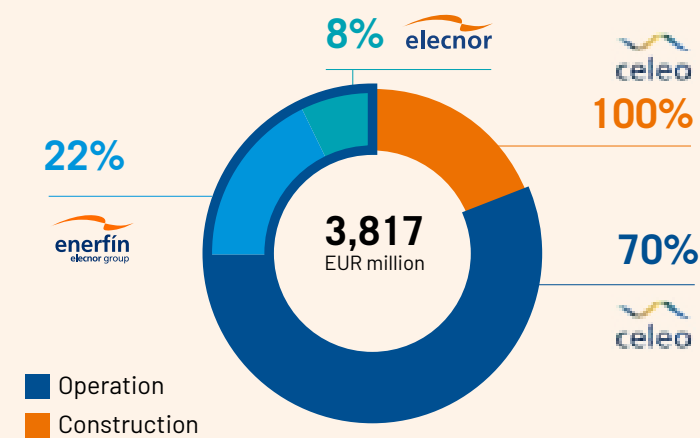


Cártama WWTP
in Málaga (Spain)

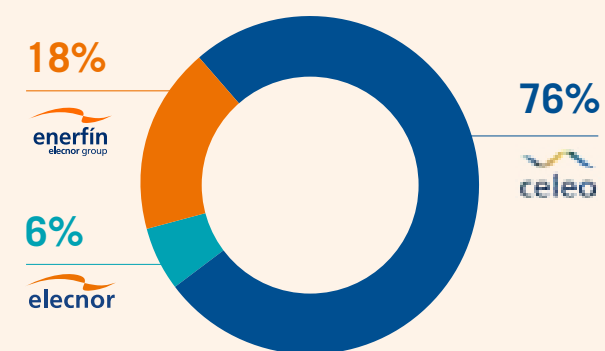
Despite the pandemic situation in 2020, the Infrastructure Business has achieved positive growth rates, thanks to the maintenance or growth of customer investments, both in the national and international market, as well as the Elecnor Group's leadership position in the services sector for major operators, mainly electricity and telecommunications operators.

Concessions Business

Assets managed

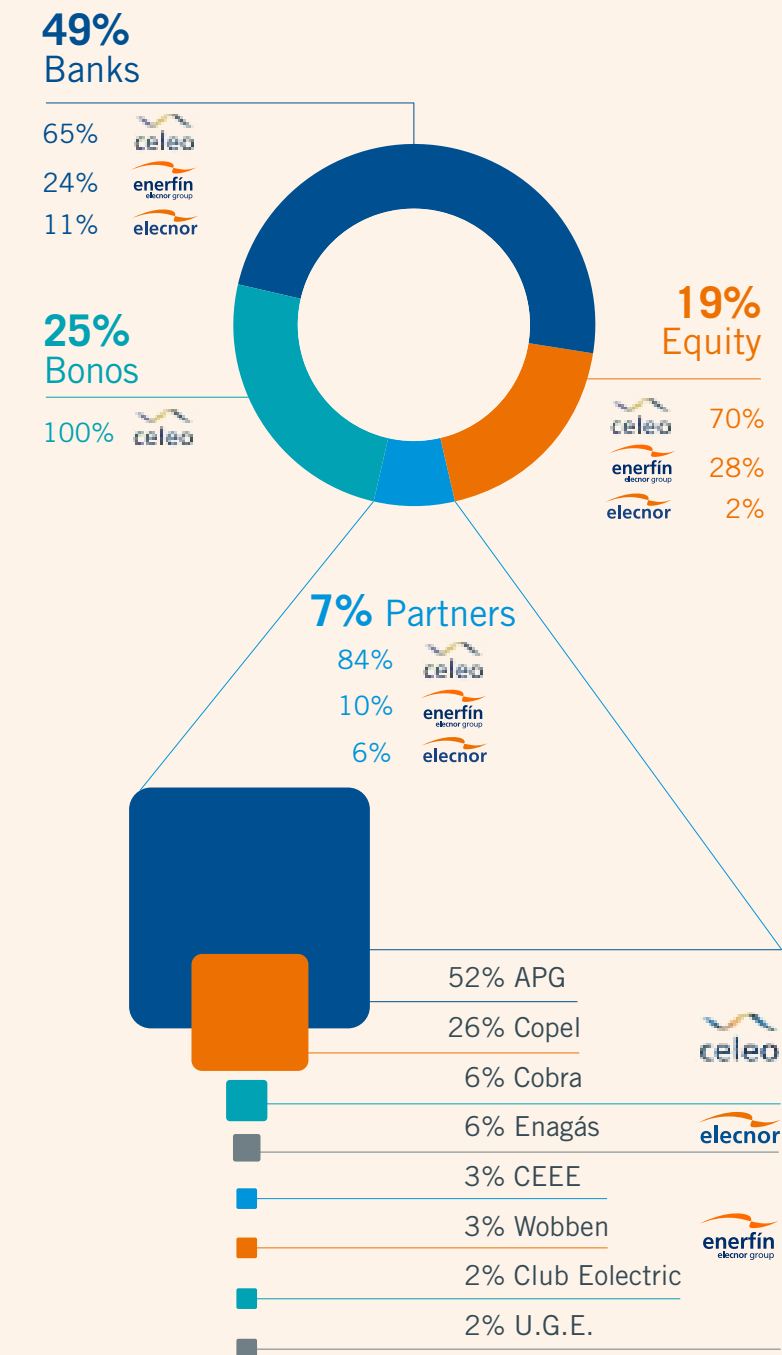


By companies

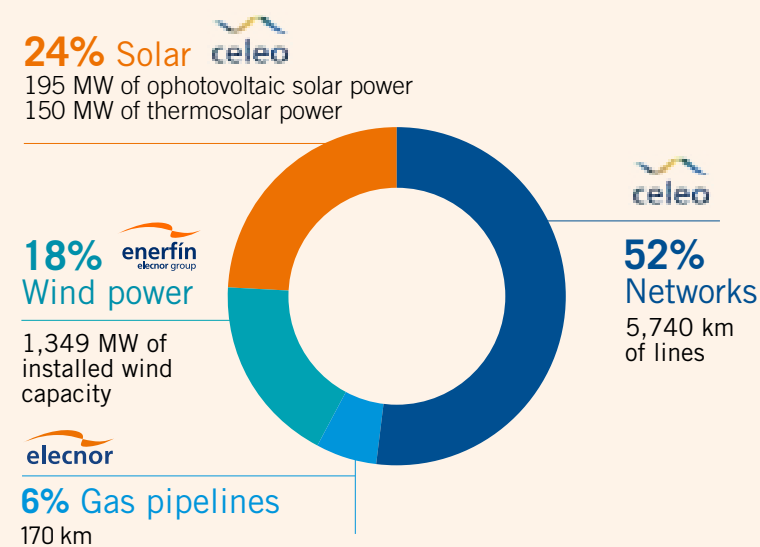


This information includes the magnitudes of all the projects in which it participates in the Group, regardless of the method of integration into the consolidated annual accounts.

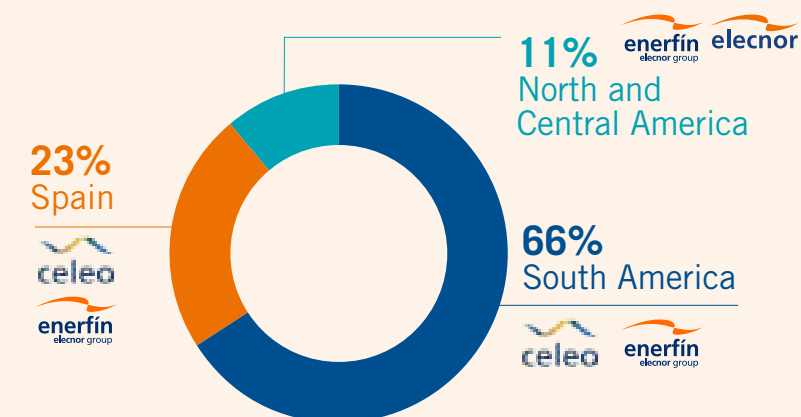
Origin of funds



By activities

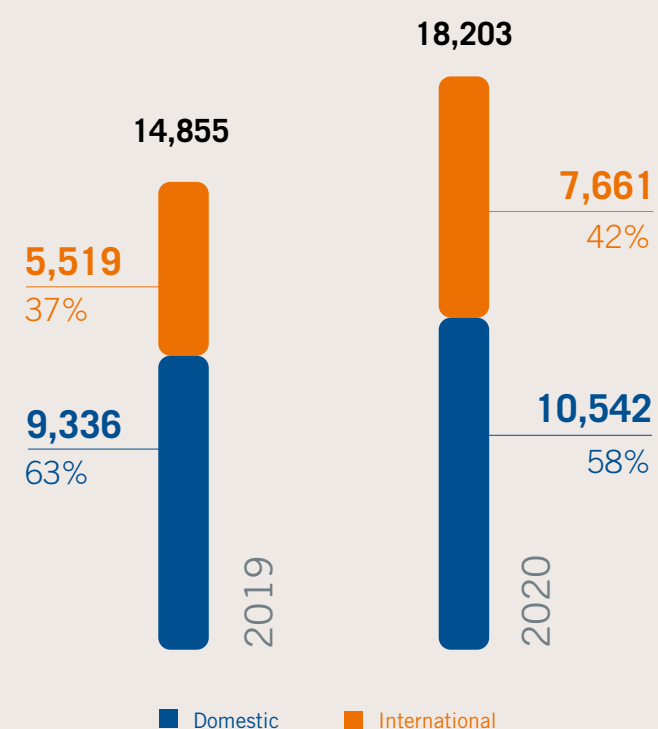


By geographical areas



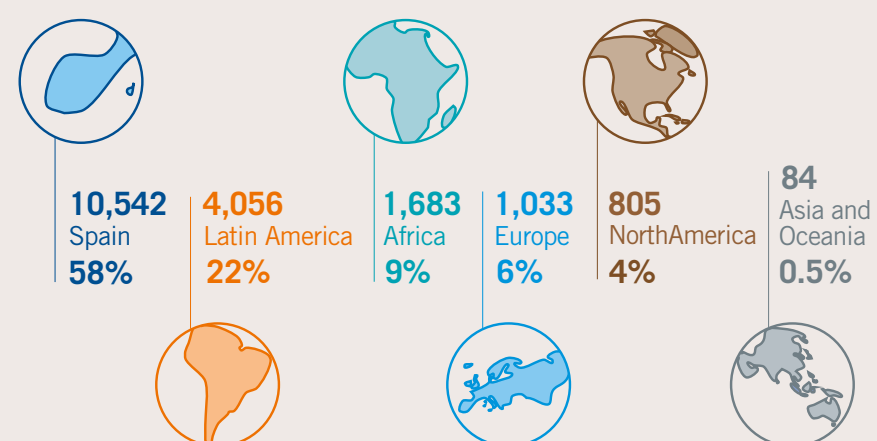
A team of more than 18,000 people

Employee developments by market



People are Elecnor's main asset, and its strategy is underpinned by values such as talent, transparency and team work in conditions of the utmost safety.

Employees by geographic area



Maintenance of Hospital Clínico San Carlos in Madrid (Spain)

PRESENT IN 55 COUNTRIES ON 5 CONTINENTS

GRI 102-4

Internationalisation has been one of Elecnor's strategic lines since its founding in 1958. It has continued to increase its international presence throughout its history, achieving impressive business figures, staff numbers and continuous growth in the production portfolio.

The keys to Elecnor's sustained international expansion are its intense and constant commercial activity and working together with prestigious partners through strategic alliances.

In 2020, Elecnor recorded sales in 55 countries worldwide. In the international market, turnover was EUR 1.217 billion, which represents half of its global turnover.

Its portfolio of signed contracts pending execution at the end of the year and which are expected to be executed over the next 12 months amounted to EUR 2.273 billion. Of this portfolio figure, 73% corresponded to the international market, equivalent to EUR 1.659 billion.

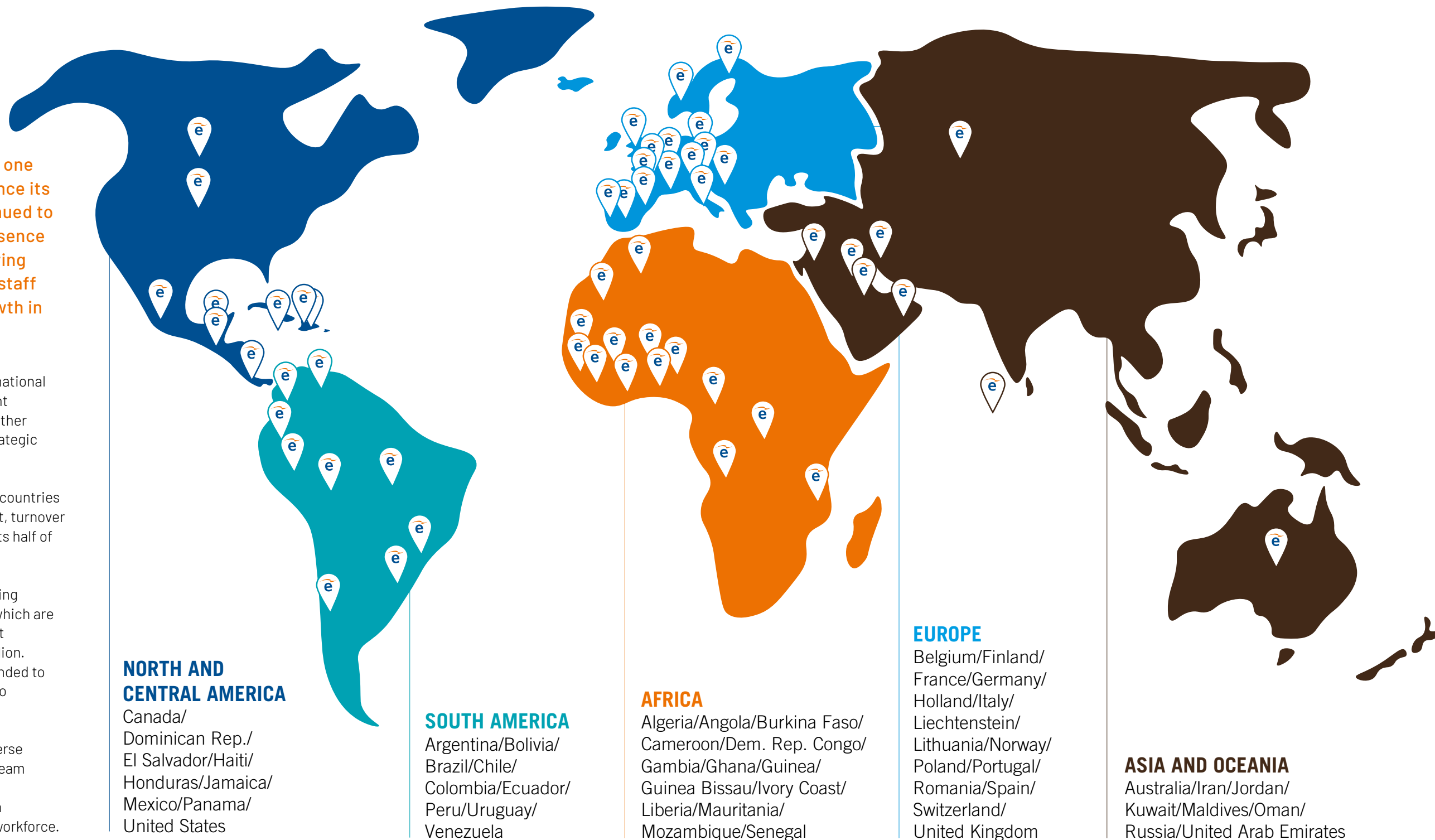
The Elecnor Group is made up of a diverse multicultural team. The international team consists of 7,661 people of more than 30 nationalities on 5 continents, which represents 42% of the Group's entire workforce.



7,661

EMPLOYEES
ABROAD

(42% of total employees)



SUSTAINABLE VALUE. ASG COMMITMENT

Protecting our environment

Climate Change Strategy 2030

Highest score in the international CDP ranking, endorsing Elecnor's leadership in the fight against climate change

Certified AENOR Environment CO₂ Verified as per ISO 14064-1

Boosting renewable energy and energy efficiency

24%

CARBON FOOTPRINT REDUCTION
IN 7 YEARS



People-centered

Prevention of occupational risks at business center
Promoting equality and diversity

Operational excellence

Partnering with ODS

Dialog with local communities



We invest and develop infrastructure for the progress of society

20%
INCREASE IN WOMEN IN
EMPLOYMENT

30%
WOMEN IN
STRUCTURE

INCLUSION OF PEOPLE AT RISK
OF SOCIAL EXCLUSION



Good governance

The highest ethical standards

Zero tolerance to bad practices

Ethical Code

Information transparency

Creation of Sustainability Committee



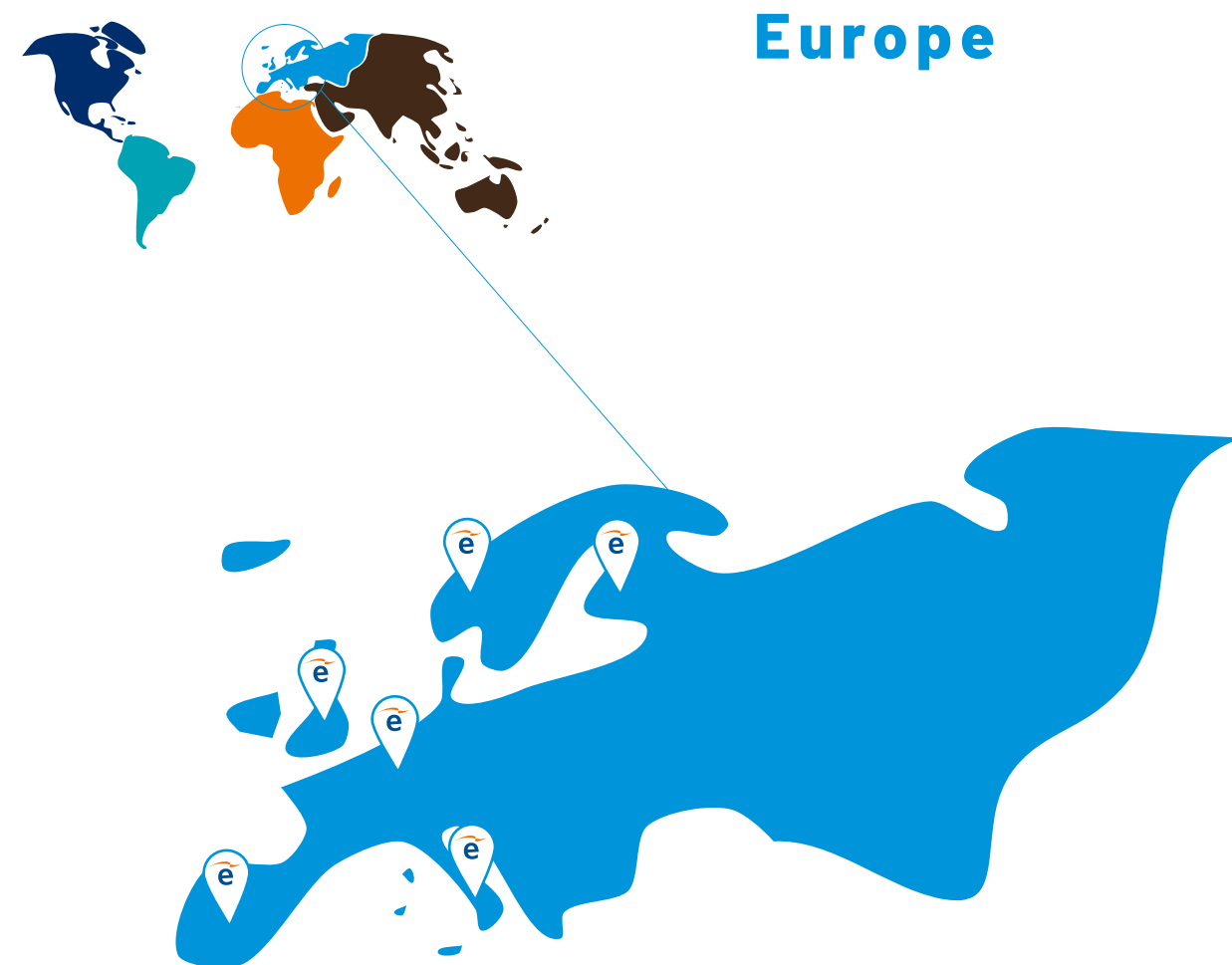
**UNE-ISO 37001
ON ANTI-BRIBERY
MANAGEMENT
SYSTEMS**



**UNE 19601
ON CRIMINAL
COMPLIANCE
MANAGEMENT
SYSTEMS**



ECONOMIC CONTEXT. ELECNOR ENVIRONMENT



Europe

Spain

- GDP fell 11%.
- Unemployment rose by 724,532, its biggest annual increase in 11 years.
- For 2021, GDP growth of 6.7% is expected.

Elecnor maintains its position as a leader in the domestic services market for major operators mainly in electricity and telecommunications. In addition, due to the complicated economic situation resulting from COVID-19, the Group managed to promote its activity in the renewable sector, both in wind energy and solar PV, with the award and commissioning of several projects.

United Kingdom

- GDP fell by 4.9%.
- Unemployment rose 5.1% to a five-year maximum.
- Consumer prices increased 0.6% due to Brexit and COVID-19.

The British business has continued to grow and consolidate its strategy on three lines of business: electricity, telecommunications and international activity infrastructures. The pandemic has caused a significant reduction in work volumes in the electricity activity, but in telecommunications, IQA, the Group's subsidiary in the country, has continued to have success. Specifically, a new contract was awarded to roll out fibre optic, which will reach more than 100,000 British homes. It is the second agreement of this type in the country in less than a year.

Italy

- GDP fell by 8.9%.
- The unemployment rate was 9%, closing the year better than it started it.
- The Harmonized Index of Consumer Prices, which measures price changes with the same method in every country in the euro area, fell 0.3% year-on-year.

The Group's activity in Italy continues to go from strength to strength. During the year, the first contracts in the Emilia-Romagna and Lombardy region were signed, both in the electricity distribution and telecommunications activities. Growth has also begun to be projected in the Veneto and Sardinia regions.

Norway

- Norway's GDP fell in 2020 by 10%.
- The unemployment rate rose to 5%, one point more than last year.
- The economy contracted by 2.8%, a mild slowdown compared to most European countries.

Elecnor's subsidiary in Norway focuses its activity in two of the company's traditional businesses. Electricity infrastructure and the railway sector. The Group has been present in Norway since 2015, when it was awarded a rail infrastructure project for high-speed trains. It remains a leader today in the development of energy infrastructure to meet the country's electricity supply needs.

Finland

- Its public debt was EUR 159.112 billion, representing a debt of 67.1% of GDP.
- It ended the year with an unemployment rate of 8.9%.
- The CPI in December was 0.2%.

Elecnor embarked on its journey in this Scandinavian country this year with the award of its first project there. It is a contract for the construction of a 400 kV transmission line, which will be the most modern in the country. It involves the development of a 59 kilometre stretch called "Forest Line", which will replace the system currently used with a new one doubling its power.

Belgium

- GDP fell by 6.3%.
- The unemployment rate was 5.8%.
- It ended 2020 with an CPI of 0.5%.

Elecnor obtained in 2020 the Group's first project in Belgium. It is for the construction of a biomass cogeneration plant in Ghent which will have a power generation capacity of 19.9 MW by burning locally sourced non-recycled demolition timber. The facility will be located in a former coal terminal in the city's port. The project also includes steam production to serve a nearby industrial company.



ECONOMIC CONTEXT. ELECINOR ENVIRONMENT



Central and North America



Canada

- GDP fell by 5.4% compared to the previous year.
- The unemployment rate was 8.6%.
- The inflation rate was 0.73%.

Continuing with the strategy of previous years, Enerfin's activity was focused on the provinces of Saskatchewan and Alberta, where it is making progress and exploring opportunities to develop wind farms. The Group's wind power subsidiary continues to manage its 100 MW L'Érable project, located in Quebec and in operation since 2014.

United States

- GDP fell by 4.9%.
- 90% of the contractors in the United States are concerned by the lack of labour.
- It ended the year with an unemployment rate of 6.7%.

The pandemic impacted the country greatly, causing many economic difficulties. Despite this, both Elecnor Hawkeye and Elecnor Belco, the Group's subsidiaries in the United States, have increased their turnover, mainly in gas distribution activities and projects related to the installation of fibre optic and electric vehicle chargers.

Mexico

- GDP fell by 8.5%.
- The unemployment rate reached 4.7%. During the third quarter the number of unemployed people rose to approximately 2.8 million.
- In December, the Consumer Price Index varied in year-on-year terms by -0.1%.

The federal government issued a series of statements amending the electricity despatching rules, prioritising the generation of assets managed by the CFE, most of which combined cycle plants, thus penalising wind and photovoltaic generation. Despite this circumstance, Elecnor successfully completed the three CFE electrical projects and is on schedule with the two wind farms that it is developing.

El Salvador

- Contraction of GDP by 10%.
- Public spending on energy infrastructure development was redirected to address and solve the impacts of the COVID-19 pandemic.
- Unemployment rate of 9.4%.
- Cumulative inflation is at -0.1%.

The impact of the crisis on El Salvador resulted in the halting of both public and private investment, causing a slowdown in the Group's activity in the country. Despite this, the major milestone of participating in the mega project that will transform the energy mix of the country and Central America was achieved: the construction of the transmission system for the evacuation of power generated by a new 378 MW natural gas generation plant.

Dominican Republic

- The unemployment rate was 16%.
- GDP at the end of the year had fallen by 7.7%, although it did record a fall of 29.8% in April.
- The inflation rate exceeded 5%.

Despite the pandemic, Elecnor obtained the award and construction of several projects in the Dominican Republic. The most important of them was the signing with Empresa Generadora de Electricidad Haina (EGE-Haina) of the EPC contract for the 120 MW Girasol solar farm, which is the country's largest PV generation plant.

Panama

- The Panamanian economy contracted by 17.9% due to the COVID-19 pandemic.
- The unemployment rate shot up finishing the year at 18.5%.
- The Consumer Price Index was -1.6%.

The Panamanian energy market was severely affected by the pandemic, but Elecnor made very positive progress in the country. The company is now the main reference in power transmission in Panama after obtaining two projects for the state-owned company, ETESA (Empresa de Transmisión Eléctrica S.A.), which manages the Panamanian national network. It has also promoted its activity in the renewables sector, mainly in the wind power and photovoltaic area.

ECONOMIC CONTEXT. ELECNOTR ENVIRONMENT



South America

Brazil

- GDP fell by 4.5%.
- The local currency, the real, had a sharp devaluation of around 30% against the dollar and the euro.
- Inflation rose to 4.5%.

Despite the country's negative situation, Elecnor do Brasil has had success in contracting new projects, diversifying activities, billing and growth. Brazil is the Elecnor Group's second biggest market after Spain. This is due to such notable achievements as the Rio Grande do Sul wind farm, one of the largest in the southern hemisphere, the São João do Piauí PV farm in Piauí and the more than 10,200 km of electricity transmission lines.

Uruguay

- The economy stagnated initially and then, during the second half of the year, was subject to a slowdown due to the crisis caused by the COVID-19 pandemic.
- Fall in GDP of 4.5%, one of the most moderate ones compared to countries in the region.
- The unemployment rate was 10.5%.

The Group's Uruguayan subsidiary, Montelecnor, focused its strategy on its activity in the energy, water, telecommunications and civil infrastructure sectors. Contracts have been renewed and new ones were obtained with the country's main public companies, which has strengthened its positioning as one of the main partners of Uruguayan public companies.

Chile

- COVID-19 has strongly impacted the country's economic activity, employment and revenue.
- Fall of 6% in annual GDP
- 10.3% increase in number of unemployed people.
- 3% inflation.

Although the pandemic had a significant impact on the country's economy, Elecnor Chile has managed to make major progress with its activities in energy infrastructure, telecommunications and power generation. It has also certified its Quality Management System in ISO 9001 and the Environmental Management System in ISO 14001, major milestones for the company's sustainability.

ECONOMIC CONTEXT. ELECNOR ENVIRONMENT



Africa

Angola

- The economy contracted by 4%.
- The currency depreciated by 36%, which mitigated the fall in the price of oil in its budgets.
- Public debt shot up to 122% of GDP.

As in recent years, the four state-owned contracting organisations are in a fragile financial position. In this environment, Elecnor Angola has been developing projects by promoting external financing and via international tenders from multilateral institutions. Electricity, water and hydropower infrastructure activities have been the driving force of Elecnor's business in the country.

Ghana

- GDP fell by 85.69%.
- The CPI increased to 10.6%, which compared to the previous year represents an increase of 47.67%.
- The unemployment rate increased by 10%.

To date, all projects carried out in the country have been associated with the energy sector and have received bilateral or multilateral financing. However, due to the macro situation, major international funders have concentrated their financing on other sectors. For this reason, Elecnor Ghana has focused its efforts on diversifying its sectors of activity, such as water and sanitation, oil & gas and infrastructure maintenance, among others.

Cameroon

- 2.7% fall in GDP.
- Inflation is controlled at 2.8%.
- Its public debt was 36.9%.

Despite the difficult global situation, 2020 was a positive year and one of growth for Elecnor's activities in Cameroon, with a strong expansion of the local organisation, which now exceeds 350 people. Work at the Natchigal hydroelectric plant as well as at diverse electricity infrastructures advanced at a good pace during the year.

ECONOMIC CONTEXT. ELECNOR ENVIRONMENT



Asia and Oceania

Asia

Oman

- GDP fell by 30.25%.
- The unemployment rate was 4.97%.
- The CPI at the end of the year was -1.5%.

Despite the crisis caused by COVID-19, Elecnor has managed to boost its presence in the country with the award of a major contract. It is a water infrastructure project that will enable it to double the water transport capacity from the Barka and Sohat desalination plants (in the north of the country) to the drinking water network. This will strengthen the supply of the Al-Batinah region, which is one of the most populated in the country.

Oceania

Australia

- GDP fell by 2.4%.
- Its unemployment rate was 6.6%.
- For 2021, Australia has shown an improvement in its forecasts, as its economy is recovering more quickly than expected after the economic crisis.

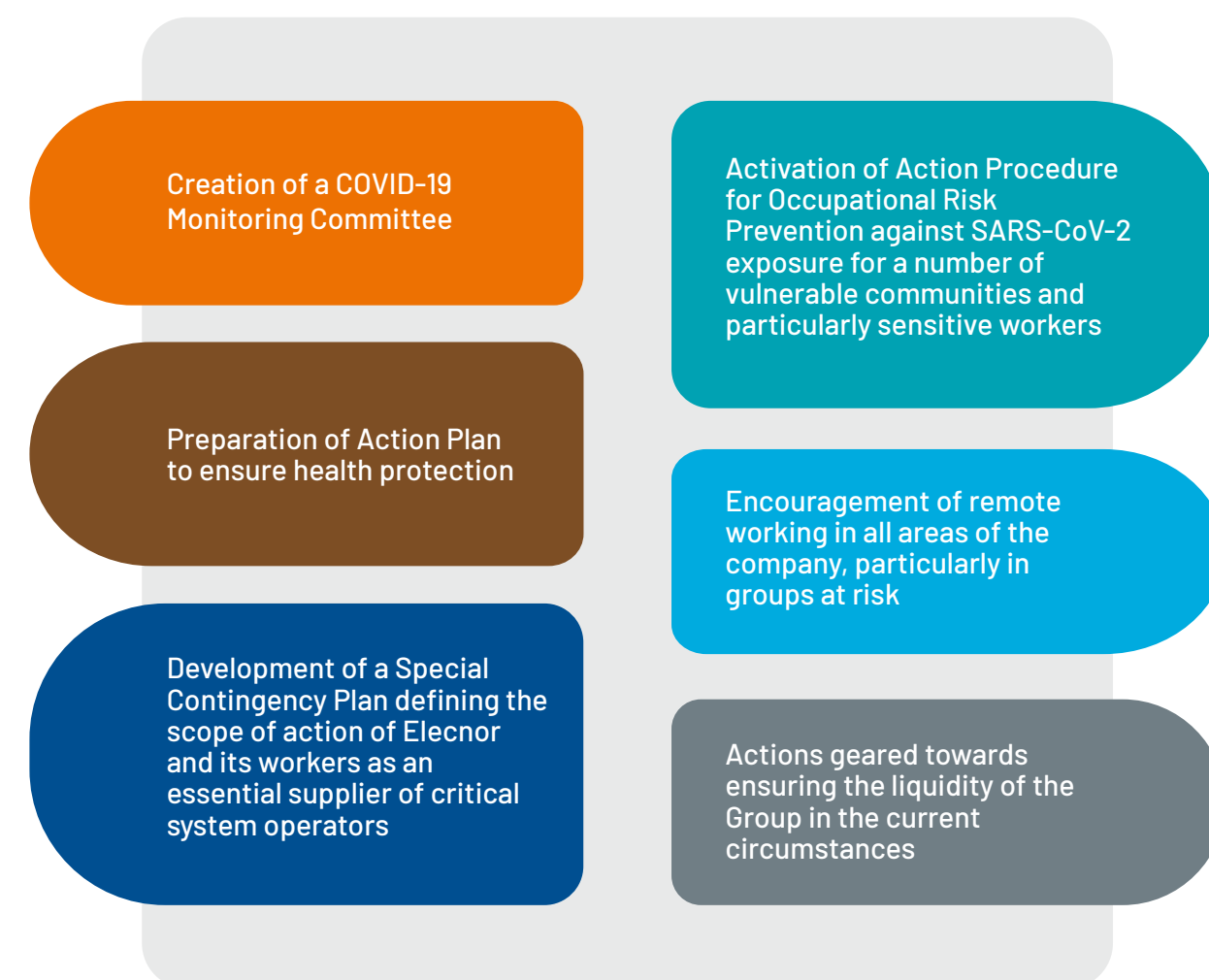
2020 was probably Elecnor Australia's most important year since its founding in 2014. The company saw its consolidation as one of the leading EPC contractors in the photovoltaic market, it obtained its first wind power project and it was awarded the largest transmission project in Australia's history. These advances have helped Elecnor to position and to consolidate itself as one of the leading references in the Australian energy sector.

MANAGEMENT IN TIMES OF COVID-19

For the Elecnor Group, commitment to health and safety has always been a priority from the very beginnings of its activity.

In 2020, with the outbreak of the pandemic, the Elecnor Group adopted action protocols following the government recommendations issued by the competent authorities in each market where it operates, prioritising, at all times, the protection of the health and safety of its workers, customers, suppliers and other stakeholders.

With this objective, Elecnor has introduced the following initiatives which it has extended from its main market, Spain, to the 55 countries where it operates:





The Elecnor Group has been facing this exceptional situation by reorganising its productive activity to ensure critical infrastructures in the energy, telecommunications, water, gas and transport sectors remain operational, providing an essential service for all utilities.

This is how the Group's activity proceeded in some of its main international markets:

EUROPE

Italy

Despite the many changes in legislation during the first few months of managing the pandemic, Elecnor acted in Italy with great speed to guarantee the health and safety of its workers and comply at all times with the protocols and measures issued by the government.

Being one of the first countries affected by the situation, it was in Elecnor Italy where the first anti-COVID-19 measures were devised, serving as a preamble to drafting a general protocol for the entire Group.

Elecnor Italy has continued to grow despite the pandemic. With its customers, it began a territorial expansion, resulting in the hiring of more than 100 people for the new contracts obtained during the year.

Norway

Despite the global situation caused by the COVID-19 pandemic, Elecnor's subsidiary in Norway was able to carry out its activities without any impact on the predefined deadline in its projects. The year was also very positive, consolidating Elecnor's position in Norway with the award of new electricity and rail infrastructure contracts.

United Kingdom

As a result of the pandemic, all the production processes of IQA, the group's British subsidiary, were reviewed to adapt the work to the situation following the recommendations issued by government bodies and customers, as well as the guidelines laid down by the Group and the subsidiary's health and safety team.

In the first strict lockdown in the United Kingdom, from the end of March to the end of July, practically the entire electricity activity was halted, forcing a reorganisation of all operations for almost five months. However, the telecommunications activity was considered an essential service from the start of the pandemic, which did not affect its activity. The electricity activity was resumed in the second half of the year.

AMERICA

United States

Taking advantage of the Elecnor Group's experience in other parts of the world where the effects of the pandemic impacted previously, an action plan was prepared with the main goal of protecting all workers. Thus, both Hawkeye and Belco, the US subsidiaries, adapted rapidly to the measures introduced and were the first companies in the country to organise secure access to the facilities, as well as the telework operations.

Mexico

After the WHO declared the COVID-19 pandemic, the offices were closed, telework was introduced and all the necessary items were provided to the teams so that they could perform their duties effectively.

All private sector works were suspended and then reactivated once the energy sector was classified as an essential activity.

Brazil

After the declaration of the state of emergency to contain the coronavirus in Brazil, Elecnor do Brasil designed strategies and actions to prevent and fight against the expansion of the virus. The objective was to quickly adapt to the situation and new reality to guarantee the health and safety of everyone related directly or indirectly to Elecnor do Brasil's operations. This led to the creation of the Contingencies Committee, where discussions and decision-making were aligned at all times with the COVID-19 committee created in Spain.

El Salvador

El Salvador was one of the regions where COVID-19 impacted hardest. A range of measures were introduced to guarantee the health and well-being of all collaborators who performed their tasks during the worst months of the crisis. These measures are still in force to date and will remain so until the global pandemic situation is under control.

From a local point of view, a relief campaign was activated to help more than 6,000 people from communities within the area of influence of the projects. A total of 1,000 baskets of basic goods and prevention equipment were donated.



Donation of basic food and prevention equipment (El Salvador)

Honduras

The government decreed a strict curfew and the stoppage of work from 15 March. The subsidiary's activities in Honduras resumed in May because its projects were considered essential, being a priority in the national electricity transmission system. Following all the safety protocols, activities were restarted on a continuous basis at the project sites and the office from June.

Panama

At the end of March, the Panamanian government decreed the stoppage of all activities apart from the most essential, restriction on entering and leaving the country, as well as a strict lockdown which it maintained for almost six months, one of the longest in the world. The offices were closed and many projects were halted, but telework was introduced and all the necessary items provided to the Elecnor Panama team so that it could continue to perform its duties as best as possible.

AFRICA

Angola

In the context of a global pandemic and possible economic, social and health instability, and the stoppage of projects, Elecnor Angola chartered a plane on 9 April 2020 for the return of a significant part of its foreign workers (80%) to their country of origin. A plane that was also made available to other expatriates outside of Elecnor who did not have the sources to leave the region.

In April, activity resumed exclusively in essential public works for the country, where Elecnor Angola is a leading player. Activity therefore recommenced with 50% of the workforce and following all biosafety measures.

During the last quarter of the year, coinciding with the highest incidence of COVID-19 cases in the subsidiary's workforce, Elecnor Angola rented a hotel for exclusive use, where it managed the quarantines of positive cases, direct contacts and any mandatory quarantines after arriving in the country. This action was supported and overseen by the Ministry of Health of Angola.

Cameroon

In Elecnor Cameroon, repatriation was offered to all people who wanted it, who were boarded onto evacuation flights organised by European Union embassies. However, most of the team preferred to remain in the country, despite the tough conditions and uncertainty.

Due to the nature of the projects in which Elecnor participates in Cameroon, work could be continued, achieving production levels close to the pre-COVID-19 situation and goals.

Ghana

The management of the pandemic seriously affected activity from March, but without causing major delays in active projects. After a brief stoppage in activity, which lasted two weeks, a Health and Safety Plan was created specifically adapted to the COVID-19 situation in Ghana, also set within the General Plan issued from Spain. Following that plan, strict measures were implemented on site and in offices to ensure the safety of everyone involved in the projects.

Senegal

We were able to maintain our activity in this country despite the mobility restrictions imposed. Activities could be carried out adequately applying the recommended hygiene measures, the use of PPE and raising awareness among and training both direct and subcontracted staff.

As a social commitment action, Elecnor made a major effort distributing hygiene products, masks and fountains for washing hands to medical centres and schools close to project sites.



Elecnor's staff
(Senegal)

ASIA

Oman

Elecnor Oman was committed to and strictly followed the indications and policies and the action protocol established by the Group to tackle the pandemic situation caused by COVID-19.

The whole economy stopped, including the tenders of most public and private customers. However, in this environment, the award of the EPC project for a gas pipeline in the south of the country was a major success, one of the few major projects tendered for in this period.

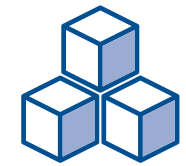
OCEANIA

Australia

Australia is one of the countries that best managed the crisis, which has meant that internal normality, including industrial activity, has hardly suffered the impact of the pandemic.

The state of Victoria, where Elecnor Australia's offices are located, was the most affected by the coronavirus, so a strict lockdown was imposed

from March to November, during which teleworking was established. The guidelines laid down by the Group have been followed, as well as those established by Australian state and national bodies, achieving a very favourable result which came to no infections among the Elecnor Australia's team and a very stable development of the projects in progress.



INFRASTRUCTURES

Electricity
Power generation
Telecommunications
Oil&Gas
Railways
Facilities
Maintenance
Construction
Environment and Water
Space



ELECTRICITY



ACTIVITIES

Energy transportation

- 132 to 800 kV interconnection lines
- Maintenance work
- Live work

Power transformation

- Substations up to 500 kV
- Maintenance work
- Live working

Power distribution

- Medium-voltage overhead lines
- Medium-voltage underground lines
- Power transformer stations
- Low-voltage networks
- Live working
- Preventive and corrective maintenance
- Network operation tasks
- Self-consumption
- Electric vehicle charging

Elecnor is a leader in distribution networks, transport lines and transformation substations in Spain. A flagship company for the main electricity operators, it has steadily and continuously expanded its market and grown internationally.



ENVIRONMENT 2020

Despite the complex situation caused by COVID-19, the electrical activity, being considered an essential service, performed well and did not suffer any significant impacts.

In the distribution segment, the energy transition to achieve the European Union's environmental targets by 2030 will require network investments of between EUR 29 and EUR 34 billion in Spain up until then, according to specialist studies.

This investment effort should address the need to replace aged installations, allow for significant penetration of the distributed generation, self-consumption and electric vehicles, as well as develop other services, including demand management.

With regard to the promotion of renewable energy, a considerable increase in civil engineering projects associated with parks, substations and evacuation lines is expected.

In the long term, electricity, which currently represents one fourth of Spain's energy demand, will favour the expansion of renewable energy sources, especially wind and solar energy and self-consumption. Based on the latest prospective studies carried out, in 2030 Spain will obtain 60% of its energy mix from renewable sources, entailing an intense development of the associated infrastructure.

2020 MILESTONES

SPAIN

Endesa

- Award of the MV/LV and Live Work Multiservice framework contract.
- Award of framework contract for Live Work in Badajoz and the province of Seville.
- Award of framework contract for the Supply of Fibreglass Supports.

Enel Green Power

- Award of framework contract for Fibre Optic Maintenance in plants.

Iberdrola

- Extension of framework Distribution contract for two more years.
- Award of the framework contract for the Comprehensive Maintenance of the Auditori Tower in Barcelona.
- Award of the framework contract for the Comprehensive Maintenance of the combined cycle thermal power plant in Castellón.
- Award of the framework contract for Mechanical Maintenance of the Tajo, Duero, Sil and Mediterranean hydraulic plants.



220 kV line,
Compostilla-Mudarra in
Astorga, León (Spain)

Elecnor manages 284,887 street lights in 93 Spanish municipalities

- Award of the framework contract for the Maintenance of the combined cycle power plant in Arcos de la Frontera, Cadiz.
- Award of the framework contract for the Building of the substation for the renewable energy plants.
- Start of renovation work on the 132 kV Basauri-Gatika and Abadiano-Basauri lines.

Red Eléctrica

- Execution of the 220 kV José María Oriol-Arenales lines.

- Assembly and laying work on stretches 5 and 6 of the 400 kV Baza-Caparacena double-circuit line.

Unión Fenosa

- Award of the framework contract for the Comprehensive Network Construction and Maintenance Service in La Coruña and Pontevedra.

Street lighting

- Management of 284,887 street lights in 93 Spanish municipalities as an Energy Services Company.

- Upgrading of street lighting in Alcobendas, Madrid.
- In the Valencia region, simultaneous work was carried out to improve lighting and energy efficiency in the three city councils of the provincial capitals.

EUROPE

United Kingdom

- Award of the first transport project executed by IQA, the Group's subsidiary in the United Kingdom, called Crossdykes.

- Growth in the activity of private networks (Multi Utility) consisting of the engineering and execution of gas, water and power distribution networks in their final part of access to new urban developments.
- Increase in contracts for the development of electric chargers.

Italy

- Obtaining of the Multiservice framework contract in the Emilia-Romagna area.
- Award of framework contract for Substations in Lombardy.

Finland

- Entry in the country with the construction contract for a 60 km stretch of 400 kV line known as Forest Line, which will become the most modern line in the country.

France

- Completion of the erection of the HVDC substation for the Eleclink project, consisting of the connection by direct current cable between France and the United Kingdom through the Channel Tunnel.

Norway

- Award of the construction of the Leirdøla substation and the Salten substation, each with a voltage of 420/132 kV.

Portugal

- Construction work on stretch 3 of the 400 kV Ponte de Lima-Vila Nova de Famalicão line.
- Contracting of the renovation of the 150 kV Palmela-Porto Alto 1 line.



Kristiansand substation (Norway)

AMERICA

United States

- Construction of the Harris substation under EPC contract in New York.
- Contracting of an MSA *Emergency Excavation Freeze Pits* in the city of New York.
- Award and start of the construction of the Power-On I and II project in Long Island.
- Promotion of commercial activity in *underground transmission*.

Mexico

- Completion of the Baja-Occidental Capacitive Compensation projects, Distribution Divisions and the Substations, Lines and Distribution Networks.

El Salvador

- Construction of the 230 kV energy transmission system of a new 380 MW natural gas generation plant that will transform the energy mix of the country and Central America.

Panama

- Award of the 230 kV Sabanitas-Panamá III transmission line, with its associated substations.



Altamira substation
(Brazil)

- Contracting of the Panamá-Cáceres 115 kV underground line and extension of the associated substations.

Argentina

- Renewal of the medium and high voltage line maintenance framework contract through live working in the provinces of Neuquén, Río Negro and Mendoza.

Brazil

- Completion of the transmission project in Tapajós, which includes 436 km of transmission lines, the construction of a new substation and the expansion of 4 substations.
- Award of the transmission project of 770 km of lines and four associated substations, in the states of Rio de Janeiro, Santa Catarina and Rio Grande do Sul.

Chile

- Execution of the project resulting from Decree 418 (Group 1 and Group 2) which includes a total of 400 km of 220 kV line and 16 power substations.

Honduras

- Expansion of the Progreso and Toncontin 230-138 kV power substations.

Dominican Republic

- Continuation of the execution of the project of the 60 km 138 kV Juancho-Pedernales transmission line.
- Award of the project to repower the 138 kV Timbeque-CNP transmission line.
- Construction of the 138 kV transmission line of the Girasol solar PV farm and its substation.

Uruguay

- Start of the expansion work of the 150 kV Nueva Palmira substation.
- Completion of the construction of the expansion of the 150 kV Aguas Corrientes and Colonia Sánchez substations.

AFRICA

Angola

- Contracting of local and rural electrification of the municipalities of Banga, Bolongongo and Gonguembo in the province of Cuanza Norte.

Cameroon

- Progress with the project to strengthen the high-voltage network of Yaoundé, which involves the construction of two new substations, the expansion of a further four, and the construction of 90 kV and 225 kV urban lines.
- Supply and assembly of protection and control equipment for all substations of the National Electricity Transport Company.

- Substation project 225/90/30/15 Nyom.

Ghana

- Execution of the design and construction works for the 330/34.5 kV outdoor substation in Pokuase, in the Greater Accra region.
- Major progress with the Viana-Gabela transmission project.

Mozambique

- Start of the execution of the project corresponding to lot 2 of phase I of Chimurara-Nacala, involving the construction of two 400 kV substations.

Senegal

- Commissioning of the project for the 225 kV Kounoune Patte d'Oie underground transmission line and its two substations.

OCEANIA

Australia

- Award of the largest transmission project in Australia's history, EnergyConnect, consisting of more than 700 km of 330 kV lines and 4 substations.

- Contracting of the substation and the transmission line for the first wind farm to be built by the Group in the country: Port Augusta Renewable Energy Park, of 220 MW.

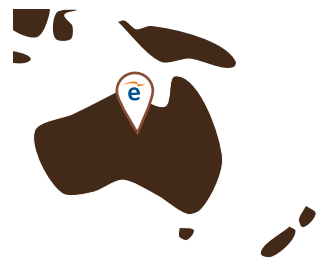


Buchanan and Yekepa line (Liberia)

ELECTRICITY



Energy Connect Project Australia



EUR 917 million project.

Engineering and construction of 700 km of 330 kV transmission line and 4 substations.

It will be executed through a 50% joint venture between Elecnor and the Australian group Clough.

Promoted by the Australian operator TransGrid and supported by the Government of New South Wales, which has declared it "Critical State Significant Infrastructure".

It will be a key infrastructure of the Australian Energy Market Operator's Integrated System Plan.

The electricity infrastructures will be commissioned throughout 2023.

TRANSMISSION LINE OF

700 km





INFRASTRUCTURES

POWER GENERATION



ACTIVITIES

- Wind farms
- Solar PV plants
- Solar thermal power plants
- Combined cycle thermal power plants
- Hydroelectric plants
- Biomass plants

Elecnor is a leading player in the field of renewable energy with the development, operation and maintenance of large power generation plants, with prestigious references in the five continents.

In addition to implementing turnkey projects for its customers, it also develops its own projects through its subsidiaries Enerfín and Celeo, as explained in the Concessions Business chapter of this Integrated Report.



WIND POWER

ENVIRONMENT 2020

Renewable energy will continue in 2020 with its progression against other technologies to build the power generation base.

The sector, despite the impact of COVID-19, has maintained the growth trend of recent years in a global environment where not only do environmental targets for decarbonising power production have to be met, but renewable energy, particularly wind power, is proving to be totally competitive in price as well as mature and reliable technologies.

The global market continues to be clearly led by China and the United States. At a European level, it should be noted that Spain is becoming one of the most attractive markets on the continent, with more than 1.7 GW of new installed capacity in 2020, making it the second largest European market in terms of installed wind power, only behind Germany.

Wind power represents for Spain one of the main vectors for the achievement of the goals set by the government in the National Integrated Energy and Climate Plan 2021-2030, with a target of 50 GW of wind power installed by 2030.

In South America, the market has been developing at a different pace according to the impact of the pandemic on each country. And in Australia, the sector has remained stable, with the construction of new plants, developing technological advances and facilitating regulation and network integration.

2020 MILESTONES

SPAIN

- Award of the largest wind power project in the country, Gecama, in Cuenca. With an installed capacity of 312 MW, the wind farm will generate enough power to supply 150,000 homes for a year.
- Construction of the Romerales 1 and Romerales 2 wind farms, belonging to the 100 MW Montetorrero cluster in Zaragoza.
- Turnkey contract for the construction of the Croas I and II farms, totalling 18 MW.
- Development of five 74 MW wind farms in La Coruña and Lugo, which will power 45,000 homes.



AMERICA

Brazil

- New 322 MW wind farm, Tucano I, in the Bahia region, in the north-east of the country.
- Completion of the civil and electromechanical BOP for the 173 MW São Fernando wind power project.

Chile

- Construction of the 185 MW Cerro Tigre wind farm, which will provide clean energy to the national mix from 2021.
- Award of the 160 MW Llanos del Viento wind power project in the Antofagasta region.

Colombia

- First renewable energy contract in the country for the construction of the Guajira I wind farm, with a capacity of 20 MW.

Mexico

- Award of the construction of the 50 MW Coromuel wind farm, which will change the energy mix of Baja California Sur.
- Construction, operation and maintenance of the 168 MW Fenicias wind farm.

Panama

- Continuation with the construction of the 66 MW Toabré wind farm, which has an estimated production of 240 GWh/year.

OCEANIA

Australia

- First wind energy contract obtained in the country. The 210 MW Port Augusta project, in the south of the country.

In 2020 the first wind power generation milestones were achieved in Australia and Colombia



Coromuel wind farm in Baja California Sur (Mexico)



Toabré wind farm (Panama)

SOLAR PV

ENVIRONMENT 2020

PV is one of the most installed renewable energies worldwide, with its rollout increasing on every continent. The new installed capacity forecast for 2020 is estimated at 142 GW, which is an increase of around 26% compared to 2019.

In the European Union, it experienced very significant development compared to 2019, and is estimated to grow by 20-30 GW per year to 2023.

Spain was the European market leader and sixth globally. It is proving to be an industry ready to roll out significant levels of new capacity. For 2020, the figures were unchanged until the outbreak of COVID-19, which has meant that although existing plants remain operational, those scheduled for development suffered delays.

In terms of self-consumption, in 2020 a new installed capacity record was achieved in Spain (600 MW), being the most advanced European country. However, COVID-19 has had a particularly significant impact on this activity, resulting in delays or the cancellation of certain projects, and the risk of destruction to the business and industrial fabric that was being generated.

Forecasts indicate that the PV market will continue to grow over the coming years, being supported by economic competitiveness, tenders, self-consumption, corporate PPAs and/or suppliers, European regulations, greater ambition and the post COVID recovery plan.

2020 MILESTONES

SPAIN

- EPC contract for five 250 MW PV plants in Extremadura. It is the Brovales solar PV farm.
- Award of the turnkey contract for the Perseo Foton solar PV farm, consisting of three PV plants with a total capacity of 126 MW, in Ciudad Real.
- New EPC contracting in Zaragoza of an 11 MW solar PV farm.
- In Ciudad Real, award of the 5 MW Las Motillas solar farm.
- Supply of 8.4 MWp of modules for self-consumption facilities and for distribution and sale in the retail channel.
- Engineering, supply and installation of 825 KWp for different residential and industrial self-consumption facilities.



Kaleo & Lawra
solar PV farm
(Ghana)



Bávaro solar PV farm
(Dominican Republic)

AMERICA

Brazil

- Contracting of the 360 MWp Casablanca solar farm in the municipality of Pirapora, in Minas Gerais.
- Award of the Coremas IV-VIII solar farm in Parabia. It is a 156 MWp EPC project that consists of the expansion of an existing solar plant.
- Completion of the São João do Piauí PV generation project, with nominal 180 MW and 223 MWp.

Dominican Republic

- Award of what will be the country's largest photovoltaic power plant: the 120 MW Girasol solar farm. It is also the first farm to have tracker technology installed in the country.
- Contracting of the 1.5 MWp Agua Clara solar PV farm. First solar energy project with bifacial technology and single axis tracker in the Caribbean.

Panama

- Development of the 13.9 MWp Pesé solar farm and tracker technology with bifacial modules.
- Award of the 13.3 MWp Mayorca solar farm and tracker technology with bifacial modules.

OCEANIA

Australia

- EPC contract signed and start of the construction of the first phase of the 520 MW New England Solar Farm hybrid solar project, the largest project of its type in the country.

AFRICA

Ghana

- Completion of the design, supply and execution of the Kaleo and Lawra PV plants, totalling 19 MW, in the Upper West region.

SOLAR THERMAL

ENVIRONMENT 2020

Currently, Spain has 50 solar thermal power plants, which in operation add up to 2,300 MW power capacity, making it the country on the market with the world's largest operating capacity. In 2020, 4,538 GWh were generated.

The importance of this industry is also measured by its contribution to GDP (EUR 1.456 billion per year) and to the labour market (5,226 employees).

Spain remains number one in the world in installed capacity and continues as the world leader in technological capacity. In fact, the 2021-2030 Integrated National Energy and Climate Plan establishes that solar thermal technology must provide an additional 5,000 MW to the 2,300 available today.

The government has announced that it will award a minimum of 200 MW of solar thermal energy, which will result in the short-term growth of the sector.

2020 MILESTONES

SPAIN

- Operation and maintenance of the three Celeo solar thermal facilities, company co-managed by the Elecnor Group: Aste-1A, Aste-1B and Astexol-2. The three have achieved the expected performance levels, with worse solar irradiation conditions than those of a typical meteorological year.



Aste 1A solar thermal power plant in Ciudad Real (Spain)

BIOMASS

ENVIRONMENT 2020

From 2014 to 2019, the total installed biomass capacity in Spain grew by 9%. The latest available data shows a biomass capacity of 857 MW and renewable waste capacity of 588 MW which, together, represents about 1.5 GW, 4% of the total renewable capacity.

2021 will be a very important year for biomass and renewable energy in general. From July, all member states must activate the renewable energy directive (Directive (EU) 2018/2001), implemented already into their national regulations.

Biomass, which is the most used renewable source in the European Union with around 60% of the total contribution, has become a key energy for achieving the 2050 carbon neutrality targets in the European Union and therefore Spain.

2020 MILESTONES

EUROPE Belgium

- Award of the construction of a biomass cogeneration plant in the Belgian city of Ghent. It will have a power generation capacity of 20 MW by burning locally sourced non-recycled demolition timber.

HYDROELECTRIC

ENVIRONMENT 2020

Hydropower is the world's largest source of renewable power generation. According to the International Hydropower Association, about 60% of all renewable electricity is generated by hydropower. The sector produces around 16% of the total electricity generated by all sources, including nuclear and fossil fuels.

The latest edition of the 2020 Hydropower Status Report shows that hydropower generation achieved a record of 4,306 TWh in 2019, the highest contribution from a renewable energy source in history.

Global hydropower installed capacity reached 1,308 GW, as 50 countries completed new and upgrade projects, including pumped storage.

In 2020, with the pandemic, the sector's activity focused on continuing to make progress with projects underway.

2020 MILESTONES

AFRICA

Angola

- 90% progress with the 2,070 MW Lauca hydroelectric plant, one of the four largest hydroelectric projects in Africa.

- Continuation with the renovation of the 45 MW Matala hydroelectric plant.

Cameroon

- Development of the 420 MW Nachtigal hydroelectric plant, the largest of its type in the country, which will allow it to increase its installed capacity by 30%.

Congo

- As part of the renovation of the substation of the Inga hydroelectric plant, the electromechanical assembly and commissioning of all the facilities has been completed.

Honduras

- Operation and maintenance of the 30 MW Nacaome hydroelectric plant. This plant was built by Elecnor in 1993.



Lauca hydroelectric plant (Angola)

POWER GENERATION



Biomass cogeneration plant Belgium



Plant construction project in which all the required geotechnical and topographic studies, as well as engineering work, will be carried out.

The contract also includes all civil engineering work such as demolitions, land movements, pilework and building works, as well as electrical and mechanical assemblies.

It will have a power generation capacity of 20 MW by burning locally sourced non-recycled demolition timber.

It will result in the creation of up to 300 temporary jobs and 35 permanent jobs.

Estimated duration of 2 years.

POWER GENERATION
CAPACITY OF

20 MW





INFRASTRUCTURES

TELECOMMUNICATIONS



ACTIVITIES

- Engineering
- Construction
- Installation of equipment
- Customer registrations
- Maintenance

Elecnor boasts over 40 years' experience in the field of telecommunications infrastructure for operators, where it covers the entire life cycle of a telecommunications network, from engineering to construction, equipment installation, customer registrations and the maintenance of that network.



ENVIRONMENT 2020

During 2020, the deployment of next-generation access networks (NGAs) has continued at a good pace, putting Spain at the forefront in Europe in areas such as extensive fibre coverage already deployed or advances in 4G/5G mobile networks.

Based on data published by the Spanish National Markets and Competition Commission for the third quarter of the year, the total number of NGAs or next generation access networks installed reached 70 million, 14.5% more than a year ago.

This year we have seen the emergence of neutral fibre operators that carry out fibre deployment in order to share this network with other operators. Examples of this are Lyntia and Onivia. Progress was made in this regard in the mobile networks area with companies such as Cellnex, Telxius and Vantage Towers.

Spain is one of the leaders in terms of 4G deployment, and has started to roll out 5G networks through its four main mobile operators. It is expected that, in the first quarter of 2021, 700 MHz will be awarded once the second digital dividend has been completed in October 2020.

In this context, the Elecnor Group continued with its activity during the year of the COVID-19 pandemic, actively participating in first level maintenance of Telefónica's fixed and mobile network equipment throughout half of Spain. These were vital tasks to maintain the economic activity, promoting teleworking or digital learning measures.

Likewise, the construction and reinforcement of the necessary fixed and mobile network was continued with to cater for the exponential growth of the voice and data traffic of those networks. And so too the installation service in the homes of essential customers, to maintain the connection and use of networks.

2020 MILESTONES

SPAIN

Fixed and mobile access network engineering

- Engineering and technical support Agreement for Vodafone's HFC fixed access network (Hybrid Fibre Coaxial).
- FTTH (Fibre to the Home) fixed access network Engineering Contract for Telefonica, Orange, Masmovil, Lyntia and Euskaltel.

Radio access network engineering

- Through major vendors such as Nokia and Huawei, Elecnor offers its capabilities for the selection and engineering of the infrastructure and equipment of the mobile network sites, the design of the radio and transmission network, the definition of the integration parameters of these sites, their monitoring and adjustment, and the necessary drive test.



Data Processing Centre
of the Extremadura
Health Service in
Badajoz (Spain)

Construction and maintenance of fixed access networks

- 750,000 property units of fibre network built for Telefonica, Orange, Masmovil and Lyntia.
- Maintenance of the fixed network infrastructure of Telefonica, Orange, Masmovil, R Cable and Correos Telecom.

Construction and maintenance of mobile access networks

- Service to operators such as Telefonica, Orange or Vodafone.
- Renewal and extension of the Telefónica Mobile Access Network Maintenance contract.
- Over 9,000 4G nodes maintained.

Installation and maintenance of fixed and mobile network equipment

- Over 2,000 4G nodes installed.
- Over 500 WDM nodes installed.
- Maintenance of inside plant equipment of Telefónica's access network.

Installation and maintenance of customer registrations

- Significant increase in customer registration activity. Service provided to Telefónica, Orange, Vodafone and the Euskaltel Group.
- Start of activity with Virgin Telco, national brand of the Euskaltel Group, and with Vodafone in Barcelona.
- 500,000 customer registrations completed.
- Participation in the security installations implemented by the company created by Telefónica and Prosegur known as Movistar Prosegur Alarmas.

Systems

- Supply, installation and maintenance of equipment for Renfe Viajeros railway stations.
- Maintenance of the IT and telecommunications systems of the Acerinox plant in Los Barrios, Cadiz.
- Telecommunications subsystems of Line 9 of the Barcelona Metro.
- Adaptation of the access control systems due to obsolescence at the Barcelona Logistics Activities Centre.
- Safety communications via sensor cable and tetra portable equipment for the AVE tunnels to Galicia along the Pedralba-Vilariño section.

ITALY

- Consolidation in the Piamonte territory with the award of new contracts for the development of FTTH with the customer Open Fiber.
- First *Delivery&Assurance* contracts with Open Fiber outside of Piamonte: Emilia-Romagna and Sardinia.



Fibre Optic Network in Newcastle (UK) IQA

UNITED KINGDOM

- Work has begun on the execution of the FTTH engineering and construction project for Cityfibre in the city of Newcastle Upon Tyne in the north-east of England.
- Extension of the contract with Cityfibre to two new cities with very similar volumes to those of Newcastle, North Tyne Side and Gateshead.

AMERICA United States

- Increased participation in projects related to fibre optic installation.

Chile

- Award of various contracts associated with the fibre optic deployment for Huawei or WOM.

Uruguay

- Extension of the contract for the renovation and construction of FTTH fibre optic lines in the departments of Montevideo, Maldonado and Lavalleja.

TELECOMMUNICATIONS



Retrofit Project Spain



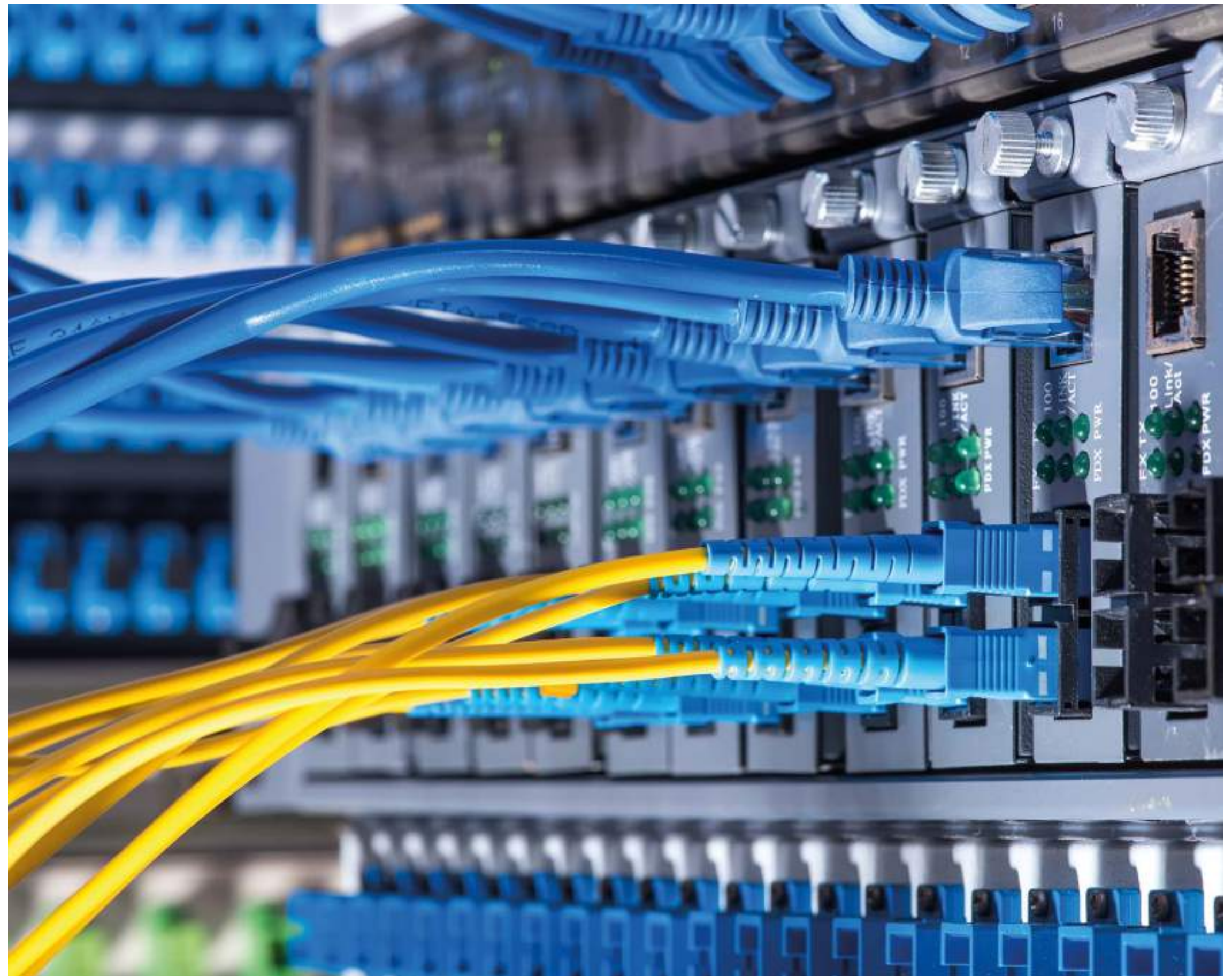
An Euskaltel Group project covering the sphere of activity in the Basque Country, Galicia and Asturias.

Migration of the current HFC network (hybrid fibre and coaxial) to an access network with FTTH (fibre to the home) technology.

The project covers engineering, construction of the new network and change of equipment in the customer's home (swap).

The project includes replacing the section of copper cable with fibre optic and changing the equipment that the customer has in the home.

Approx. EUR 25 million contract.





INFRASTRUCTURES

OIL & GAS



ACTIVITIES

- Transmission of the power generated in gas plants
- Construction of trenches for distribution
- Implementation of new installations
- Trench maintenance
- End-to-end services

With over 30 years' experience in the sector, Elecnor is a contractor for the main gas operators offering their capacity for projects ranging from transport to distribution at the domestic or industrial level. Spain, the United States and the United Kingdom are some of its main markets.



ENVIRONMENT 2020

Despite the pandemic, the national gas sector increased by 14% compared to last year, thanks mainly to the high demand for natural gas for power generation, due to the higher penetration of natural gas in relation to carbon and low hydropower generation. Higher industrial consumption, especially in the service sector, and lower domestic-commercial demand also had an impact, increasing the number of supply points and customers.

Investment in the sector has been continuous, increasing the distribution network and its expansion in the domestic, industrial and public sectors, among others.

Similarly, the liquefied natural gas storage capacity has been maintained, consolidating our position as European leaders in regasification plants, and the infrastructures of primary and secondary transportation gas pipelines.

There has been less of an increase in municipalities with new gas developments, although the number of homes that have a gas supply is increasing.

Internationally, the growth of investment promoted in the sector in the United States stands out, especially that designed to modernise obsolete installations.

2020 MILESTONES

SPAIN Nedgia

- Continuation with main network expansion and maintenance activities, associated with the construction of new trenches, polyethylene and steel connections, and the execution of new common and/or individual gas receiving facilities.
- Consolidation of the development of the complete gas service. Including urgent work, maintenance, inspections, registrations and conversions.
- Dismantling of LPG plants.

Enagás

- Execution of the domestic contract for the maintenance of power lines and transport centres of the basic gas pipeline network.

Redexis Gas

- Consolidation in the province of Cadiz and new contracts in Granada and Jaén for the construction of new trenches and polyethylene connections.



Madrileña Red de Gas

- Construction of new trenches and polyethylene and steel connections and execution of new gas receiving facilities.

- Maintenance service for the distribution networks and associated elements, as well as the remote controlling of the regulation and metering stations.

Gas Extremadura

- Continuity of main network expansion and maintenance activities.

Nortegas

- Network expansion and maintenance associated with the construction of new trenches and polyethylene and steel connections, and the execution of new common and/or individual gas receiving facilities.

- Complete gas service.

- Construction of LPG plants.

EUROPE

United Kingdom

- Engineering and execution of gas, water and power distribution networks in their final part of access to new urban developments.

AMERICA

United States

- Extension of the natural gas distribution contracts in New York until 2023.

Mexico

- One-year renewal of the operation and maintenance of the Morelos Gas Pipeline, built by Elecnor.

Ecuador

- Within the *upstream* activity, activities have been carried out in the fields of Oso, Yuralpa and Paka, located in the Ecuadorian Amazon region.

Brazil

- Award of the Gavião Preto gas pipeline, in Maranhão state. The project consists of the construction of 92 km of gas pipeline, the cluster and the natural gas production station.

ASIA

Oman

- First gas contract in the country with the award of the EPC project for the construction of 210 km of gas pipeline to expand the gas transport network in southern Oman to cope with the increase in demand for 2018-2030.



The award of the first gas contract in Oman boosts Elecnor's presence in the Asian market

OIL & GAS



Gavião Preto gas pipeline Brazil



Construction of six well cores, installation of the Gavião Preto natural gas production station and construction and assembly of 90 km of 18" diameter and smaller diameter gas pipelines.

• EUR 39 million contract.

• 20 month implementation.

GAS PIPELINE OF

90
km





INFRASTRUCTURES

RAILWAYS



ACTIVITIES

- Railway Electrification
- Traction substations
- Railway facilities
- Maintenance of installations
- Communications and control
- Signalling and interlocking

Elecnor has been in the railway market for over 35 years and is now one of the main players in the sector.

It has actively participated in all the relevant projects and contributed to the deployment of modern infrastructures, especially high-speed ones.



ENVIRONMENT 2020

2020 was a year marked by the activation of tenders for improvements and maintenance of existing railway lines of the conventional network. The forthcoming entry of private operators into conventional and high-speed lines can be expected though to present challenges and opportunities for the sector, as it will require major investment to maintain and adapt existing facilities.

Meanwhile, Elecnor continues internationalisation as an essential pillar of activity, working on opportunities in particularly dynamic markets in the sector, such as northern and eastern Europe and others. It also aims to position itself in large infrastructure projects under development worldwide, such as California's high-speed railway, the high-speed railway in the UK and the Tren Maya project in Mexico.

In Spain, the pandemic greatly impacted the progress of projects, although most did continue to be executed as they were considered essential activities. Internationally, the pandemic seriously affected everything related to movements and the transport of people and freight, leading to the implementation of communication technologies for monitoring, meetings and receipts of material.

2020 MILESTONES

SPAIN

- Completion of electrification projects and protection and security installations on the Madrid-Galicia high-speed line under construction.
- Completion of the project for the comprehensive renovation of the electrification of Metro line 4 of Madrid.
- Contracting of maintenance batches for the central and north-east conventional network, noteworthy for the resources necessary for its development as well as for the criticality of the lines to be maintained.

EUROPE

Norway

- New electrification contract for the tram extension in the city of Bergen. Elecnor is also carrying out engineering, civil engineering, electromechanical assembly and commissioning work.
- Completion of the construction of the railway systems of the Follo Line project, for the circulation of trains on the high-speed line that will link the cities of Oslo and Ski.

Lithuania

- Activation of the project for the electrification of the 730 km railway corridor across the country from the border with Belarus to the maritime port of Klaipeda, one of the main hubs for movement of goods in the Baltic countries. This project is one of the Lithuanian national railway network's strategic projects for the coming years.



Follo Line tunnels for circulation of trains on the high-speed overhead line (Norway)

RAILWAYS



Vilnius-Klaipėd railway electrification Lithuania



Electrification of over 730 km of railway lines on the orbital line around Vilnius (34 km) and from Kaišiadorys to Klaipėda (320 km).

Construction of eight new traction substations and the modification of two existing ones, the connection of all of these substations to the national power grid using 110 kV lines, and the adjustment and expansion of the signalling, communications and control network for the entire section of the railway being electrified.

Electrification of one of the main corridors for freight transportation in Baltic countries and a key strategic objective for the development of the railway sector in Lithuania.

4 year execution.

RAILWAY LINES

730 km





INFRASTRUCTURES

FACILITIES



ACTIVITIES

- Electricity
- Climate control
- Fire protection
- Ventilation
- Energy efficiency

- Automation and control
- Management systems
- Safety
- Public address and sound
- Telecommunications
- Plumbing and sanitation

Elecnor has become a benchmark in facilities. Its comprehensive service offer includes the design, assembly, start-up and subsequent operation and maintenance of unique buildings, such as hotels, shopping centres and data centres, among others; large infrastructures, such as airports, ports and railways; and industrial and logistic plants.



ENVIRONMENT 2020

The Spanish construction sector ended 2020 with a drop in production of -12.5%, according to the latest Euroconstruct report. In the mid-term, there is a concern that the Spanish economy will suffer long-lasting effects but, on the other hand, there are high expectations with regard to the European recovery funds, albeit tinged with certain caution and scepticism over their arrival.

In terms of residential construction, despite COVID-19, all construction projects have a high level of pre-sales, and developers believe they can withstand a slowdown in the pace of sales because there is quite a lot less stock and the sector is less indebted than in the previous crisis.

A good part of the symptoms described in the residential market are applicable to non-residential construction. A collapse is not expected here either, although the signs in the real estate market are increasingly gloomy as the crisis causes the closure of more companies.

Civil engineering is in a worse situation, being considered a "market threatened" by the severe loss of public investment capacity in Spain. However, the mid-term outlook suggests it is the subsector with the best expectations.

As for the refurbishment sector, it is expected that, just as in the civil engineering sector, both markets will see a significant influx in investment with the arrival of the Next Generation European funds.

2020 MILESTONES

Airport sector

- Provision of the main maintenance services for the high-voltage and low-voltage energy production and distribution network within the Adolfo Suárez Madrid Barajas airport.
- Field equipment maintenance service for the facilities management system and facility monitoring and alarm display service at Adolfo Suárez Madrid Barajas airport.
- Facilities maintenance, improvement and adaptation service at El Prat-Barcelona Airport.
- Maintenance service for buildings, urban developments and airfield at Palma de Mallorca airport.
- Renovation of the power plant at Santander-Seve Ballesteros airport.
- Facilities services, telecommunications systems, furniture and fittings, and construction in many Spanish airports of the Aena network: Alicante, Asturias, Bilbao, El Hierro, Fuerteventura, Gran Canaria, Jerez, La Coruña, La Palma, Lanzarote, Malaga,



Construction and installations at the Torre Village shopping centre in Zaragoza (Spain)

Melilla, Oviedo, Santiago de Compostela, Seville, Tenerife Norte, Tenerife Sur, Valencia, Valladolid and Vigo.

- In Honduras, building of the facilities at the new international airport of Palmerola, Comayagua.

Public infrastructure

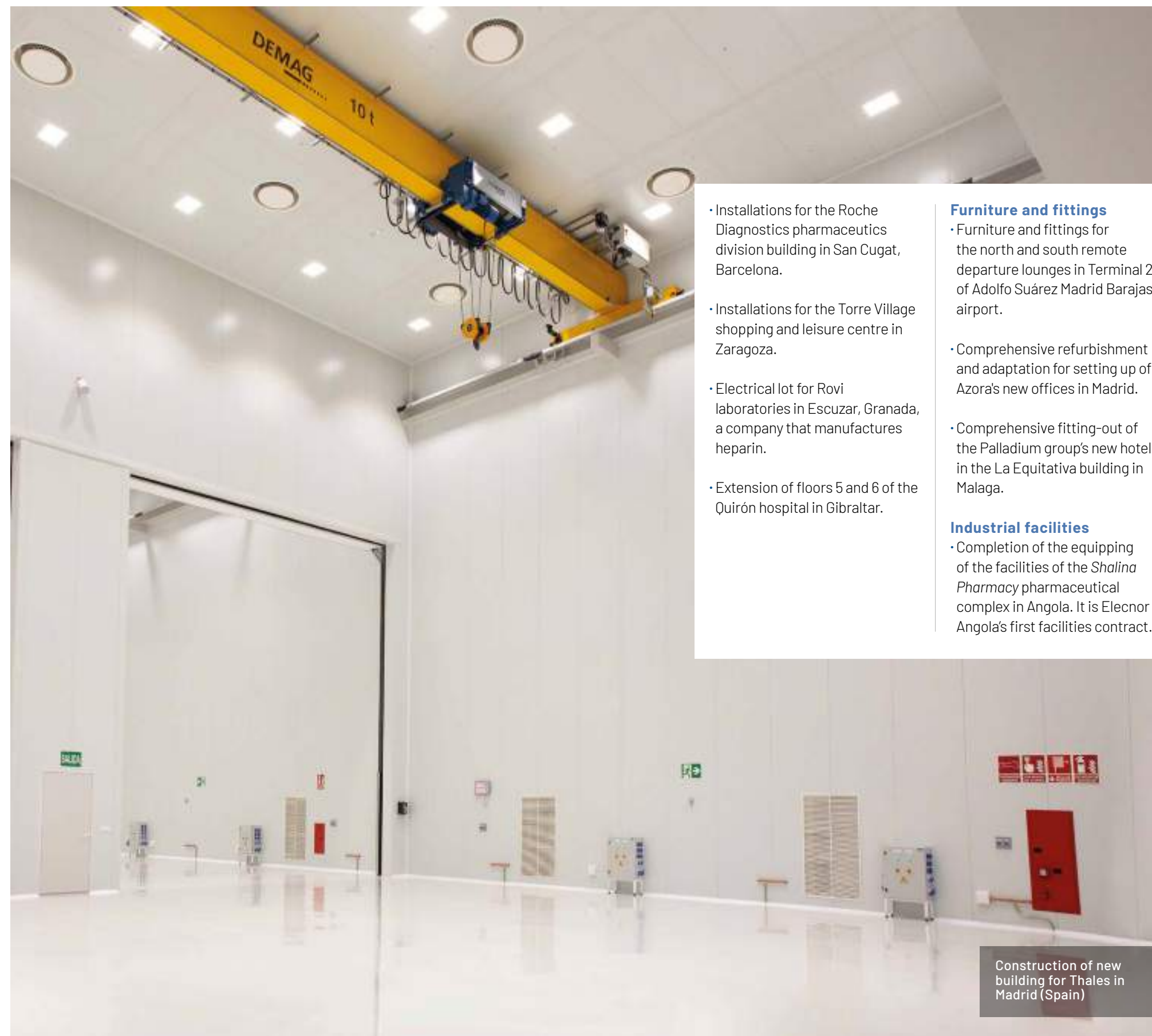
- Adaptation to the Technical Work Instruction and adjustments of the installations and finishes of the road tunnels in Plaza Las Glorias in Barcelona.
- Maintenance and repair of Adif buildings and their facilities throughout Spain.
- Replacement of services on the Medina del Campo-Salamanca-Fuentes de Oñoro line for Adif.
- Framework contract for the supply, installation and maintenance of a single agent for Renfe stations.
- Adaptation of various facilities, such as the laying of new strategic telecommunications infrastructures, control and security systems, as well as various maintenance work, for several government bodies.

- New DPC for the Alicante headquarters of the European Union Intellectual Property Office.

- Thermal installations and hydraulic connection for Tragsa.

Non-residential, renovation and residential

- Upgrade of the climate control system in BBVA's San Nicolás building in Bilbao.
- Thermomechanical installations for the Iberdrola Tower.
- Expansion of the Thales warehouse in Tres Cantos, Madrid.
- General refurbishment and restructuring of the facilities of the Serrano 88 building in Madrid.
- Refurbishment of Endesa's headquarters in Madrid.
- Refurbishment of the Arturo Soria 343 office building in Madrid.



- Installations for the Roche Diagnostics pharmaceuticals division building in San Cugat, Barcelona.
- Installations for the Torre Village shopping and leisure centre in Zaragoza.
- Electrical lot for Rovi laboratories in Escuzar, Granada, a company that manufactures heparin.
- Extension of floors 5 and 6 of the Quirón hospital in Gibraltar.

Furniture and fittings

- Furniture and fittings for the north and south remote departure lounges in Terminal 2 of Adolfo Suárez Madrid Barajas airport.
- Comprehensive refurbishment and adaptation for setting up of Azora's new offices in Madrid.
- Comprehensive fitting-out of the Palladium group's new hotel in the La Equitativa building in Malaga.

Industrial facilities

- Completion of the equipping of the facilities of the *Shalina Pharmacy* pharmaceutical complex in Angola. It is Elecnor Angola's first facilities contract.

Construction of new building for Thales in Madrid (Spain)



INFRASTRUCTURES

MAINTENANCE



ACTIVITIES

- Legal/technical
- Conductive
- Corrective
- Predictive
- 24-hour service
- Renovation and refurbishment

- Self-consumption
- Energy efficiency
- Industrial cooling
- Climate control, air conditioning, heating
- Plumbing
- Electricity and lighting
- Fire protection and detection

Elecnor offers customised solutions for the provision of technical, commercial and auxiliary services in the area of public and private utilities for electricity, communications, gas, water, renovation, refurbishment, self-consumption, industrial cooling and installations. It is a comprehensive service with flexible, global coverage.





Maintenance at Hospital Clínico San Carlos in Madrid (Spain)

ENVIRONMENT 2020

The maintenance market showed a slight fall in 2020, after six years of growth. However, despite the decline in profitability of the sector due to a fall in sales and greater price competition, the Elecnor Group increased its maintenance business turnover compared to the previous year.

The impact of the pandemic saw a downturn in business, most importantly in the building segment with a sharp decline in activity in hotels, shopping centres and leisure and cultural centres. Furthermore, the promotion of telework also led to a reduction in the demand for office maintenance work.

The renewable energy segment will continue to be boosted by the building of new wind power and PV facilities. In addition, energy efficiency related services will continue to show great dynamism due to the expansion of public aid programmes.

The main opportunities for companies in the sector most notably include the increased range of services that will help meet the growing demand for comprehensive maintenance projects, as well as the increase in activity abroad by the main operators.

2020 MILESTONES

Automotive and auxiliary sector

- Collaboration with the main and auxiliary car manufacturers present in Spain and Portugal, such as Nissan, Renault, Ford, Volkswagen and Bosch.

Pharmaceutical and healthcare sector

- Service provided to groups such as Quirón, Vithas, Clínica de Navarra, Hospital de Manacor, Faes Farma and Bayer.
- In Portugal, projects in the hospital and health centres of Braganza.

Food sector

- Industrial cooling maintenance services in Dia, Carrefour and Supersol.
- Refurbishment contract with Mercadona.
- Maintenance of Aldi stores.

Logistics sector

- Maintenance of the Amazon logistics centre in Madrid.

Renewable energy sector and self-consumption

- Operation and maintenance of the wind and PV farms.

- Maintenance of the La Pereda thermal power plant and the Castellón combined cycle power plant.

Chemical and petrochemical sector

- Maintenance, construction and installation in Repsol, Kao Chemical, BP, Petronor and Masol.

Industrial sector

- Services at the main Spanish industrial plants: IQOXE, Sirusa, CLH, Nipoon gases, Saica, Pikolin, Acerinox, Sidenor, Bridgestone, Ence, Navantia and L'Oreal.

- Maintenance of the clean rooms of RNB, Keraben and Porcelanosa.

Telecommunications sector

- Multiservice contract in Telefónica's buildings.

Airport and port sector

- Maintenance services of the leased premises at the Adolfo Suárez Madrid Barajas airport.
- At El Prat-Barcelona airport, maintenance work on the control systems, automation of the facilities and the taxi control system were carried out.
- Maintenance of the MSC Valencia terminal and the Port of Huelva.

Real estate sector

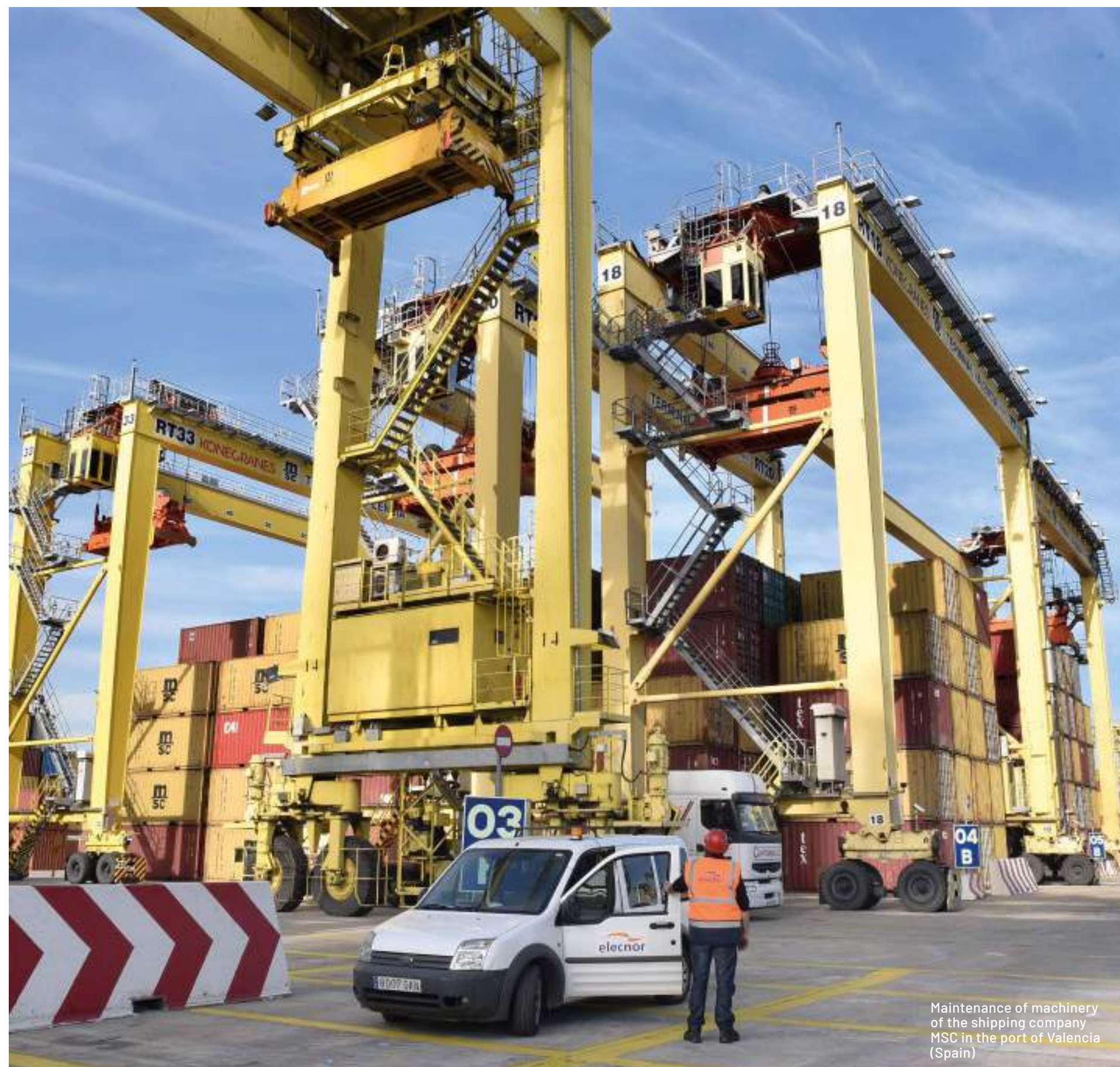
- Maintenance work on the real estate assets of Sareb, Abanca, Liberbank, Santander and La Caixa.

Building sector

- Comprehensive maintenance of Santander's headquarters and Torre Picasso in Madrid.

Public sector

- Maintenance services at the Tenerife exhibition site, Ministry of Defence, Canal de Isabel II, Aena, Basque government police stations and in the buildings of the Ministry of Interior in Madrid.



Maintenance of machinery of the shipping company MSC in the port of Valencia (Spain)

MAINTENANCE



Maintenance of real estate assets of Sareb Spain



Service contract for 26,000 properties.

Maintenance of homes, garages and storage rooms. The service also includes floors, work in progress and commercial and industrial assets.

Preventive, corrective and technical-legal maintenance, and the carrying out of periodic visits to check the state of the properties.

The ultimate aim is to avoid the deterioration of properties, damage to third parties and that they do not lose any value.

Most of the properties are located in the Valencia region, followed by Andalusia, Castilla y León, Catalonia, Castilla-La Mancha, the Madrid region, the Murcia region and La Rioja.

26,000

properties





INFRASTRUCTURES

CONSTRUCTION



ACTIVITIES Services

- Building
- Civil engineering
- Hydraulics
- Industrialised

Solutions

- Commercial building
- Residential and hotel
- Learning centres and libraries
- Socio-health equipment
- Sports and leisure centres
- Industrial buildings
- Infrastructures
- Energy efficiency
- Renewable energy

Elecnor carries out its construction projects both in the commercial and industrial sectors, with a comprehensive management and cycle approach. With a growing presence in projects as a sole contractor in both Spain and abroad, the Group continues to have sound prospects in hotel, logistics, hospital and commercial sectors, among others.



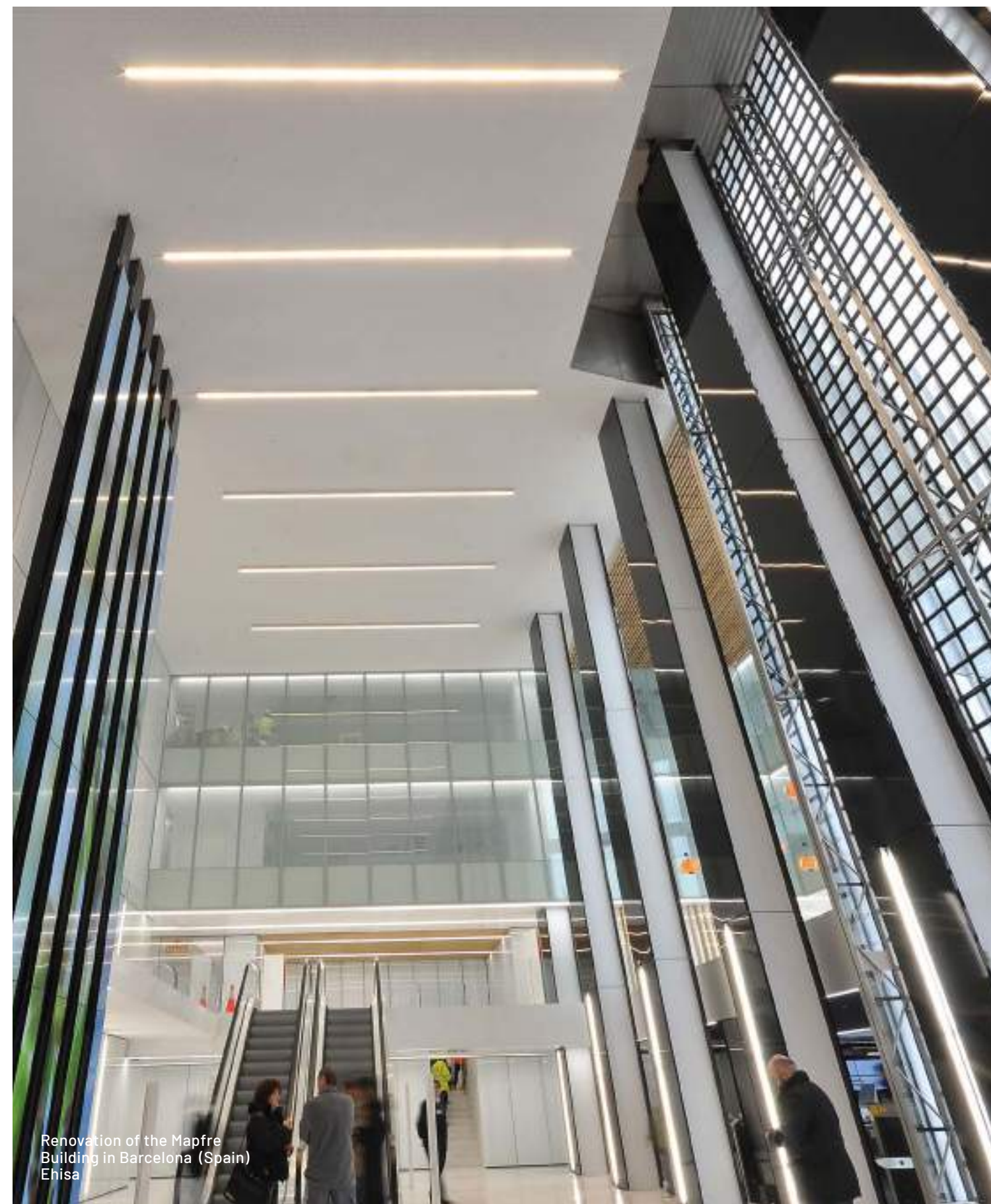
ENVIRONMENT 2020

The impact of the first wave of COVID-19 on the European construction sector was considerable, but less extreme than expected in Euroconstruct's mid-year forecast. However, this less pessimistic outlook does not appear to apply to 2021, a year in which cost pressures are expected and without any guarantee that private demand won't retract. Consequently, the big rebound that was forecast for 2021 has now been readjusted to 4.1%, with a tendency to lose impetus in the medium term (3.4% in 2022, 2.4% in 2023).

Despite this, the new European scenario shows a much clearer "V" pattern than six months ago. Since the losses in 2020 were less than expected, the sector can aspire to reach virtually the same production levels in 2022 as it had in 2019. It should not be forgotten that achieving the 2019 market value is a considerable challenge, since Europe recorded its best figures in 11 years that year.

Non-residential construction appears to show the same patterns as the previous mid-decade, when its recovery came a year or two later than the housing recovery. Therefore, after experiencing a virtually identical fall (~10.3%) to the residential sector in 2020, the new forecast points to a virtual standstill in 2021 (+1.0%).

Civil engineering is the subsector that managed to negotiate 2020 with the least decline in production (~3.8%) thanks to various factors: the growing portfolio of orders before the emergence of the coronavirus, the inertia provided by major projects and the fewer disruptions experienced due to working in low health risk environments. In addition, it is the subsector with the highest growth expectations for 2021(+5.2%), which will mean that by the end of the year production will not only have recovered its 2019 level, but also have surpassed it by more than 2%.



Renovation of the Mapfre Building in Barcelona (Spain)
Ehisa

2020 MILESTONES

SPAIN

- Construction of La Escocesa's offices in Barcelona. It consists of two buildings with an approximate surface area of 24,600 m² above grade and 11,000 m² below grade, as well as the inner urban development area between them.
- Office building for Roche Diagnostics, in Barcelona. This consists of the construction of an additional office building to the existing ones.
- Renta Corporación's offices in Barcelona. The construction project consists of the building and all of the installations and systems.
- Adjustments to the installations and the finishes, as well as the adaptation to the Technical Work Instruction of the Glorias tunnel in Barcelona.
- Complete refurbishment of the Diagonal 605 office building of Merlin Properties, in Barcelona.
- Construction of various spaces and facilities at the Adolfo Suárez Madrid Barajas airport.



Complete renovation of the industrial building into offices and Criteo's setting up in Barcelona (Spain). Ehis

- Renovation of the old surgical unit of the Palma de Mallorca General Hospital, now in disuse, transforming it into a new examination area.

- Construction of the 1st phase of the Torre Village Shopping and Leisure Centre on the old grounds of the former Pikolin factory in Zaragoza.

- Extension of various floors at the Hospital Quirón Campo de Gibraltar, in Cadiz.

- Comprehensive refurbishment and adaptation for setting up of Azora's new offices in Madrid.

AMERICA Panama

- Completion of the construction of Hospital de David, with capacity for 600 beds.

- Continuation with the construction of the new areas of external examination, A&E and parking facilities at Chepo Regional Hospital.

Honduras

- Construction of the new power plant, medium-voltage networks, runway beacons, control tower and fire department building for the country's new international airport.

BUILDING



Palmerola International Airport Comayagua Honduras



Carrying out of airport and installation activities.

Construction of the new power plant, medium-voltage networks, runway beacons, control tower and fire department building.

20 month implementation.





ENVIRONMENT AND WATER



ACTIVITIES Environment

- Forestry
- Environmental services
- Maintenance of green areas
- Improved environmental infrastructures

Water

- Construction and operation of water treatment plants:
- Transport and distribution networks
- Water treatment
- Hydrological planning

The Elecnor Group has over 25 years of experience in providing a comprehensive environmental conservation and water management service. These activities are carried out by Elecnor itself and the subsidiaries Audeca and Hidroambiente. Its main market is Spain, but the international market continues to grow at a good pace with the award of notable projects.



ENVIRONMENT 2020

The crisis caused by the COVID-19 pandemic has not significantly affected the Group's environment and water business, as most of the projects and services were considered essential in nature.

However, this situation did have a major impact on public tenders, especially during the first half of the year, also affecting other opportunities which were expected to be addressed with the launch of "The European Green Deal".

Once launched, the prospects look positive and are aimed at promoting infrastructures and initiatives focused on ecological transition with a major impact on developments in the environmental and water sector.

Some of these investments are intended to be a definitive push in terms of water treatment. This is currently trying to be resolved with specific actions, guaranteeing a sustainable and sustained investment flow over the next few years.

2020 MILESTONES

SPAIN

- Contracting of the operation, repair and maintenance service for the sanitation systems in Zone 4 of Castilla-La Mancha, which serves more than seventy facilities in the provinces of Cuenca and Guadalajara and provides a service to more than 300,000 inhabitants.
- Street and beach cleaning service and complementary services in the municipality of Ayamonte, Huelva.
- Repair and maintenance service of the facilities and buildings of the Generalitat Valenciana railways in the province of Alicante.
- Contracting and execution of the extension of the Kantauri drinking water plant in Álava.

AFRICA

Angola

- Signing of the BITA water project promoted by the Ministry of Energy and Water and with coverage by the World Bank.
- The contracting process for the renovation of the hydro-mechanical systems of the Quiminha dam has been finalised.

Cameroon

- Project for the sanitation and rehabilitation of the Yaoundé municipal lake, as well as its surroundings, for its tourist/ecological use.

Ivory Coast

- Effluent treatment plant within a biomass plant.

AMERICA

Brazil

- Blue Marlin combined cycle effluent treatment plant.

Mexico

- Ultrapure water treatment plant for the Tama combined cycle thermal power plant turbine.

Uruguay

- Performance of the contract for the reduction of unaccounted for water in the department of Rivera, where the engineering and construction of the drinking water supply network in the city is being carried out.

ASIA

Oman

- Start of execution of project to reinforce the water transport and distribution network in Al Batinah.

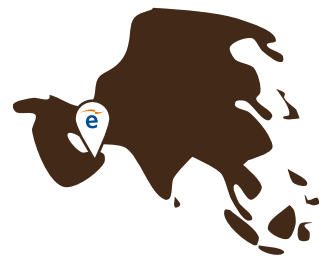


Hygienisation of gardens in Sant Vicente del Raspeig in Alicante (Spain). Audeca

ENVIRONMENT AND WATER



Reinforcement of Al Batinah Water Transport Pipeline Oman



Efficient water transmission and supply project.

- The new infrastructure will double the water transport capacity from the desalination plants located in Barka and Sohar to the drinking water network.

- Building of 144 km of trenches in which both welded steel and cast iron pipes will be used.

- Construction of five equipped pumping stations and five new tanks with a capacity of between 5,000 and 50,000 m³.

- 30 month implementation.





SPACE



ACTIVITIES

- Space
- Systems and technology

Elecnor's technology area, Deimos, specialises in the design, engineering, solution development and systems integration for the areas of space and information and communication technologies. It is a leader in the development of Earth observation and space surveillance systems. It operates in Spain, Portugal, the United Kingdom, Romania and Italy.



ENVIRONMENT 2020

Elecnor Deimos' areas of business, particularly the European space sector, was affected less by the COVID-19 pandemic than other sectors of economic activity.

The space cooperation programmes of the European Space Agency and the European Union are financed through frameworks spanning several years, whereby the institutions adopted throughout the year organisational and contracting measures to guarantee the continuity of the projects.

In other sectors in which the company participates, such as transport and information technologies, Elecnor Deimos's activity has continued unhindered, obtaining significant contracts.

In addition, the Group's technology subsidiary was awarded highly important strategic contracts for the company due to their level of complexity. They represented, in some cases, the operational demonstration of many of the technologies that it has been developing over the years.

In terms of geographical and business diversification, Elecnor Deimos has grown and consolidated its activities in Portugal, the United Kingdom, Romania and Italy.

2020 MILESTONES

SPACE

- Consolidation of activities within the European Space Agency (ESA): Earth observation programme, satellite navigation programme, transport, space exploration, space surveillance, space science and technology.
- Development of the low-cost and high-performance navigation receiver G3PSTAR for small CubeSat-type satellites, which will fly in the GOMEX-5 demonstration mission.
- In the ground segment, of note is the entry in the next missions of the COPERNICUS European system (High Priority Copernicus Missions), with the development of simulators for two missions (CIMR and LSTM), as well as its participation in the launch of the CHEOPS and FSSCAT missions.

In the United Kingdom, work is underway on the development of the ground segment of the Incubed SAT4EOCE project, new space surveillance activities and the own satellite navigation system which Great Britain is promoting.



Launch of the FSSCAT mission. Elecnor Deimos

- In flight systems, there has been consolidation of the development of operational and high added value systems, such as the complete guidance and control system for the first European mission for the removal of space debris, Clearspace-1.

Likewise, there has been continuation with the participation in the design and operations of the ESA's major interplanetary missions for the exploration of Mars (MARSAVCOM), Venus (Envision), Mercurio (BepiColombo), the Sun (Solar Orbiter) and asteroids (FAST-KI).

- In space vehicle technologies, worthy of mention are the development of critical technologies for interplanetary atmospheric entry (EFESTO), reusable space vehicles (REVLGNC) and the reuse of launcher parts (RETALT).

- In space surveillance, work is underway with the execution of the complete space debris tracking and cataloguing system for the Portuguese government SSTPT in Azores and Madeira, as well as the awarding of new contracts for CDTI and ESA from the UK subsidiary.
- Completion of the integration of the Neptune satellite for maritime surveillance and award of the H2020 7-SHIELD project for the securing of space control centres.
- Implementation of the national space tracking and surveillance system for the Ministry of Defence of Portugal.

In 2020, Elecnor Deimos grew, diversified and consolidated its business portfolio for subsequent years



Windshear Radar (Congo).
Elecnor Deimos

SYSTEMS AND TECHNOLOGY

- Development of Elcano View for ADIF, a system for monitoring rail traffic and infrastructure.
- Start of work on the automatic information system for Santander regional network.
- Completion of the information system project for the Roca line of Trenes Argentinos.
- First participations in diverse areas of activity, such as the installation and commissioning of DVORTAC in Spain, at the Getafe air base; the DVOR SELEX installed for the air force; and the Windshear Radar in Congo-Brazzaville.
- Renovation of the communication systems of the coordination centres of the maritime ports of Algeciras, Cadiz, Tenerife and Las Palmas.
- Award of the contract for the ADS-B radio navigational aids and systems for Palmerola Airport in Honduras.

SPACE



Clearspace-1 mission control system

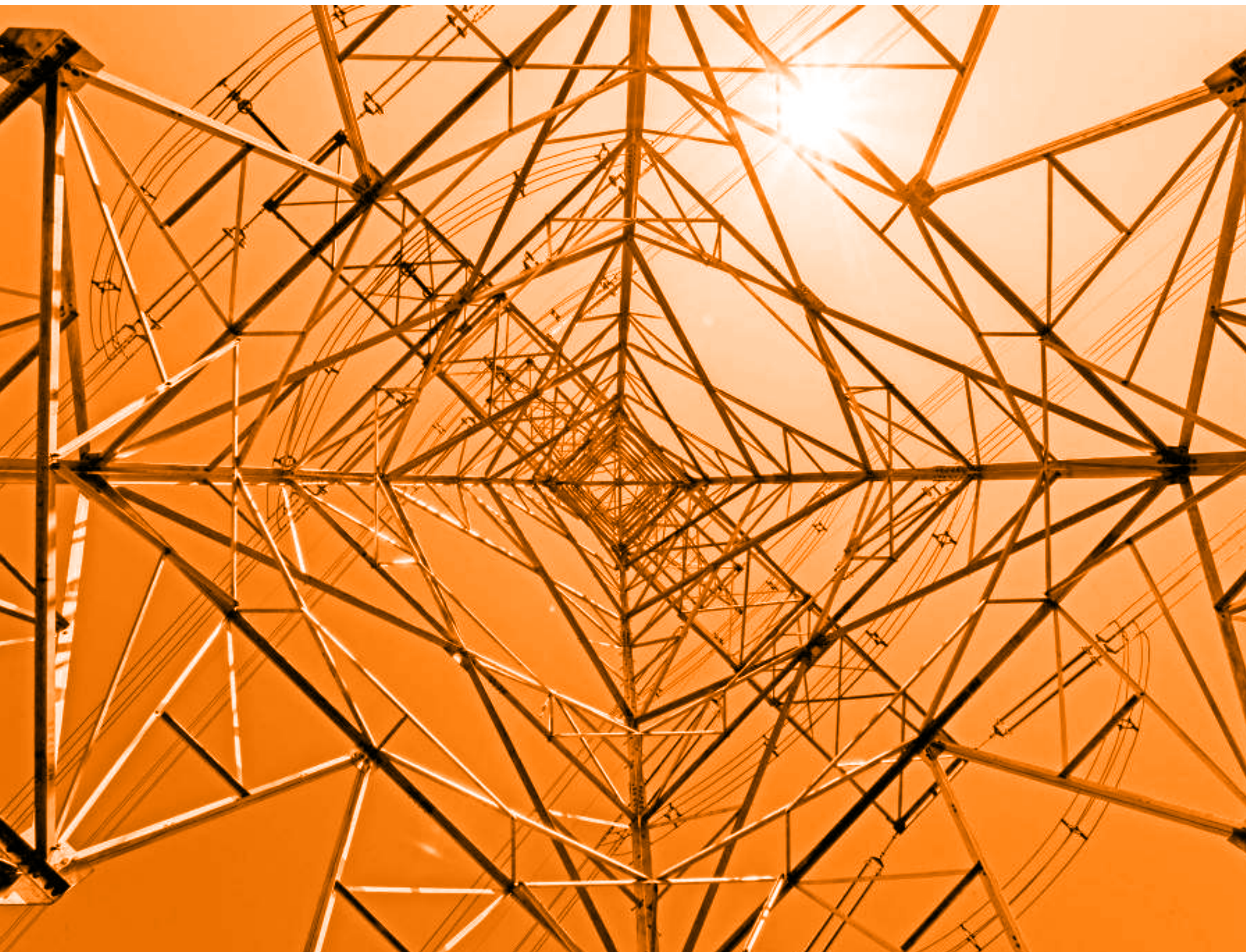
European Space Agency (ESA)

Development of guidance, navigation and control systems for the first European mission to clean space debris.

The Group's Portuguese aerospace subsidiary, Deimos Engenharia, will lead the international team that will develop the technology to control all satellite movements.

Clearspace-1 is the first space mission dedicated exclusively to removing an object in orbit. It is being developed under the ESA's ADRIOS programme and it is the first step towards a cleaner Earth orbit.





CONCESSIONS

ENERFÍN

Power generation

CELEO

Energy infrastructures
Power generation



POWER GENERATION

In wind power, Elecnor, in addition to building turnkey wind farms in Spain and in different countries around the world for various developers (see section on Power Generation in the Infrastructure Business within this Integrated Report), also acts as an end-to-end project manager and investor through its subsidiary Enerfín, involving itself in all phases of a wind power project, from its development and construction to its operation.



ENVIRONMENT 2020

Although 2020 was marked by the health crisis caused by the pandemic, the renewables sector in general was less affected than other strategic sectors as energy generation is an essential service and combating climate change is considered a priority objective of most governments.

In Enerfin's case, the impact of the pandemic on its business varied in the different countries in which it is present, although, in general, the Group's wind power subsidiary was able to cope with this complex situation successfully, managing to fulfil the challenge of completing the construction of 306 MW: 256 MW of the São Fernando wind farm in North-East Brazil and 50 MW of the Cofrentes wind farm in Valencia, Spain. It also commissioned this farm in Valencia and 223 MW for the first three phases of the São Fernando wind farm.

With these projects, the wind farms operated by the company have increased by more than 25%, and now exceed 1.1 GW installed.

In terms of promotion and development, Enerfin has continued to work, with varying degrees of progress depending on the circumstances of each country, on the implementation of its portfolio of projects that already exceed 5 GW.

The pandemic has also led to new innovation opportunities as a result of the impetus coming from different countries for the reconstruction of economies in line with the Sustainable Development Goals. In this context, Enerfin has promoted its innovation projects by focusing on hybridisation with multi-megawatt storage systems, repowering and the generation of green hydrogen.

In terms of the energy management activity, in a context in which renewable energies continue to move from a regulated model to one that is increasingly liberal, with an exponential growth in the signing of corporate PPAs, Enerfin continues to explore growth opportunities in the different regions in which it operates.

Brazil, Australia, Canada and Spain are Enerfin's principal countries for project construction and operation. In addition, the Elecnor Group's wind power subsidiary continues to expand its portfolio of projects in Latin America.



Malpica wind farm in La Coruña (Spain). Enerfin



L'Érable wind farm (Canada). Enerfin

2020 MILESTONES Spain

■ During the state of emergency the Cofrentes 50 MW wind farm was commissioned. This wind farm is the first facility of this type to be opened in the Valencia region since 2012.

■ The projects under development were promoted accomplishing the completion of the first administrative milestone established in RDL 23/2020 (accepted for processing) for projects with access to the network, totalling 360 MW, distributed between the autonomous regions of Navarre, Castilla y León, Andalusia and Aragon.

With these MW, Enerfín consolidates a portfolio of more than 400 MW with access and connection.

■ A favourable Environmental Impact Statement was obtained (second milestone to be completed established in RDL 23/2013) for the most advanced project under development, the 120 MW of the Ribera Navarra. This consolidated the viability of the project whose construction is expected to begin in 2021.

■ Progress has been made with the design of the control system for the energy storage project installed at the end of 2019. This project involves the integration of a Tesla battery in the Montes de Cierzo wind farm.



Cofrentes wind farm in Valencia (Spain)

Brazil

■ Completion of the construction of the first wind farms in the São Fernando complex (São Fernando 1, 2, 3 and 4 wind farms) totalling 256 MW and commissioning of the first three (173 MW), located in Rio Grande do Norte.

■ The financing of the São Fernando 4 wind farm was signed with the Bank of Brazil in the "Project finance" method with funds provided by Superintendência do Desenvolvimento do Nordeste (Sudene). This continues the financing already contracted for the rest of the wind farms on the complex with the Banco do Nordeste do Brasil.

■ With regard to promotional activity, projects in the north-east of the country have continued to be promoted to increase the presence in this region. The development of two new wind farm complexes has begun in Serra de Icó, 100 MW in Ceará, and Pendências, 200 MW in Rio Grande do Norte.

These wind farms are on top of two additional projects in the São Fernando complex (São Fernando 5 y 6), as well as the Angicos project, thus achieving the 560 MW of capacity in development in the north-east, in addition to the 700 MW promoted in the south of the country.

■ Enerfín has achieved the 632 MW installed in Brazil, 376 MW in Rio Grande do Sul and 256 in Rio Grande do Norte, having also a portfolio of projects under development of more than 1,200 MW.

Australia

■ Enerfín has made significant progress in the processes for obtaining the connection permit for its Woolsthorpe project, of 73 MW, located in Victoria.

■ It has also helped obtaining new projects with the signing of two research licences and the start of the wind measurement campaign for wind and solar projects at two sites in New South Wales.



Canada

- In the province of Saskatchewan, Enerfín submitted a project in the call for bids by SaskPower with two alternative capacities, 90 MW and 148 MW.
- Progress has been made in the development of the Winnifred wind farm project, of 120 MW, located in Alberta.
- Management of the 100 MW L'Érable project, located in Quebec and in operation since 2014, continues.



L'Érable wind farm (Canada). Enerfín

Other development opportunities

Colombia

- Enerfín has continued to promote the portfolio of wind farm projects in La Guajira, which exceed 700 MW, focusing especially on the implementation of the El Ahumado wind farm, of 50 MW, for which it has obtained the environmental and land use permits.
- Agreements have also been signed with the 22 indigenous communities affected by the Trupillo wind farms, of 100 MW, and Dividivi, of 150 MW, located in Alta Guajira.

Mexico

- Enerfín has continued to make progress in the development of the Panabá-Sucilá wind farm complex, of 600 MW, in the state of Yucatán. The environmental impact study of the first two phases of the complex has already been presented and the annual monitoring of the fauna of the interconnection line completed.

Argentina

- Progress has been made in the development of the Salamanca complex (Chubut), having obtained the environmental permit for phases 2 and 3 of the project, of 113 MW and 56 MW, respectively. The environmental permit for the first phase of 100 MW was also renewed.
- The MW portfolio in the country has been increased, beginning the promotion of 100 MW in Tandil, Buenos Aires region, with the signing of two leases.

Chile

- The wind power company has made progress in the development of its project of more than 200 MW in the Los Lagos region, which already has the wind measurement campaign, the land rights and mining rights for the whole farm. In 2021, progress with the environmental impact study will be continued with.

Cuba

- Enerfín has continued advancing with the development of the Maisí wind farm, of 175 MW, belonging to the company Rhylium and with a PPA signed with UNE.

WIND ENERGY



São Fernando wind farm

Rio Grande do Norte,
Brazil



During 2020, construction was completed of three of the four wind farms in the São Fernando complex which were then commissioned.

The complex consists of 74 wind turbines with a hub height of 120 metres from the manufacturer Nordex. The civil engineering works and electrical infrastructure were carried out by Elecnor.

At the same time, the financing for the São Fernando 4 wind farm was signed with the Bank of Brazil/Sudene under project finance arrangements.

With this project, Enerfín has become a leading wind energy company in the north-east of the country where it is expanding its project portfolio with new developments.

256
MW

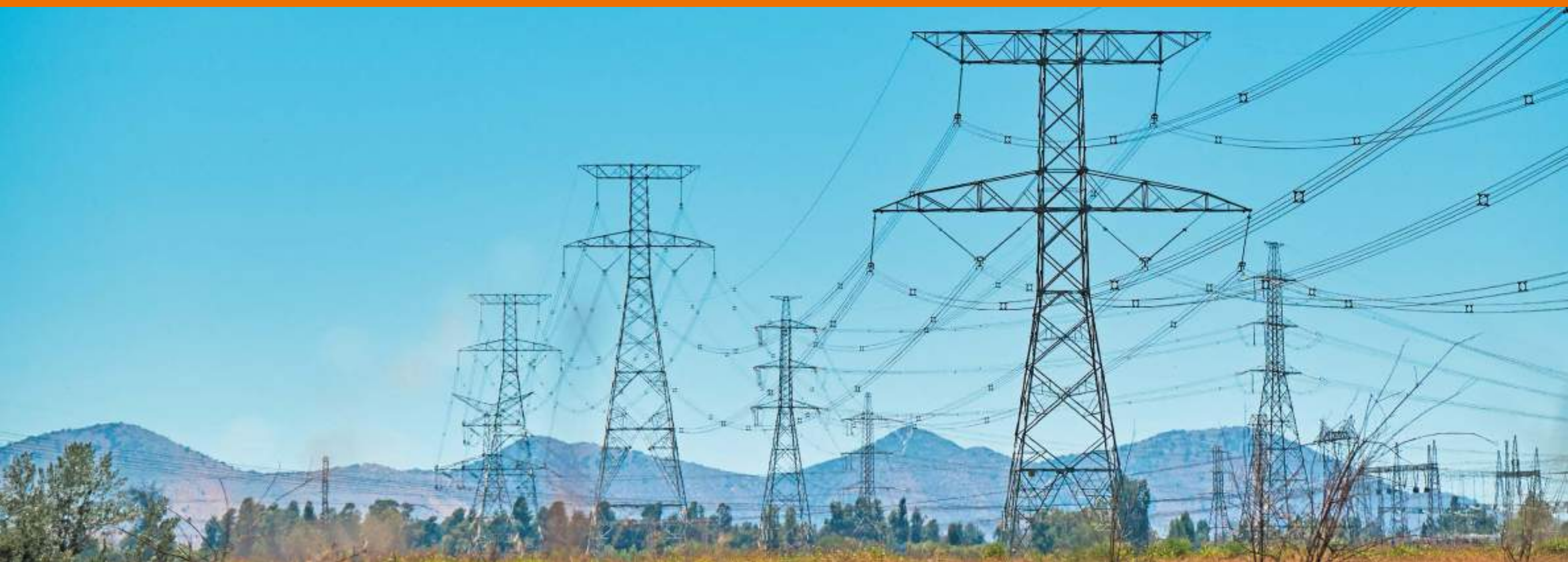




ENERGY INFRASTRUCTURES POWER GENERATION

Elecnor, through its partner company Celeo Concesiones e Inversiones, is one of the major players in the development of the power transmission systems in Brazil and Chile.

Likewise, in the power generation area, Celeo has extensive experience in solar energy production, both photovoltaic and solar thermal.



ENVIRONMENT 2020

Elecnor closed 2020 managing more than EUR 3.1 billion of assets of its co-managed company Celeo. These assets include power transmission and generation activities.

In Brazil and Chile, Celeo has 5,740 kilometres of transmission lines and substations with a transformation capacity of 11,485 MVA. Electricity generation projects with a total capacity of 180 MW are also being developed in Brazil. Also in Spain, it operates and maintains an additional 165 MW of photovoltaic and solar thermal energy.

Celeo's activity during 2020 focused on the identification and study of regulatory changes that have been occurring in the different regions in which it operates, particularly in Brazil and Chile. There has been a very intense regulatory pace in these two countries in terms of defining the protocols by which new renewable energy-related projects should be governed or in terms of the rules for electricity transmission services in national electricity systems.

An important milestone was reached in Chile in early September. On that date, the bill which establishes the right to electrical portability was submitted in the Chamber of Deputies. This bill would alter the General Law on Electrical Services (LGSE) and create the figure of the electricity supplier separating this activity from the distribution networks business. This opens the door to the end user to freely choose their electricity supplier.

2020 MILESTONES Brazil

Celeo finished 2020 in Brasil with a total of 4,134 kilometres of transmission lines in operation through 13 concession companies.

Two concessions (SITE and PATE) totalling 606 kilometres are also under construction. The first phase of the SITE concession, consisting of the Acaraú II-Acaraú III transmission line and the Acaraú II substation, was powered during the first quarter of the year.

All the concessions have been awarded by the National Electric Energy Agency (ANEEL) which grants a 30 year operation and maintenance period.



São João de Piauí solar PV plant (Brazil). Celeo



Concession company in operation	Length of the lines (km)	Voltage (kV)	Third-party and own substations	Capacity of transformation (MVA)
VCTE - Vila do Conde Transmissora de Energia, S.A.	324	500 kV	2	-
LTT - Linha de Transmissão Triângulo, S.A.	695	500 kV	6	1,800
CTE - Coqueiros Transmissora de Energia, S.A.	65	500/230 kV	3	675
PTE - Pedras Transmissora de Energia, S.A.	-	-	1	1,200
ENTE - Encruzo Novo Transmissora de Energia, S.A.	220	230 kV	2	200
BTE - Brilhante Transmissora de Energia, S.A.	581	230/138 kV	10	300
JTE - Jauru Transmissora de Energia, S.A.	940	230 kV	6	-
LTC - Linha de Transmissão Corumbá, S.A.	279	230 kV	2	200
CAIUÁ - Caiuá Transmissora de Energia, S.A.	142	230 kV	5	700
BTE2 - Brilhante II Transmissora de Energia, S.A.	-	-	1	200
IMTE - Integração Maranhense Transmissora de Energia, S.A.	365	500 kV	2	-
CANTE - Cantareira Transmissora de Energia, S.A.	342	500 kV	2	-
CPTE - Cachoeira Paulista Transmissora de Energia, S.A.	181	500 kV	2	-
Total	4,134		44	5,275

Concession company in construction	Length of the lines (km)	Voltage (kV)	Third-party and own substations	Capacity of transformation (MVA)
SITE - Serra de Ibiapaba Transmissora de Energia, S.A.	366	500/230 kV	7	4,200
PATE - Parintins Amazonas Transmissora de Energia, S.A.	240	230 kV	3	900
Total	606		10	5,100

The solar photovoltaic project of 180 MW located in the state of Piauí is still in progress with the aim of being commissioned before 2022. This project, awarded in the bid organised by ANEEL in 2018, consists of

the sale of the energy of six PV plants.

The six solar PV farms will be able to supply the consumption of 190,000 Brazilian homes and will occupy more than

460 hectares. The project, which is being built turnkey (EPC) by Elecnor through its subsidiary in Brazil, also includes an evacuation substation and a 14 kilometre long 500 kV connection line.



Alto Jahuel substation (Chile). Celeo



Chile

In the transmission activity, Celeo, through its subsidiary Celeo Redes Chile, currently operates and maintains 506 kilometres of transmission lines and 6 substations. It is also building a further 530 kilometres with its 14 third-party and own substations.

Of note among the construction projects was the award in November of the 36 kilometre long Nueva Nirivilo line which includes extension works in the Nueva Nirivilo and Constitución substations.

And also the commissioning of the Diego de Almagro maintenance base in Atacama. This facility has an approximate built area of 370 m² and services the DATE project. This makes Celeo a solar energy leader in the Andean region.

Specific Purpose Company	Length of the lines (km)	Voltage (kV)	Third-party and own substations	Capacity of transformation (MVA)
AJTE (C1 + C2) - Alto Jahuel Transmisora de Energía, S.A.	256	500 kV	2	-
CHARRÚA - Charrúa Transmisora de Energía, S.A.	198	500 kV	2	-
DATE - Diego Almagro Transmisora de Energía, S.A.	52	2X220 kV	2	750
Total	506		6	750

Specific Purpose Company in construction	Length of the lines (km)	Voltage (kV)	Third-party and own substations	Capacity of transformation (MVA)
CASTE - Casablanca Transmisora de Energía, S.A.	103	220 kV	5	90
MATE - Mataquito Transmisora de Energía, S.A.	391	66 kV 220 kV	9	270
Nueva Línea 2x66 Nueva Nirivilo - Constitución	36	66 kV	0	60
Total	530		14	360





Aste 1A solar thermal power plant
in Ciudad Real (Spain)

Spain

During 2020, Elecnor continued with the operation and maintenance of eight PV facilities owned by Celeo: Siberia Solar (10 MW), THT Antequera (2 MW), AASCV Alginet (1 MW), AASCV 2 Alginet (1 MW), ELC Murcia (610 kW), HAE Alacant (520 kW), Helios Almussafes I (100 kW) and Helios Almussafes II (97.5 kW).

The solar thermal power plants, Aste-1A, Aste-1B and Astexol-2, operated normally, achieving the expected performance, with worse solar irradiation conditions than those of a typical meteorological year. In November, the shutdown was carried out of the Aste-1A plant followed by, in December, the

scheduled "*limited inspection*" maintenance shutdown of the Aste-1B plant. Both occurred without any incidents.

For the Astexol-2 plant, the major shutdown work started in November 2020 and continued until early February 2021.

In mid-2020, the three water treatment concessions in Aragon (Spain) that were managed by Celeo were transferred to other companies. Thus, until the date of that transaction, in July, the amount of water treated totalled 4.3 hm³.

A SUSTAINABLE VALUE



OUR PEOPLE, OUR BEST ASSET

The Elecnor Group has a team of more than 18,000 people and more than 30 nationalities. It is these people who set us apart, through their effective

and efficient work, and they are therefore the cornerstone of Elecnor's activity.

This year, shaped by the COVID-19 crisis, Human

Resources management has become even more essential for the Elecnor Group. The main priority has been to safeguard and care for the health, safety and well-being of our people.

INTEGRATED HUMAN RESOURCES MANAGEMENT SYSTEM

GRI 103-1, GRI 103-2, GRI 103-3



SELECTION

Acquiring and attracting the best available talent in the market, prioritising internal talent.

31%

increase in recruitment



PERFORMANCE

Process of analysis of the actions and results of each person in their post, as well as the identification of improvement areas.

2,424

people evaluated



COMPENSATION

Focused on fair remuneration, that rewards and recognises merits.

Salary surveys
Social benefits



DEVELOPMENT

This means a maximum commitment to existing potential in order to offer employees opportunities for growth and improvement over the course of their career.



TRAINING

Aimed at developing skills and broadening knowledge to achieve optimal suitability of person to post.

251,529

Training hours

13.82

Training hours/employee (GRI 404-1)



Selection

With a view to attracting and retaining its most valuable asset in the best possible way, the Integrated Human Resources Management System is aimed at deploying, fostering and developing talent within the organisation.

Elecnor 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.

Moreover, the Group has an internal selection and mobility policy aimed at attracting and retaining the best available talent in the market.

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 Elecnor brand as a standard-bearing company for professional development. In this regard, the specific LinkedIn profile Elecnor Talento is used to coordinate job vacancy postings in the international market. In 2020, the brand continued its promotion in that social media. This year there has been a particular need to select international profiles for renewable projects and for the telecommunications sector in countries like the Dominican Republic, Panama, Australia, Italy and the United Kingdom.



LinkedIn

18,203
employees



EMPLOYEES WITH TRAINING CONTRACTS

333

INTERNS

380

226 in Spain
154 abroad

As usual, Elecnor continued to work closely with universities and vocational training centres to attract students and new graduates. Consequently, Elecnor has taken part in various employment fora in the year, which, due to COVID-19, have mostly taken place online. In a new development, Elecnor took part in the Madrid Regional Forum and the first Virtual Employment Fair organised by Infojobs at a nationwide level.

Note that in 2020 the international grants programme was strengthened by adding profiles of this kind in El Salvador and Chile. The Group plans to continue the programme in Brazil.

TALENT MANAGEMENT



PERFORMANCE MANAGEMENT



Fostering internal talent

GRI 404-3

Elecnor 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.

Performance Management provides relevant, objective and transparent information with a view to establishing remuneration, training and development plans.

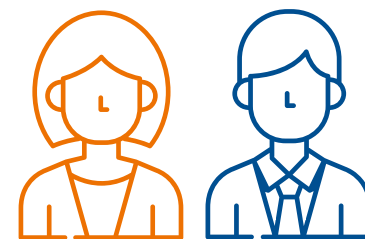
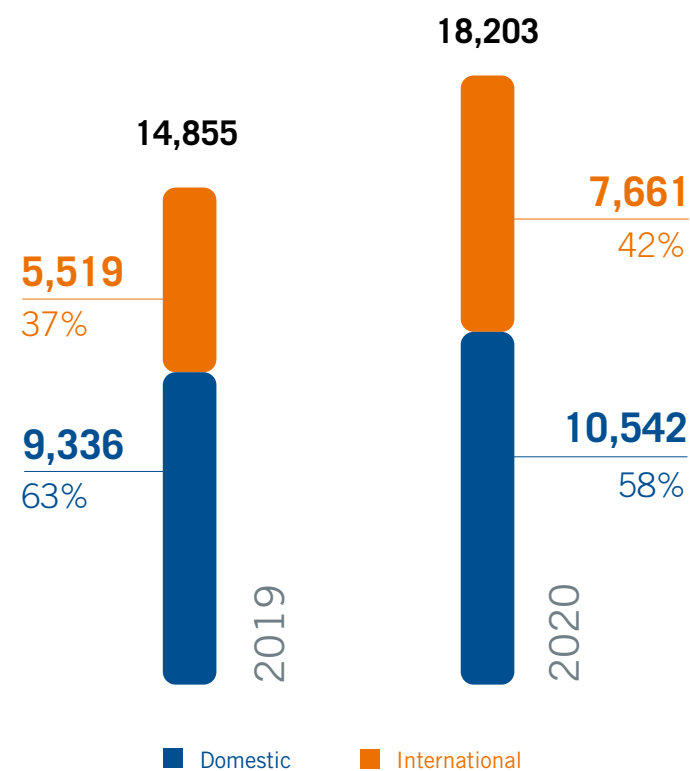
In the Performance Management process which commenced in 2019 and was completed in February 2020, 2,424 employees were assessed.

There follows a breakdown by gender and category of employees who have received a periodic professional performance assessment:

Professional category	Male	Female	Total
Management	109	21	130
Executive	636	161	797
Technician	929	563	1,492
Basic	5	-	5
Total	1,679	745	2,424

As a result of the COVID-19 crisis, and after examining the results of the last few years, the Elecnor Group has decided to revamp its Performance Management model for 2020. The new model is simpler and consists of evaluating competencies, which have been redefined, and gauging whether a person is suitable for promotion. This new model was launched at the end of the year and will conclude in early 2021.

Changes in the workforce by market



INCREASE

22.5%

compared to 2019

Profile of the workforce

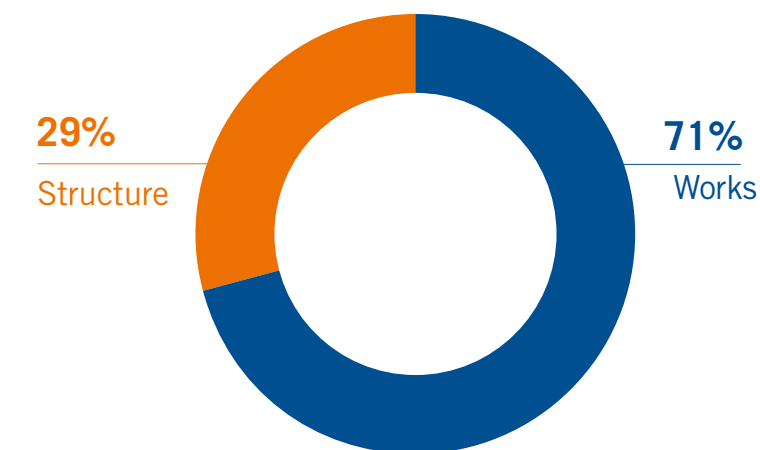
GRI 102-8, GRI 405-1

The Elecnor Group has an international, multicultural and diverse profile with a presence in more than 50 countries across five continents.

At the end of 2020, the Elecnor Group employed 18,203 people, a 22.5% increase on the previous year

(14,855 employees). The increase was due mainly to the international market where the workforce has increased by 39% year-on-year. In the domestic market the increase was of 13%, largely to cover the need to support the international business. The international workforce accounts for 42% of the total, and the domestic workforce 58%.

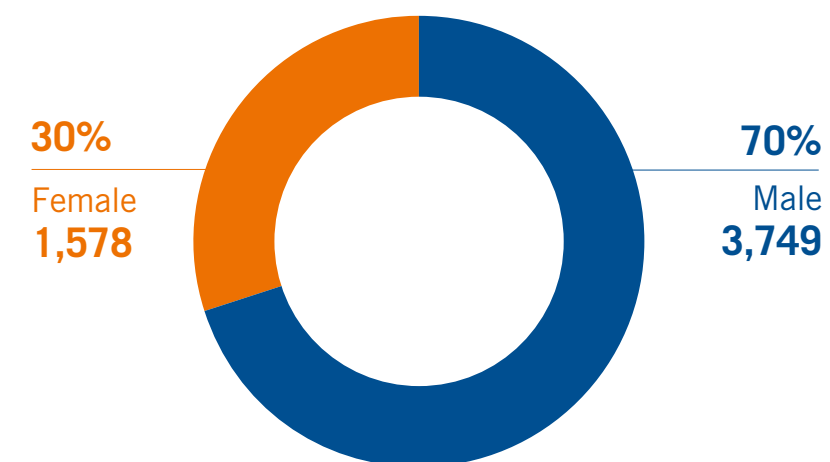
Workforce breakdown



In 2020, the Elecnor Group's workforce comprised 29% **Structure** staff and 71% **Works** staff.

In line with the historical trend in the sector, men have a greater presence in the Group, as they account for more staff in Works, where women only account for 4%. However, in the Structure category, there is a greater balance between men and women (the latter accounting for 30%, and numbering 1,578).

Structure workforce by gender



Elecnor's commitment to equality and diversity fosters growth in the number of women at the organisation, and there has been a 20% increase at Group level in the last year. Note also that 45% of women in the workforce hold degree qualifications or above and they increasingly occupy positions of responsibility in the company.

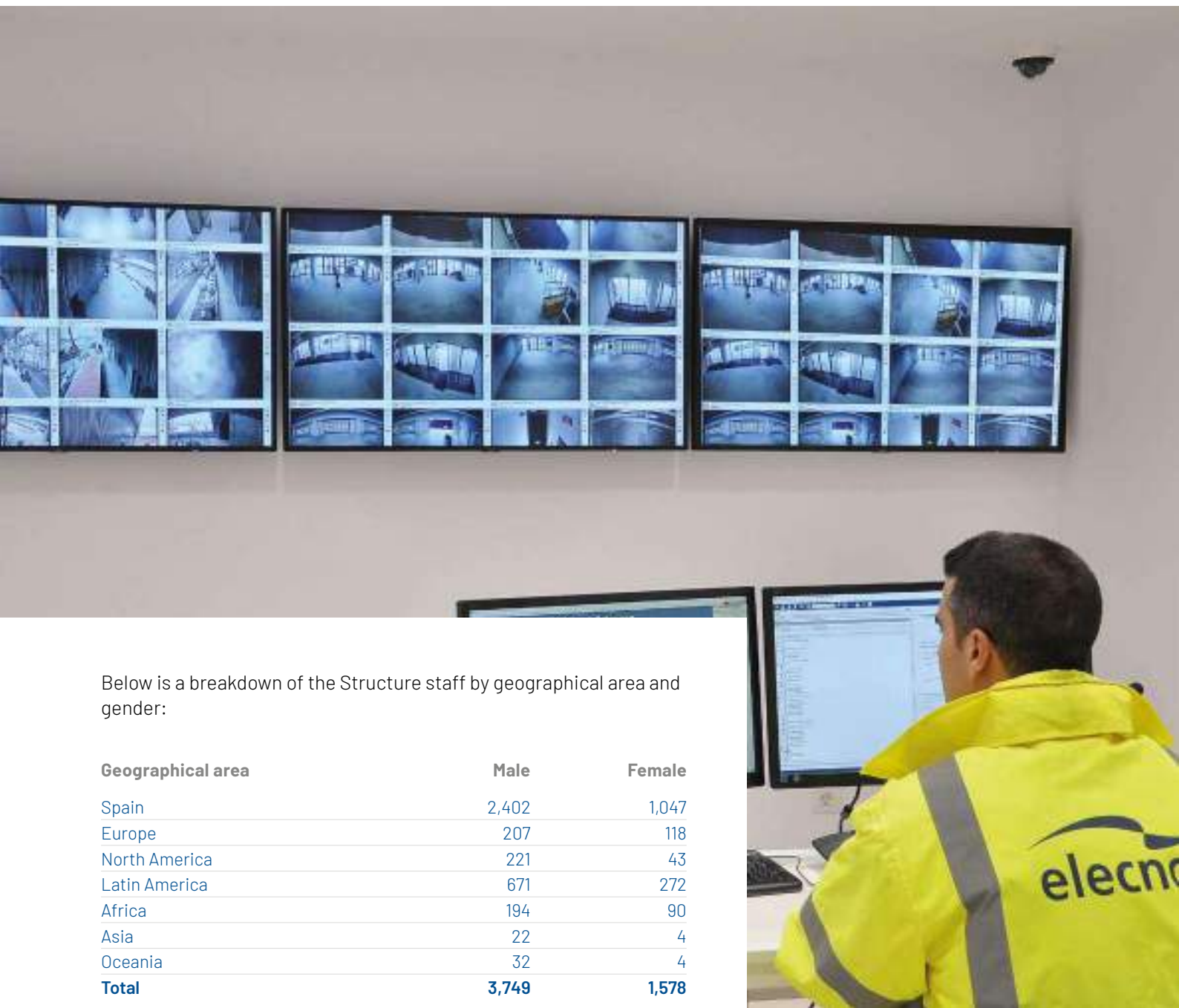
Over the course of this chapter the figures by employee type (Structure and Works) are broken down in the gender information so as to adequately represent the profile of the workforce.

STAFF IN STRUCTURE

	2019	2020	% Change
	4,513	5,327	18%
Male	3,173	3,749	18%
Female	1,340	1,578	18%

STAFF IN WORKS

	2019	2020	% Change
	10,342	12,876	25%
Male	9,889	12,305	24%
Female	453	571	26%



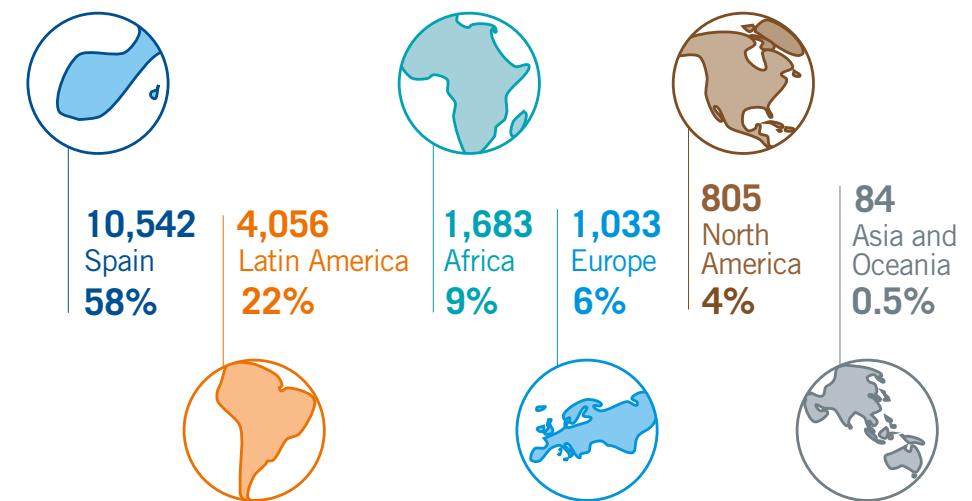
Below is a breakdown of the Structure staff by geographical area and gender:

Geographical area	Male	Female
Spain	2,402	1,047
Europe	207	118
North America	221	43
Latin America	671	272
Africa	194	90
Asia	22	4
Oceania	32	4
Total	3,749	1,578

WORKFORCE DATA (YEAR-END)

	2019	2020	Variación
Spain	9,336	10,542	13%
Europe	796	1,033	30%
Belgium	-	1	-
Italy	312	396	27%
Lithuania	-	16	-
Norway	57	65	14%
Portugal	153	189	24%
UK	260	350	35%
Romania	14	16	14%

Employees by geographic area



North America	585	805	38%
Canada	5	5	0%
United States	580	800	38%
Latin America	3,140	4,056	29%
Argentina	92	96	4%
Bolivia	1	0	-100%
Brazil	1,955	2,461	26%
Chile	189	612	224%
Colombia	3	17	467%
Ecuador	6	3	-50%
El Salvador	17	133	682%
Honduras	59	42	-29%
Mexico	86	85	-1%
Panama	140	168	20%
Paraguay	1	1	0%
Peru	8	1	-88%
Dominican Republic	280	190	-32%
Uruguay	271	228	-16%
Venezuela	32	19	-41%
Africa	969	1,683	74%
Angola	712	975	37%
Algeria	1	1	0%
Cameroon	102	346	239%
Ghana	123	300	144%
Mauritania	14	5	-64%
Mozambique	0	31	-
Senegal	17	25	47%
Asia	15	44	193%
Jordan	11	5	-55%
Oman	4	39	875%
Oceania	14	40	186%
Australia	14	40	186%
Total	14,855	18,203	23%

Professional category	2019			2020		
	Male	Female	Total	Male	Female	Total
Structure	3,173	1,340	4,513	3,749	1,578	5,327
Management	145	19	164	145	21	166
Executive	897	201	1,098	1,102	231	1,333
Technician	2,131	1,120	3,245	2,502	1,326	3,828
Works	9,889	453	10,342	12,305	571	12,876
Basic*	9,889	453	10,342	12,305	571	12,876
Total	13,062	1,793	14,855	16,054	2,149	18,203

*The "Basic" professional category comprises mainly men as it corresponds to Works personnel.

BY AGE	2019			2020		
	Male	Female	Total	Male	Female	Total
Staff in Structure						
>50	543	158	701	576	158	734
From 30 to 50	2,142	906	3,048	2,443	1,018	3,461
<30	488	276	764	730	402	1,132
Total	3,173	1,340	4,513	3,749	1,578	5,327

Staff in Works	2019			2020		
	Male	Female	Total	Male	Female	Total
>50	2,116	51	2,167	2,430	55	2,485
From 30 to 50	6,488	300	6,788	7,937	376	8,313
<30	1,285	102	1,387	1,938	140	2,078
Total	9,889	453	10,342	12,305	571	12,876

Despite the crisis unleashed by COVID-19, the Group has increased the number of open-ended contracts by 18% compared to 2019, going from 9,455 to 11,150 such contracts. In addition, 99% of contracts are full time.



BREAKDOWN OF INFORMATION BY CONTRACT TYPE

By age	2019	2020	Changes
Open-ended	9,455	11,150	18%
>50	2,120	2,298	8%
From 30 to 50	6,273	7,257	16%
<30	1,062	1,595	50%
Temporary	5,400	7,053	31%
>50	748	921	23%
From 30 to 50	3,563	4,517	27%
<30	1,089	1,615	48%
Total	14,855	18,203	23%

Average by age	2019	2020	Changes
Open-ended	8,844	10,451	18%
>50	2,075	2,292	10%
From 30 to 50	5,843	6,857	17%
<30	926	1,302	41%
Temporary	5,709	6,314	11%
>50	880	888	1%
From 30 to 50	3,833	4,139	8%
<30	996	1,287	29%
Total	14,553	16,765	15%

By geographical area	2019	2020	Changes
Open-ended	9,455	11,150	18%
Spain	5,586	6,182	11%
Europe	450	676	50%
North America	288	290	1%
Latin America	2,938	3,493	19%
Africa	179	472	164%
Asia	4	4	0%
Oceania	10	33	230%
Temporary	5,400	7,053	31%
Spain	3,750	4,360	16%
Europe	346	357	3%
North America	297	515	73%
Latin America	202	563	179%
Africa	790	1,211	53%
Asia	11	40	264%
Oceania	4	7	75%
Total	14,855	18,203	23%



By professional category	2019	2020	Changes
Open-ended	9,455	11,150	18%
Management	164	166	1%
Executive	956	1,139	19%
Technician	2,284	2,597	14%
Basic	6,051	7,248	20%
Temporary	5,400	7,053	31%
Management	-	0	-
Executive	142	194	37%
Technician	961	1,231	28%
Basic	4,297	5,628	31%
Total	14,855	18,203	23%

Average by professional category	2019	2020	Changes
Open-ended	8,844	10,451	18%
Management	178	170	-4%
Executive	929	1,058	14%
Technician	2,085	2,441	17%
Basic	5,652	6,782	20%
Temporary	5,709	6,314	11%
Management	0	0	-
Executive	152	169	11%
Technician	925	1,083	17%
Basic	4,632	5,062	9%
Total	14,553	16,765	15%

By gender	2019	2020	Changes
Staff in Structure			
Open-ended	3,410	3,902	14%
Male	2,367	2,681	13%
Female	1,043	1,221	17%
Temporary	1,103	1,425	29%
Male	806	1,068	33%
Female	297	357	20%
Total	4,513	5,327	18%

By gender	2019	2020	Changes
Staff in Works			
Open-ended	6,045	7,248	20%
Male	5,761	6,893	20%
Female	284	355	25%
Temporary	4,297	5,628	31%
Male	4,128	5,412	31%
Female	169	216	28%
Total	10,342	12,876	25%

Average by gender Staff in Structure	2019	2020	Changes
Open-ended	3,205	3,678	15%
Male	2,229	2,538	14%
Female	976	1,141	17%
Temporary	1,037	1,203	16%
Male	752	886	18%
Female	285	317	11%
Total	4,243	4,881	15%

Average by gender Staff in Works	2019	2020	Changes
Open-ended	5,638	6,773	20%
Male	5,401	6,452	19%
Female	237	321	35%
Temporary	4,672	5,111	9%
Male	4,458	4,915	10%
Female	215	195	-9%
Total	10,310	11,884	15%

BREAKDOWN OF INFORMATION BY EMPLOYMENT TYPE

By age	2019	2020	Changes
Full-time	14,613	17,981	23%
>50	2,691	3,068	14%
From 30 to 50	9,791	11,730	20%
<30	2,131	3,183	49%
Part-time	242	222	-8%
>50	177	151	-15%
From 30 to 50	45	44	-2%
<30	20	27	35%
Total	14,855	18,203	23%

Average by age	2019	2020	Changes
Full-time	14,288	16,535	16%
>50	2,776	3,015	9%
From 30 to 50	9,622	10,955	14%
<30	1,890	2,565	36%
Part-time	265	230	-13%
>50	179	165	-8%
From 30 to 50	54	41	-24%
<30	32	24	-25%
Total	14,553	16,765	15%

By geographical area	2019	2020	Changes
Full-time	14,613	17,981	23%
Spain	9,109	10,339	14%
Europe	786	1,020	30%
North America	582	800	37%
Latin America	3,139	4,055	29%
Africa	969	1,683	74%
Asia	15	44	193%
Oceania	13	40	208%
Part-time	242	222	-8%
Spain	227	203	-11%
Europe	10	13	30%
North America	3	5	67%
Latin America	1	1	0%
Africa	0	0	
Asia	0	0	
Oceania	1	0	-100%
Total	14,855	18,203	23%

By professional category	2019	2020	Changes
Full-time	14,613	17,981	23%
Management	160	165	3%
Executive	1,085	1,317	21%
Technician	3,185	3,760	18%
Basic	10,183	12,739	25%
Part-time	242	222	-8%
Management	4	1	-75%
Executive	13	16	23%
Technician	60	68	13%
Basic	165	137	-17%
Total	14,855	18,203	23%



Average by professional category	2019	2020	Changes
Full-time	14,288	16,535	16%
Management	174	167	-4%
Executive	1,069	1,213	13%
Technician	2,941	3,461	18%
Basic	10,104	11,694	16%
Part-time	265	230	-13%
Management	4	3	-25%
Executive	12	15	25%
Technician	69	63	-9%
Basic	180	149	-17%
Total	14,553	16,765	15%

By gender			
Staff in Structure	2019	2020	Changes
Full-time	4,436	5,242	18%
Male	3,132	3,701	18%
Female	1,304	1,541	18%
Part-time	77	85	10%
Male	41	48	17%
Female	36	37	3%
Total	4,513	5,327	18%

By gender			
Staff in Works	2019	2020	Changes
Full-time	10,177	12,739	25%
Male	9,736	12,176	25%
Female	441	563	28%
Part-time	165	137	-17%
Male	153	129	-16%
Female	12	8	-33%
Total	10,342	12,876	25%

Average by gender			
Staff in Structure	2019	2020	Changes
Full-time	4,158	4,801	15%
Male	2,939	3,377	15%
Female	1,219	1,424	17%
Part-time	85	81	-5%
Male	42	47	11%
Female	43	34	-21%
Total	4,243	4,881	15%



By gender			
Staff in Works	2019	2020	Changes
Full-time	10,130	11,734	16%
Male	9,695	11,228	16%
Female	435	506	16%
Part-time	180	149	-17%
Male	163	139	-15%
Female	17	10	-40%
Total	10,310	11,884	15%

The number of hours of absenteeism in the Elecnor Group¹ totalled 1,959,662 (1,187,192 hours in 2019), implying an absenteeism² ratio of 5.7% (3.7% in 2019). This increase was driven by the COVID-19 outbreak and by an improvement in the reporting of figures from abroad.

In Spain's case, it was found that, due to COVID-19, a total of 156,935 working hours were lost (148,357 hours among men and 8,578 hours among women), equivalent to 0.8% of total hours worked in Spain.

¹ The following countries are not included in this scope: Algeria, Mauritania, Ecuador, Paraguay, Peru, Belgium, Jordan and the United States, which represent 4% of the Group's total workforce.

² 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.



Workforce rotation³

GRI 401-1

BY AGE RANGE, GENDER AND GEOGRAPHICAL AREA

Location	Departures	Average employment	Rotation in 2020	Change in Rotation 2020 vs. 2019
Spain	1,592	10,047	16%	-8%
Male	1,467	8,809	17%	-8%
>50	327	2,162	15%	-3%
From 30 to 50	909	5,836	16%	-8%
<30	231	811	28%	-28%
Female	125	1,238	10%	-6%
>50	11	162	7%	-7%
From 30 to 50	77	869	9%	-5%
<30	37	207	18%	-9%
Europe	220	883	25%	-5%
Male	201	777	26%	-5%
>50	51	175	29%	-2%
From 30 to 50	109	447	24%	-6%
<30	41	155	26%	-9%
Female	19	106	18%	-5%
>50	4	13	31%	1%
From 30 to 50	9	62	15%	-5%
<30	6	31	19%	-9%

³ Rotation 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	Rotation in 2020	Change in Rotation 2020 vs. 2019
North America	338	711	48%	-11%
Male	322	661	49%	-9%
>50	78	158	49%	-11%
From 30 to 50	163	373	44%	-10%
<30	81	130	62%	-9%
Female	16	50	32%	-31%
>50	7	8	88%	29%
From 30 to 50	7	32	22%	-38%
<30	2	10	20%	-66%
Latin America	3,028	3,703	82%	10%
Male	2,877	3,362	86%	10%
>50	292	407	72%	11%
From 30 to 50	1,798	2,189	82%	29%
<30	787	766	103%	31%
Female	151	341	44%	-19%
>50	12	23	52%	-6%
From 30 to 50	92	213	43%	-17%
<30	47	105	45%	-41%
Africa	272	1,371	20%	-25%
Male	239	1,141	21%	-29%
>50	11	54	20%	-40%
From 30 to 50	169	806	21%	-32%
<30	59	281	21%	-51%
Female	33	230	14%	-49%
>50	2	9	22%	-36%
From 30 to 50	17	142	12%	-48%
<30	14	79	18%	-68%
Asia	10	26	38%	-153%
Male	9	21	43%	-152%
>50	0	3	0%	-60%
From 30 to 50	3	11	55%	1%
<30	6	7	43%	-29%
Female	1	5	20%	-43%
>50	0	0	0%	-58%
From 30 to 50	1	1	100%	40%
<30	0	4	0%	-86%
Oceania	3	24	13%	-38%
Male	3	20	15%	-30%
>50	0	4	0%	-60%
From 30 to 50	2	11	18%	-35%
<30	1	5	20%	-52%
Female	0	4	0%	-63%
>50	0	2	0%	-58%
From 30 to 50	0	2	0%	-60%
<30	-	-	-	-86%
Total Group	5,463	16,765	33%	-5%

BY GEOGRAPHICAL AREA, GENDER AND TYPE OF EMPLOYEE

Structure		Location	Works	
Male	Female		Male	Female
9%	8%	Spain	19%	18%
26%	19%	Europe	26%	9%
22%	16%	North America	57%	129%
24%	28%	Latin America	99%	86%
19%	18%	Africa	21%	12%
0%	33%	Asia	100%	0%
11%	0%	Oceania	0%	50%
14%	13%	Total	41%	30%

New hirings

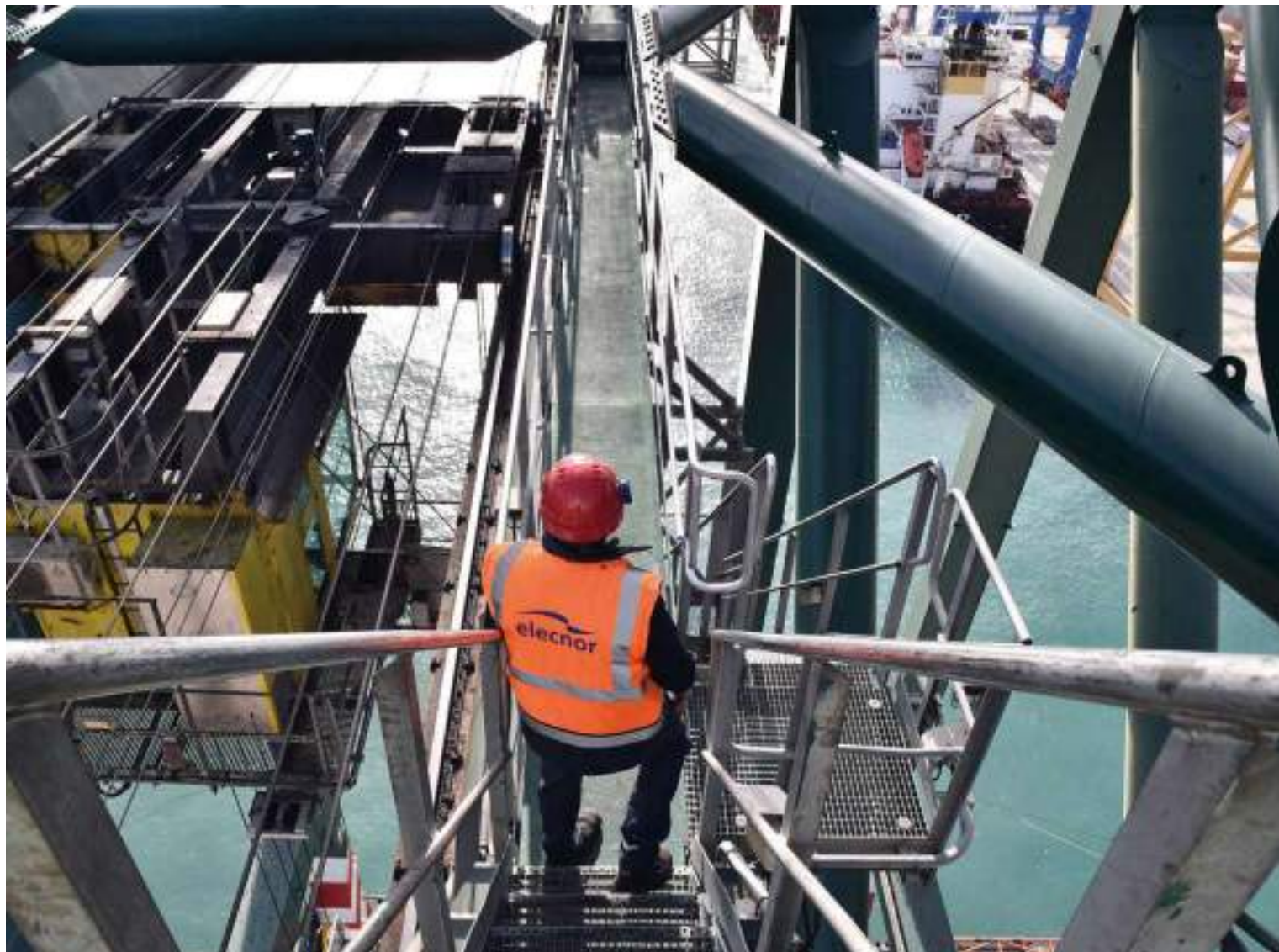
GRI 401-1

BY GENDER AND TYPE OF EMPLOYEE

Structure		Total	Works	
Male	Female		Male	Female
961	425	8,397	6,698	313

The rotation figures in the Works segment are due mainly to contracts ending due to project completions over the course of the year. In order to implement projects, 8,397 new recruitments were made in 2020, which implies a 31% increase compared to 2019 (6,426). Of the total of 5,463 departures, dismissals amounted to 467, a 35% decrease compared with the previous year.

New hirings and dismissals are detailed below.



BY GENDER AND GEOGRAPHICAL AREA

Staff in Structure	2019	2020	Changes
Spain	538	579	8%
Male	370	419	13%
Female	168	160	-5%
Europe	85	146	72%
Male	67	93	39%
Female	18	53	194%
North America	60	86	43%
Male	41	71	73%
Female	19	15	-21%
Latin America	341	377	11%
Male	236	242	3%
Female	105	135	29%
Africa	85	144	69%
Male	57	93	63%
Female	28	51	82%
Asia	7	22	214%
Male	6	14	133%
Female	1	8	700%
Oceania	2	32	1500%
Male	1	29	2800%
Female	1	3	200%
Total	1,118	1,386	24%

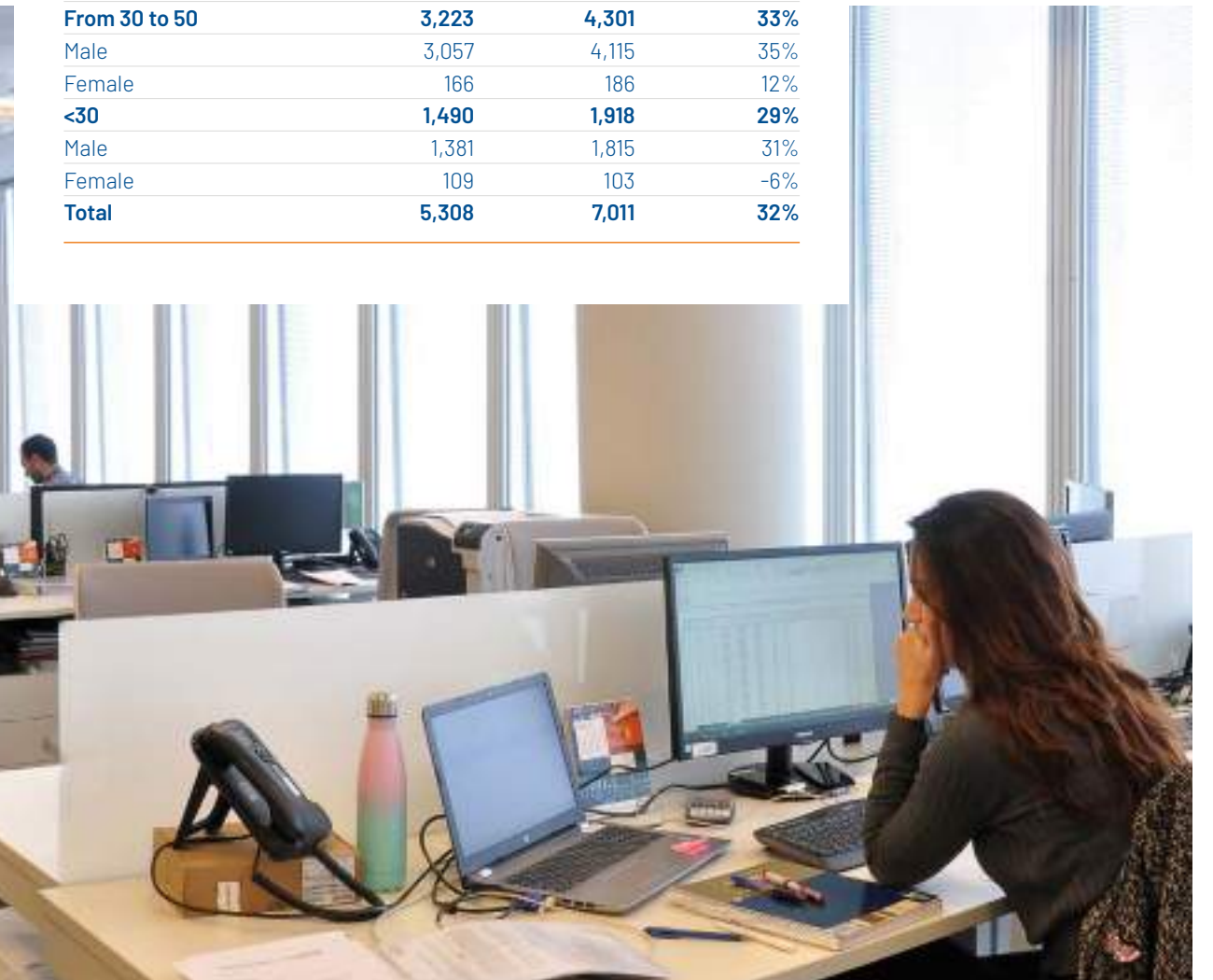
In 2020, 8,397 people were hired, 31% more than in 2019

Staff in Works	2019	2020	Changes
Spain	1,431	1,707	19%
Male	1,355	1,662	23%
Female	76	45	-41%
Europe	256	323	26%
Male	248	295	19%
Female	8	28	250%
North America	475	545	15%
Male	445	532	20%
Female	30	13	-57%
Latin America	2,570	3,545	38%
Male	2,450	3,446	41%
Female	120	99	-18%
Africa	545	868	59%
Male	478	747	56%
Female	67	121	81%
Asia	30	19	-37%
Male	29	14	-52%
Female	1	5	400%
Oceania	1	4	300%
Male	1	2	100%
Female	0	2	-
Total	5,308	7,011	32%

BY GENDER AND AGE RANGE

Staff in Structure	2019	2020	Changes
>50	61	96	57%
Male	53	86	62%
Female	8	10	25%
From 30 to 50	573	709	24%
Male	407	510	25%
Female	166	199	20%
<30	484	581	20%
Male	318	365	15%
Female	166	216	30%
Total	1,118	1,386	24%

Staff in Works	2019	2020	Changes
>50	595	792	33%
Male	568	768	35%
Female	27	24	-11%
From 30 to 50	3,223	4,301	33%
Male	3,057	4,115	35%
Female	166	186	12%
<30	1,490	1,918	29%
Male	1,381	1,815	31%
Female	109	103	-6%
Total	5,308	7,011	32%



Dismissals

There follows a breakdown of dismissals in the Elecnor Group, which refer 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 for Spain, Angola, Argentina, Australia, Brazil, Cameroon, Chile, Ecuador, El Salvador, United States, Ghana, Mauritania, Mexico, Norway, Oman, Panama, United Kingdom, Dominican Republic and Uruguay.

BY GENDER AND PROFESSIONAL CATEGORY

Category	2019			2020			Changes
	Male	Female	Total	Male	Female	Total	
Structure	92	36	128	78	17	95	-26%
Management	1	1	2	4	0	4	100%
Executive	32	5	37	17	3	20	-46%
Technician	59	30	89	57	14	71	-20%
Works	572	22	594	363	9	372	-37%
Basic	572	22	594	363	9	372	-37%
Total	664	58	722	441	26	467	-35%

BY GENDER AND AGE

Staff in Structure

Age	2019			2020			Changes
	Male	Female	Total	Male	Female	Total	
>50	24	2	26	15	2	17	-35%
From 30 to 50	53	29	82	48	10	58	-29%
<30	10	4	14	15	5	20	43%
Total	87	35	122	78	17	95	-22%

Staff in Works

Age	2019			2020			Changes
	Male	Female	Total	Male	Female	Total	
>50	130	4	134	62	3	65	-51%
From 30 to 50	331	14	345	237	5	242	-30%
<30	116	5	121	64	1	65	-46%
Total	577	23	600	363	9	372	-38%

Training

GRI 404-2

The Elecnor Group has a procedure in place for training management which defines the way to pinpoint and meet the training needs of the workforce. The training needs identified, and the training and awareness actions to be implemented, are outlined in the Annual Training Plan.

Once again this year, the Group has remained committed to employee training as a key area for continuous improvement, in the understanding that

the development of its professionals is a key factor for the organisation's success.

In 2020, the Training Area has made a considerable effort to adapt to the circumstances imposed by the COVID-19 pandemic which made it difficult to conduct in-person courses, and this effort has enabled employees to receive the same amount and standard of training as in previous years.

The major challenge has been to digitalise the portfolio of training itineraries for staff in Structure. On the one hand, new training methodologies have been defined: remote live (live training in which trainees

interact with the instructor and their colleagues) and online (training content hosted on digital platforms). On the other hand, available training has been expanded, especially in technical or specific training itineraries.

Note the launch of two digital platforms: "Pharos", providing courses associated with technical and/or specific training, and "RosettaStone", focusing solely on language learning.

The Group offers its employees in Structure and Works training itineraries that are tailored to the needs of their job descriptions:





• **Structure.** In 2020, 8,423 people attended training events, such as: management, technology, IT, languages, quality and environment, and occupational risk prevention.

• **Works.** Works personnel received training in connection with electricity, installations, maintenance, gas, telecommunications, vehicle and machine operators, 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, 20,738 people have received some of the aforementioned training.

Moreover, training itineraries were launched with a view to strengthening certain competencies. Consequently, a total of 248 people have received training associated with Developing Leaders at Elecnor, We Are All Sales, Negotiations and Our Way of Doing Things: Project Management.

Next year we plan to build on the progress made, analyse results and introduce improvements in the digital training designed in 2020.



Training indicators*

The number of attendees measures the number of people who have received training, and one person may have completed several courses.

Item	2019	2020
Investment in training (€)	6,867,450	5,933,227
Training hours	285,281	251,529
No. of attendees	37,952	29,161
Training hours/employee	19.20	13.82

*The figures correspond to 96.9% of the Group's workforce

2019

STAFF IN STRUCTURE

Area	Nº of courses	Attendees			Hours		
		Male	Female	Total	Male	Female	Total
Management	130	576	192	768	6,732	2,302	9,034
Technology	139	644	118	762	10,722	1,911	12,633
IT	39	165	81	246	2,003	1,007	3,010
Languages	479	303	176	479	9,135	4,497	13,632
Quality and Environment	115	356	129	485	1,615	937	2,552
Occupational health and safety	500	4,469	601	5,070	23,641	5,014	28,655
Total	1,401	6,513	1,297	7,810	53,848	15,668	69,516

STAFF IN WORKS

Area	Nº of courses	Attendees			Hours		
		Male	Female	Total	Male	Female	Total
Management	244	155	77	232	804	354	1,158
Technology	883	6,172	44	6,216	76,717	539	77,256
IT	17	111	35	146	597	246	843
Languages	55	40	17	57	3,236	1,312	4,548
Quality and Environment	91	632	101	733	1,162	221	1,383
Occupational health and safety	2,171	22,066	692	22,758	128,634	1,943	130,577
Total	3,462	29,176	966	30,142	211,150	4,615	215,765

2020

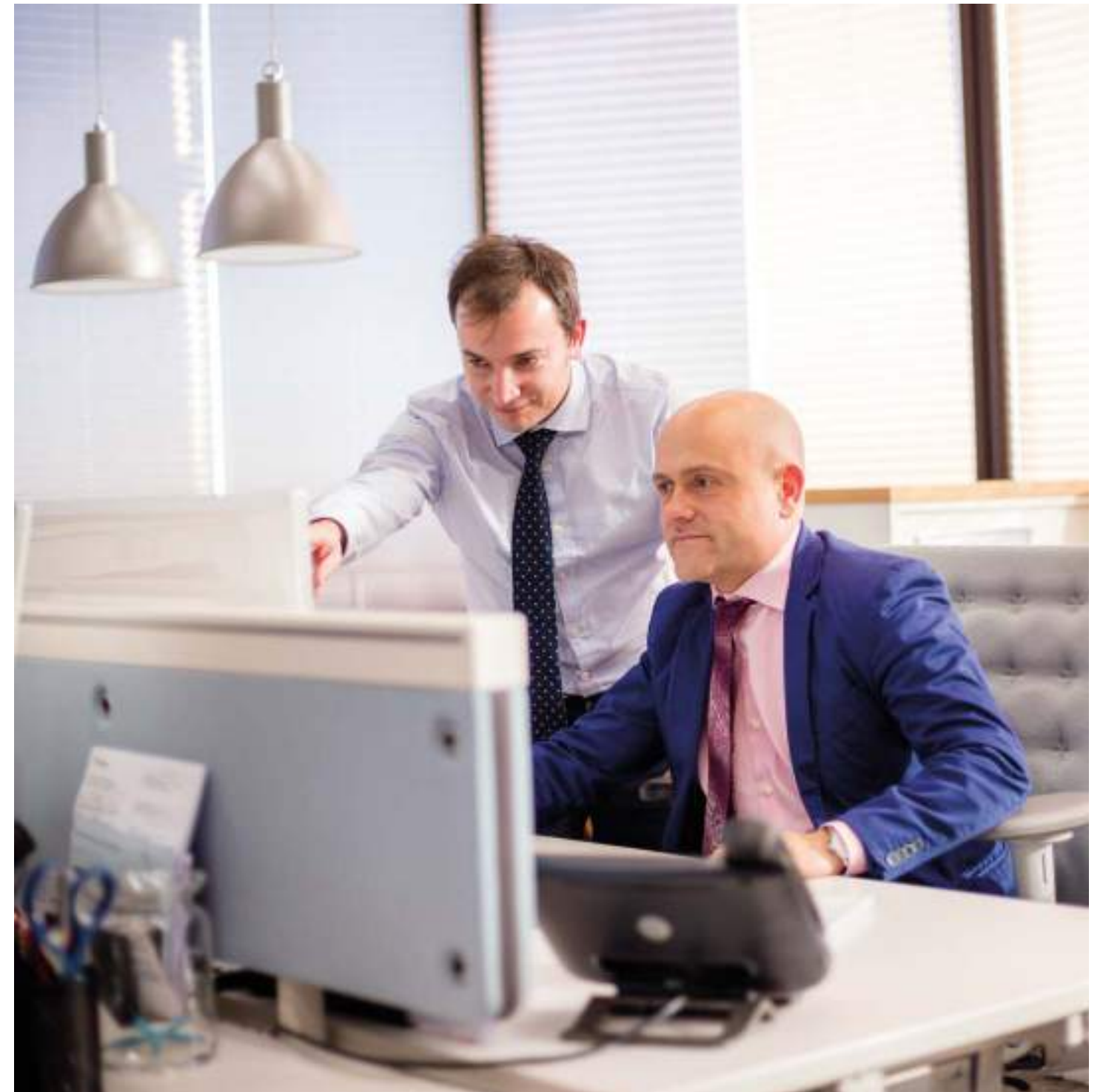
STAFF IN STRUCTURE

Area	Nº of courses	Attendees			Hours		
		Male	Female	Total	Male	Female	Total
Management	61	1,360	531	1,891	4,040	2,108	6,148
Technology	90	321	48	369	5,523	1,193	6,716
IT	61	238	126	364	2,946	1,516	4,462
Languages	313	251	132	383	2,338	786	3,124
Quality and Environment	211	797	261	1,058	2,956	1,196	4,152
Occupational health and safety	276	3,301	1,057	4,358	24,884	8,047	32,931
Total	1,012	6,268	2,155	8,423	42,687	14,847	57,533

STAFF IN WORKS

Area	Nº of courses	Asistentes			Horas		
		Male	Female	Total	Male	Female	Total
Management	14	532	19	551	630	2	633
Technology	833	5,628	19	5,647	73,338	243	73,581
IT	6	34	6	40	425	58	482
Languages	3	5		5	63		63
Quality and Environment	35	743	29	772	774	43	817
Occupational health and safety	1,833	13,419	304	13,723	116,057	2,365	118,422
Total	2,724	20,361	377	20,738	191,286	2,710	193,996

Professional category	2019		2020	
	Attendees	Hours	Attendees	Hours
Structure	5,466	69,498	8,423	57,479
Management	182	3,544	180	1,032
Executive	1,767	18,042	1,743	11,555
Technician	3,517	47,912	6,500	44,892
Works	32,486	215,783	20,738	194,050
Basic	32,486	215,783	20,738	194,050
Total	37,952	285,281	29,161	251,529



TRAINING HOURS BY GENDER AND TYPE OF EMPLOYEE

Structure			Works	
Male	Female	Total	Male	Female
42,687	14,847	251,529	191,285	2,710

AVERAGE HOURS OF TRAINING BY CATEGORY

Category	2019		2020	
	Workforce	Average	Workforce	Average
Management	164	21.61	166	6.22
Executive	1,098	20.12	1,333	8.67
Technician	3,245	13.52	3,828	11.73
Basic	10,348	20.85	12,876	15.07

AVERAGE HOURS OF TRAINING BY CATEGORY AND GENDER

2020

Category	Male		Female		Total	
	Number	Average	Number	Average	Workforce	Average
Structure	3,748	11.38	1,578	9.38	5,326	10.79
Management	145	6.57	21	3.79	166	6.22
Executive	1,102	9.05	231	6.85	1,332	8.67
Technician	2,502	12.69	1,326	9.91	3,828	11.73
Works	12,305	15.55	571	4.82	12,877	15.07
Basic	12,305	15.55	571	4.82	12,877	15.07
Total	16,054	14.57	2,149	8.17	18,203	13.82

With a view to continuous improvement, the Group assesses each training itinerary considering the opinion of trainees by means of an anonymous questionnaire. In the global satisfaction survey, 97% of trainees rated the training as good (41%) or very good (56%).

Note also in this connection the personalised training and updating programme in specific skills for the members of the Group's Board of Directors.

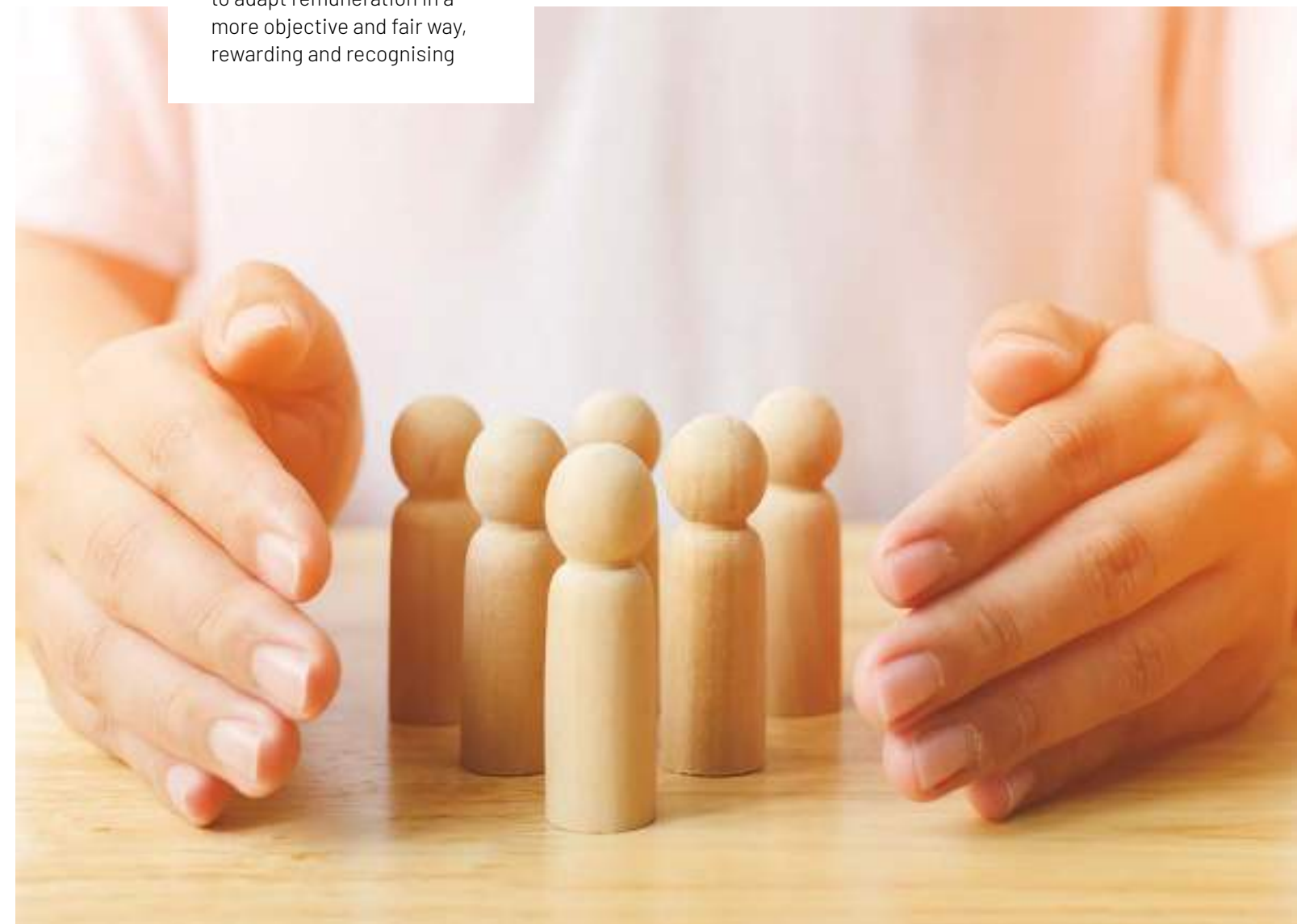
Remuneration and benefits

GRI 401-2

Elecnor's job chart clarifies and simplifies its organisational structure, the responsibilities of each post and the profiles required. This model is based on functional groups and organisational dependencies that prepare the organisation for possible developments. 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 2020, a job chart for Management Team positions was devised.

Elecnor offers its employees social benefits that are described in more detail in the Work-Life Balance section of this chapter.





Remunerations Policy

GRI 405-2

In the framework of the Integrated Human Resources Management System, the Elecnor Group seeks to ensure that its remuneration policy respects the criteria of objectivity, fairness and non-discrimination, recognising and rewarding merits.

Elecnor 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 at the Group as compared to the same positions in the market. Furthermore,

the Group also accesses other market research to achieve this purpose.

With a view to compiling all the necessary information regarding employee payrolls in a homogeneous, agile and effective manner, the Elecnor Group works to ensure that the Iberper system is the only system in which to store all the information on the Group's personnel using standardised criteria.

In addition, in order to speed up the process of managing time sheets and labour costs, the Group has implemented the GAO management system, currently in place in Spain and at various subsidiaries abroad.

AVERAGE REMUNERATION BY GENDER, AGE AND PROFESSIONAL CATEGORY
2019

Age	Structure						Works	
	Management		Executive		Technician		Basic	
	Male	Female	Male	Female	Male	Female	Male	Female
Spain								
>50	125,526	96,542	53,767	56,619	33,694	27,316	22,503	20,353
From 30 to 50	93,480	92,250	47,933	47,026	32,229	27,473	21,040	19,537
<30	-	-	47,734	30,159	26,921	24,833	18,350	17,585
Europe (Italy, Norway, Portugal, United Kingdom and Romania)								
>50	-	-	50,491	46,189	52,445	22,910	31,399	-
From 30 to 50	-	-	53,476	36,943	34,371	31,192	26,886	21,334
<30	-	-	-	-	31,228	22,168	24,658	19,993
North America (United States and Canada)								
>50	180,269	*	88,627	86,510	119,041	50,676	76,368	27,666
From 30 to 50	163,507	-	88,975	71,249	63,019	49,637	63,167	81,131
<30	-	-	63,604	56,394	53,275	34,078	48,276	-
Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruguay)								
>50	-	-	60,313	40,180	27,283	10,770	9,918	5,407
From 30 to 50	-	-	47,085	46,460	19,579	14,875	7,135	5,118
<30	-	-	-	-	10,570	7,931	4,611	3,506
Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)								
>50	-	-	71,822	-	17,393	11,689	5,301	1,660
From 30 to 50	-	-	29,072	26,035	21,111	5,390	6,420	1,837
<30	-	-	-	7,697	5,345	6,040	2,731	1,722
Asia (Jordan and Oman)								
>50	-	-	-	-	104,323	-	-	-
From 30 to 50	-	-	-	-	37,260	-	12,898	-
<30	-	-	-	-	25,038	-	5,311	*
Oceania (Australia)								
>50	-	-	74,766	*	-	24,277	-	-
From 30 to 50	-	-	88,687	-	79,837	-	82,260	-
<30	-	-	-	-	30,834	-	51,735	-

* 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.



Fibre Optic Network in Newcastle (UK) IQA

AVERAGE REMUNERATION BY GENDER, AGE AND PROFESSIONAL CATEGORY
2020

Age	Structure						Works	
	Management		Executive		Technician		Basic	
	Male	Female	Male	Female	Male	Female	Male	Female
Spain								
>50	143,087	98,460	56,647	57,662	34,262	29,820	23,151	22,697
From 30 to 50	96,868	92,929	47,470	46,521	31,636	27,504	21,577	21,624
<30			36,356	38,159	27,449	25,575	19,194	19,808
Europe (Italy, Norway, Portugal, United Kingdom and Romania)								
>50	-	-	51,677	49,260	41,897	29,445	29,409	33,588
From 30 to 50	-	-	50,318	33,785	37,692	31,770	27,941	28,031
<30	-	-	26,463	21,173	30,758	23,295	22,692	26,021
North America (United States and Canada)								
>50	164,073	*	106,262	*	111,685	54,211	84,125	*
From 30 to 50	151,599	-	101,544	72,185	70,050	49,788	80,684	69,663
<30		-	70,170	43,565	51,469	39,959	67,400	51,775
Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruguay)								
>50	-	-	44,942	34,248	24,145	8,160	9,589	7,273
From 30 to 50	-	-	41,151	35,849	19,749	13,886	7,612	4,713
<30	-	-	*	-	11,738	6,996	5,403	6,571
Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)								
>50	-	-	*	-	17,974	10,666	5,637	2,000
From 30 to 50	-	-	36,526	28,317	16,838	5,555	5,917	1,938
<30	-	-	*	5,093	4,614	5,251	2,733	1,795
Asia (Jordan and Oman)								
>50	-	-	-	-	52,372	-	28,280	-
From 30 to 50	-	-	78,867	-	25,542	*	16,307	-
<30	-	-	-	-	19,979	20,495	15,227	*
Oceania (Australia)								
>50	-	-	71,359	*	59,476	*	*	-
From 30 to 50	-	-	91,270	-	80,877	44,324	-	46,158
<30	-	-	-	-	57,983	-	*	-

* 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.



AVERAGE REMUNERATION BY GEOGRAPHICAL AREA, GENDER AND TYPE OF EMPLOYEE
2020

	Structure		Works	
	Male	Female	Male	Female
Spain	40,795	32,018	21,791	21,549
Europe (Italy, Norway, Portugal, United Kingdom and Romania)	38,014	29,270	27,212	28,149
North America (United States and Canada)	90,125	55,734	84,199	60,575
Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Honduras, Mexico, Panama, Peru, Dominican Republic and Uruguay)	21,992	12,627	7,226	5,506
Africa (Angola, Algeria, Cameroon, Ghana, Mauritania and Senegal)	15,630	6,786	5,041	1,894
Asia (Jordan and Oman)	31,565	18,908	18,934	12,083
Oceania (Australia)	72,167	46,758	71,061	46,158

The wage gap

GRI 405-2

Elecnor’s wage policy is for men and women performing jobs with equal responsibility to receive equal pay. As outlined in its Equality Plan, Elecnor 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 median wage of men and of women, over the median wage of men. This year, the result is a lower median wage among women than among men.

Category

Management	18.1%
Executive	8.1%
Technician	20.8%
Basic	27.4%

Employee type

Structure	24.3%
Works	27.4%



Moreover, it is worth representing the wage gap in Spain, where 58% of the workforce is located.

SPAIN

Employee type	2019	2020
Structure	20.2%	18.4%
Works	3.5%	1.7%

Category	2019	2020
Management	14.7%	14.2%
Executive	2.7%	3.7%
Technician	13.2%	15.9%
Basic	3.5%	1.7%

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, and this is materialised in various work schedules.

During the health crisis triggered by the COVID-19 outbreak, Elecnor has organised work in strict compliance with the recommendations of health experts. In Spain, during the state of emergency, 100% of office personnel teleworked and when the state of emergency was scaled down to phase 3 there was a staggered return to offices, establishing a shifts system.

Works personnel performing activities considered to be essential followed the protocol implemented by the COVID-19 Monitoring Committee to the letter, organising brigades of a maximum of 4 persons (always the same 4), establishing shifts so that more than the recommended number of employees never coincided, and staggered arrivals and

departures, among other measures. All of this was controlled by quadrants so as to establish the hours/shifts organised by those directly responsible and supervised by Management.

In other countries, the same protocol applied, but was adapted to the specific circumstances of each place.

Elecnor 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 EFR (empresa familiarmente responsable - family-friendly company). 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.

As a result of the health crisis this year, Elecnor has included and implemented requests for the adaptation of working hours, offering the possibility of adaptation without reducing the working day for people struggling to achieve a balance. It has also made total and or partial teleworking possible.

Elecnor, S.A. and its Spanish subsidiaries also have a Flexible Compensation Plan to which Structure personnel with open-ended contracts have access. This plan includes health insurance (employees may include their spouse and children), dinner vouchers and cards, transport and kindergarten. In 2020, this plan was offered to a total of 2,327 employees, of whom 658 employees decided to subscribe. A new inclusion in the catalogue of products this year is retirement savings insurance.

Moreover, there is a study support programme available to all staff at Elecnor and its Spanish subsidiaries who have children aged 4 to 16, regardless of their contract and work hours. The only requirement is to have been at the company



for at least one year. 2,879 people benefited in 2020. Study support is also available for disabled children of employees, which ranges from Euros 164 to Euros 276 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 Senior Management.

In addition, this year an agreement was reached with International SOS, a company specialising in travel security and medical assistance which allows people not only to better integrate in their destination but also facilitates risk assessment before, during and after journeys.

Note also that the Más Elecnor digital platform includes special offers and discounts on products and services for the entire workforce and their direct relatives.

In aspects relating to employee health and well-being, aside from the stipulations of the Health and Safety Area, there are agreements in place with physiotherapy clinics and some offices are offering fruit as a healthy eating initiative.



Equality and diversity

GRI 103-1, GRI 103-2, GRI 103-3

The Group's 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 Conduct: "Elecnor 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. More precisely, 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 part concerning gender balance, as stated in the recruiting and professional promotion procedures, training and general work conditions."

In line with historical trends regarding gender in the sector, men are more widely represented in the Group, especially among Works personnel. Staff in Structure, however, are more balanced: at 31 December 2020, 30% were women and 70% men; while in Works, 4% were women and 96% men.

The Equality Plan establishes various working areas to boost equality between men and women in the following axes of action: selection and recruitment, training, remuneration, communication, work-life balance and harassment protection, among others.

Moreover, the Group has a Compliance Policy and internal controls to ensure all forms of discrimination are prevented;

PARENTAL LEAVE PLAN

100%

of employees took their leave

these controls include workplace harassment, sexual harassment and pregnancy risk protocols, among others.

The e-mail in-box igualdad@elecnor.com is a communications channel for employees to submit suggestions of any kind or to resolve conflicts. No lawsuits have been filed against the Group for harassment or discrimination in 2020.

In the year, 328 male employees were entitled to paternity leave and all of them took said leave, while 99% of the female employees entitled to maternity leave (82) took said leave.



Diversity in Governing Bodies

GRI 405-1

Elecnor’s Policy for the Selection of Directors and for Board Diversity outlines 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.

Furthermore, the Appointments and Remuneration Committee regularly examines the Policy so as to make further improvements on an ongoing basis.

In December, the Board of Directors modified this Policy to adapt it to the reformed Code of Good Governance of Listed Companies approved by the CNMV in June 2020.

The Policy for the Selection of Directors and for Board Diversity is available on the corporate website.

With regard to the goal of ensuring that the number of female directors represents at least 40% of members of the Board of Directors by the end of 2022 and thereafter, and no lower than 30% before then, 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	2019	2020
Women in executive positions *	11.6%	12.7%
Women in the Board of Directors **	13.3%	13.3%

* Considering Management category of Elecnor Group
** The Board in December of the reporting year

Disability

The Elecnor Group in Spain employs a total of 74 people with various disabilities, accounting for 0.7% of the national workforce and for 0.41% of the total workforce. In parallel, and in compliance with Spain's Disabled Persons and Social Inclusion Act (LGD), Elecnor implemented alternative measures by means of the acquisition of raw materials and through services contracting to Special Employment Centres for a total of more than Euros 5 million.

In 2021, the Group will launch a project to enhance the commitment, awareness, information and advice with a view to normalising disability at the company. Along these lines, it will collaborate with Fundación Adecco in drives to raise awareness and integrate persons with disabilities.

The Group does not currently have a formal policy on universal accessibility.

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.

Suppliers

P&M SL	€ 2,511,951
C.M. Unceta	€ 259,243
CEE Apta	€ 58,671
Integra PMC	€ 57,154
I.L. Sijalon	€ 1,061,286
Iturri CEE	€ 24,581
S.S. Arza, S.L.	€ 1,159,844
Cemi Norte	€ 81,971
Gelim	€ 53,562
Total	€ 5,268,262



About our people

At Elecnor, internal communication has played an essential role in managing the health crisis unleashed by the COVID-19 pandemic, especially regarding maintaining a constant connection between the company and the team of which it is comprised. The continuous dissemination of information, the emotional management of employees and new ways of working, as well as compliance with safety measures, have been the main axes on which internal communication was based in 2020.

In this regard, various initiatives were launched to keep the workforce motivated and to maintain the most normal work climate possible. In such extraordinary circumstances, especially in the early months of the pandemic, the priority has been to ensure that more than 16,000 people (many of them confined to their homes) felt the proximity and care of the Group. Accordingly, the company's communication channels have remained opened and were busier than ever, most notably the corporate intranet, Buenos Días Elecnor, posting updated

information, providing support, thanking employees for their commitment and generating pride in belonging to the company.

When the staggered return to offices and work centres began, internal communication focused on disseminating knowledge and raising awareness about the safety measures established by Elecnor's COVID-19 Monitoring Committee to engage the entire workforce in the effort to achieve a safe working environment.

Some notable initiatives implemented in 2020 include:



This initiative focused on people within the Group whom, at the toughest moments of lockdown, worked in activities considered to be essential. Thanks to their work it was possible to keep essential services fully operational, including hospitals at full capacity, households connected and infrastructure running.

The initiative was aimed at highlighting the value of their work at such an exceptional time and thanking them for their commitment, dedication and effort in the service of public interest.

Cuídate, Cuidame.

When lockdowns were lifted and people returned to offices, the Cuídate, cuidame initiative underscored the importance of decent personal behaviour and how it benefits everyone directly. Safety actions were implemented and disseminated to minimise potential risks. Subsequently, the initiative continued in the form of weekly safety tips and guidelines.

In 2020 a new, person-centric communication channel was designed: TuneIn. This channel from the Human Resources Area is a new way to relate to people who work at Elecnor in order to strengthen the Group's determination to take measures to attune productivity to professional and personal well-being.

Within this framework the first work environment survey was conducted. This online survey was performed with the support of expert consultants Willis Tower Watson so as to ensure respondents' anonymity and privacy.

The survey was sent to members of the workforce of Elecnor and its Spanish subsidiaries (figures as of July: 9,342 employees), and the response rate was 57%. The participation rate of staff in Structure was 88% and of staff in Works it was 41%.

In order to receive assessments in all spheres of management, 53 questions, grouped into 11 categories, were submitted:

Tune In

- ▶ Sustainable commitment: pride of belonging to Elecnor, work environment and general satisfaction with work at Elecnor.
- ▶ Senior Management: the employee's view of Senior Management (involvement, trust, etc.).
- ▶ Collaboration: in the team itself and with teams from other units.
- ▶ Communication: information received from the company and capacity to convey our opinions as employees.
- ▶ Training and development: training, development and promotion options.
- ▶ Image/market: internal and external image.
- ▶ My boss: trust and support from direct supervisor.
- ▶ Organisation: speed of the organisational structure and efficiency.
- ▶ Compensation and benefits: adequate salary and remuneration system.
- ▶ Inclusion and diversity: equality of opportunities, dignity and respect.
- ▶ COVID-19.

COMUNIDAD elecnor

a virtual space in which to share

So as not to lose the day-to-day interaction with colleagues despite the physical distance, a virtual space was created in which to share pleasant moments during the most stringent lockdown. Comunidad Elecnor emerged as a means of staying in touch, albeit at a distance, in any location where the Group is present. It has since become a social media platform in its own right, with more than 2,200 active users. It is a space for sharing hobbies, pleasures, passions, advice, conversations and activities.

To mark **World Environment Day**, a video was launched and the Group's Climate Change Strategy was disseminated to report on the commitments undertaken in the fight against the effects of climate change, as well as the Group's contribution to SDG 13 – Climate Action.

In order to foster and create a culture of quality management, **"The Quality League"** was launched. This consists of a competition between teams from various countries in which the Group operates to showcase knowledge concerning quality. In this connection, a micro-site was designed in which, just as in a sports league, all the



teams competed against each other on various dates, with the team ending up with the highest score being declared the winner.

In addition to communication with employees, Elecnor has continued to communicate with the rest of its stakeholder groups in the most critical moments of the pandemic. Social media (Twitter and LinkedIn) and the various corporate websites of the Group and its subsidiaries became priority communication channels, establishing continuous and fluid communication of what was happening in the corporate environment.



Social dialogue

GRI 102-41

In Spain, 100% of the workforce is covered by collective bargaining agreements. Of the rest of countries where the Group operates, there is only comparable legislation in Argentina, Belgium, Brazil, Cameroon, Jordan, Lithuania, Portugal and Uruguay, and it covers our professionals in those countries.

Elecnor also has Human Resources Departments to ensure compliance with and application of the current legislation throughout the Group.

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 Committee 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, CGT, ESK, CSIF 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. In 2020, the collective bargaining agreements for the Metal sector in Zaragoza, Málaga, Badajoz, Murcia, Cáceres, Ciudad Real, Vizcaya, Castellón and Almería; management of the time pool of the Energy Unit; the shifts system in Gerona; and the 13 furlough agreements were all reviewed.

The Group has various channels for employee dialogue and participation, such as meetings with workers' representatives, the intranet, eTalent and the e-mail addresses codigoetico@elecnor.com and igualdad@elecnor.com, among others.

In 2020, the pandemic has further advanced social dialogue in the Elecnor Group. Numerous meetings have been held with workers' representatives as this year, in addition to the usual negotiations, there have been talks concerning furlough schemes and COVID-19 protocols.

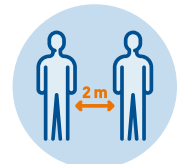


Measures linked to COVID-19

As a result of the health and economic crises generated by the pandemic, exceptionally, the Elecnor Group has had to implement 14 furlough schemes, one of which due to force majeure and the other 13 negotiated, 11 of which were signed off by employee representation with 100% of favourable votes. In terms of the degree of impact, 660 workers were affected by the suspension due to force majeure caused by the state of emergency; 3,926 workers were affected by the suspension of working hours for objective reasons, up to a maximum of 52 working days; and 2,641 workers were affected by the 30% reduction in working hours for 49 days.

In addition, the Management Team decided to reduce its remuneration by 30% throughout the duration of the furlough schemes involving reduced working hours.

Likewise, in the same period the Board of Directors decided to implement a 30% reduction in remuneration to directors for non-executive duties and to the Chairman and Secretary. During the period, no per diems were paid to any director.



WE TAKE CARE OF OUR PEOPLE

Our commitment to employee health and safety has been a priority for the Elecnor Group since the outset. Consequently, work is ongoing to achieve the goal of zero accidents, zero tolerance to any breaches of preventive measures and the continuous fostering of safe conduct among employees.

Clear evidence of the Group's commitment to improvement in health and safety is that, in Spain, for all activities in this sphere in 2020, a budget of more than Euros 11 million was allocated, and a further Euros 5.7 million was subsequently earmarked to undertake investments linked to the COVID-19 pandemic.

At Elecnor, the Health and Safety Area is organised on the basis of the Joint Prevention Service (JPS), which is broken down between the Head Office and JPS Technicians who are distributed throughout all the countries in which the Group operates.

Head Office JPS comprises 13 technicians and is structured as follows:

► **Technical Office**
Department: which 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, software rollout, etc.

► **Technicians:** who coordinate and unify actions at broad implementation customers in Spain.

JPS technicians cater for the day-to-day needs of the Group's various organisations, such as technical support for customers and the performance

of inspections and training, among other actions. There are 104* technicians in Spain, with various skill levels and specialities, focused on health

and safety. Abroad, there are 260 technicians in various categories in accordance with the legislation of each country.

* The figures do not include health technicians hired specifically for large projects.



Personal de Mantenimiento, Madrid (España)

Health and safety management

GRI 403-1, GRI 403-2, GRI 403-3

In health and safety, the main risk which the Elecnor Group faces in conducting its activities is the possibility of a serious or fatal accident at its projects. Mainly, these are linked to working at heights, electrical hazards, handling large loads and confined spaces.

Consequently, the Elecnor Group has implemented a Health and Safety Management System encompassed within the Integrated Management System. The aim is to remove or minimise the risks that people executing the projects might face. This System is firmly grounded on the goal of achieving zero accidents. To achieve this, multiple actions are conducted, notably including:



OUR GOAL

ZERO

fatal or serious accidents

- ▶ 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.

The Management System includes the initial risk assessment procedures (adapted to the legal requirements of each country) identifying the risks associated with Elecnor's 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 remedial 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 periodically (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 Health and Safety Management System applies to employees, activities and places of work. All the systems are certified to the OHSAS 18001 standard, except those of Elecnor Mexico, Brazil and Canada, which have already migrated to the new ISO 45001 standard which will replace OHSAS 18001 in September 2021. This process will be conducted in the next year in the rest of countries where the Group operates.

72% of turnover is certified in accordance with international OHSAS 18001 or ISO 45001 standards.

In 2020, 15 internal audits were performed in Spain in accordance with OHSAS 18001 standards. During the course of the audits, various deviation notes were filed, mostly for one-off errors/non-compliances. Furthermore, external audits were carried out of Elecnor and its subsidiaries Atersa, Audeca, Ehisa, Enerfin and Jomar Seguridad, all with a satisfactory outcome; and the multi-site certification was also completed which groups together Elecnor and all its subsidiaries (except Audeca and Enerfin, which have independent certification).

This year the legal external audit was conducted as required by Spanish legislation for Elecnor and its aforementioned subsidiaries, as well as an independent audit of the subsidiaries Área 3, Deimos Space, Elecnor Seguridad and Hidroambiente, with a satisfactory outcome. No non-conformities were reported at most of the companies audited, with one minor non-conformity each at Área 3 and Hidroambiente.

Abroad, 11 internal audits were performed in accordance with OHSAS 18001 requirements. With regard to external audits, 7 audits were conducted in various countries.

Among other actions, 75,064 safety inspections were conducted throughout the Group, as a result of which 23,145 remedial measures were implemented, and 1,102 internal

works audits were implemented as a means of control and in-depth analysis of the safety environment at projects. Moreover, Elecnor's Risk Prevention Policy includes the right of workers to refrain from performing work where there is grave 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.

The Management System contains a procedure to investigate workplace accidents and incidents that define the responsibilities and actions, including the application of the remedial 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.

Health and Safety Committees

GRI 403-4, GRI 403-8

93% of the Group's employees are represented in formal health and safety committees, 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 countries where Elecnor 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 workplace occupational health and safety

GRI 403-5

Mindful of the importance of training in this connection, Elecnor has continued to pursue the scheduled activities. Depending on the activity, different training groups are distinguished, based on the following aspects:

- ▶ Management systems.
- ▶ Ab initio or induction when joining the company/project.
- ▶ Significant specific risks: height, electrical hazards, machinery, confined spaces, etc.
- ▶ Action in case of emergency: first aid, evacuation, fire prevention, etc.

With regard to the training offered by Elecnor since the pandemic began, there have been two stages. In the first and most stringent lockdown phase, training actions were suspended, with the exception of online training to those groups who could receive remote instruction (office risks, for example).



TRAINING HOURS IN OCCUPATIONAL RISK PREVENTION AMOUNTED TO A TOTAL OF MORE THAN

140,140
hours

the workforce has received information and training on the pandemic through short-term actions.

In the wake of the most critical phase, training actions were conducted as part of the new normality, adopting a series of additional measures: use of masks, social distancing, hand sanitiser, improved ventilation, not sharing common items, etc. There were no infections during training courses.

Training actions were held in Spain for a total of 15,750 attendees (14,294 men and 1,456 women), most of whom attended more than one training action.

A total of 112,141 training hours were provided in Occupational Risk Prevention in Spain (103,356 training hours corresponded to men and 8,785 to women), a decrease of 13.6% on the 129,750 hours of 2019. Other technological and management training, which also have a clear impact on Prevention, are not included in this total (qualifications/electrical permits, machinery operators, etc.). This reduction was due largely to the limitations on training as a result of the pandemic. However,

Some of the most notable training actions are:

Courses	Participants	Hours
Basic course	581	34,860
First cycle of the TPC	1,388	11,104
Second cycle of the TPC	3,177	19,642
Working at heights	2,369	19,416
Confined spaces	1,279	10,460
First aid	653	2,965
Total	9,447	98,447

Actions were held abroad for a total of 45,012 attendees, most of whom attended more than one training action. Total training hours in the Occupational Risk Prevention

area amounted to a total of 140,140, a 3.7% decrease on the 145,500 hours offered in 2019, as a result of the impact of COVID-19. Training focused primarily on working at heights

and electrical hazards, as well as induction on safety at the company entrance, COVID-19 and defensive driving.

Occupational health services

GRI 403-3

Elecnor 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 workers use their own transport, the resulting expenses will be reimbursed.
- ▶ If necessary, workers may be transported in their own vehicles if their injuries permit or via ambulance to the nearest hospital.

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.





Health and safety in the workplace with customers and subcontractors

GRI 403-7

Elecnor applies to subcontracted staff the same health and safety controls and measures as it applies to its own workers, conducting inspections, training, etc.

As part of the Safety Excellence Project, there is a specific line of action for subcontractors.

This year, in Spain the new procedure for subcontractor assessment was launched and the new model for tracking their health and safety performance using the Evalu@ software was rolled out.

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.

Accident rates

GRI 403-9, GRI 403-10

	2019	2020
Frequency rate	3.5	2.7
Severity	0.14	0.10
Incident rate	6.71	5.14

Frequency rate = (number of accidents involving more than one day's leave, not counting those on way to or from work/hours worked) x 10⁶

Severity = (number of days lost/hours worked) x 10³

Incident rate = (number of accidents involving more than one day's leave/Average number of employees) x 10³

Figures broken down by gender

	2019		2020	
	Male	Female	Male	Female
Frequency rate	3.9	0.0	3.0	0.0
Severity	0.16	0.0	0.12	0.0
Occupational illness rate*	1.1	1.5	0.1	0.0

* Occupational illness rate = (number of occupational illnesses/hours worked) x 10⁶

In general, figures are compiled using IT tools, varying from payroll software, intranet, health and safety management tools (Notific@, SegurT, Delt@, etc.), spreadsheets, monthly reports, follow-up meetings, etc.

In 2020, the Group's frequency rate was 2.7, compared with 3.5 in 2019, and the severity score was 0.10, compared with 0.14 in 2019. Both scores are the best it has obtained since the Group began compiling these indices (1967).

In Spain, the final frequency rate was 3.5, compared with 4.1 in 2019, and was the lowest value ever obtained; and the severity rate was 0.15, compared with 0.20 in 2019. There were no fatal accidents in 2020 and there were fewer accidents in the year (69 accidents, compared with 77 in 2019).



In the international market, the final frequency rate was 1.6, also the lowest since the series commenced, compared with 2.4 in 2019. The severity rate was 0.04, down from 0.05 in 2019. This year there has been a significant reduction in accidents (24, from 32 in 2019) and there have been no fatal accidents.

With regard to the impact of COVID-19 on the rate of accidents and occupational illnesses, the Group has followed the health or labour authorities' guidelines in each country. For example, in Spain, pursuant to Labour Ministry guidelines, infections were counted as workplace accidents, regardless of whether their origin was at the workplace or elsewhere, although only for the purposes of financial benefits, which are more generous in the case of a professional contingency than in the case of a common contingency.

Regardless of the foregoing, from the outset cases have been monitored and quarantines implemented in all countries where the Group operates.

From June 2020 onwards, these values were included in the monthly monitoring of rates to gain a visible picture of the impact. Furthermore, and although not a legal requirement, those infections that took place in a strictly

labour context (excluding those taking place at lunchtime, evening gatherings, etc.) are counted as a workplace accident, which has impacted on the frequency rate at the relevant units.



The most significant workplace hazards with serious consequences are determined based on the record of accidents at Elecnor:

- ▶ 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 (risk of crashes, being run over, fire).

There were no fatal accidents involving the Group's own staff in 2020.

Employee accident rate

Geographical area	Nº of injuries due to workplace accidents			Nº of workplace accidents with serious consequences ¹			Hours worked		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Spain	69	0	69	2	0	2	17,347,580	2,469,167	19,816,747
Europe	7	0	7	1	0	1	1,484,333	240,484	1,724,817
North America	0	0	0	0	0	0	1,426,199	131,323	1,557,522
Latin America	11	0	11	0	0	0	7,549,433	476,317	8,025,750
Africa	6	0	6	0	0	0	3,092,496	383,437	3,475,933
Asia	0	0	0	0	0	0	72,088	2,576	74,664
Oceania	0	0	0	0	0	0	34,877	5,443	40,320
Total international	24	0	24	1	0	1	13,659,426	1,239,580	14,899,006
Total	93	0	93	3	0	3	31,007,006	3,708,747	34,715,753

¹ 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.



Accident rate at subcontractors

Geographical area	Nº of injuries due to workplace accidents			Hours worked		
	Male	Female	Total	Male	Female	Total
Spain	31	0	31	8,827,741	0	8,827,741
Europe	3	0	3	373,767	0	373,767
North America	0	0	0	9,372	0	9,372
Latin America	25	0	25	4,634,453	0	4,634,453
Africa	4	0	4	1,632,581	0	1,632,581
Asia	0	0	0	115,278	0	115,278
Oceania	0	0	0	34,800	0	34,800
Total international	32	0	32	6,800,251	0	6,800,251
Total	63	0	63	15,627,992	0	15,627,992

Health monitoring

GRI 403-6, GRI 403-10

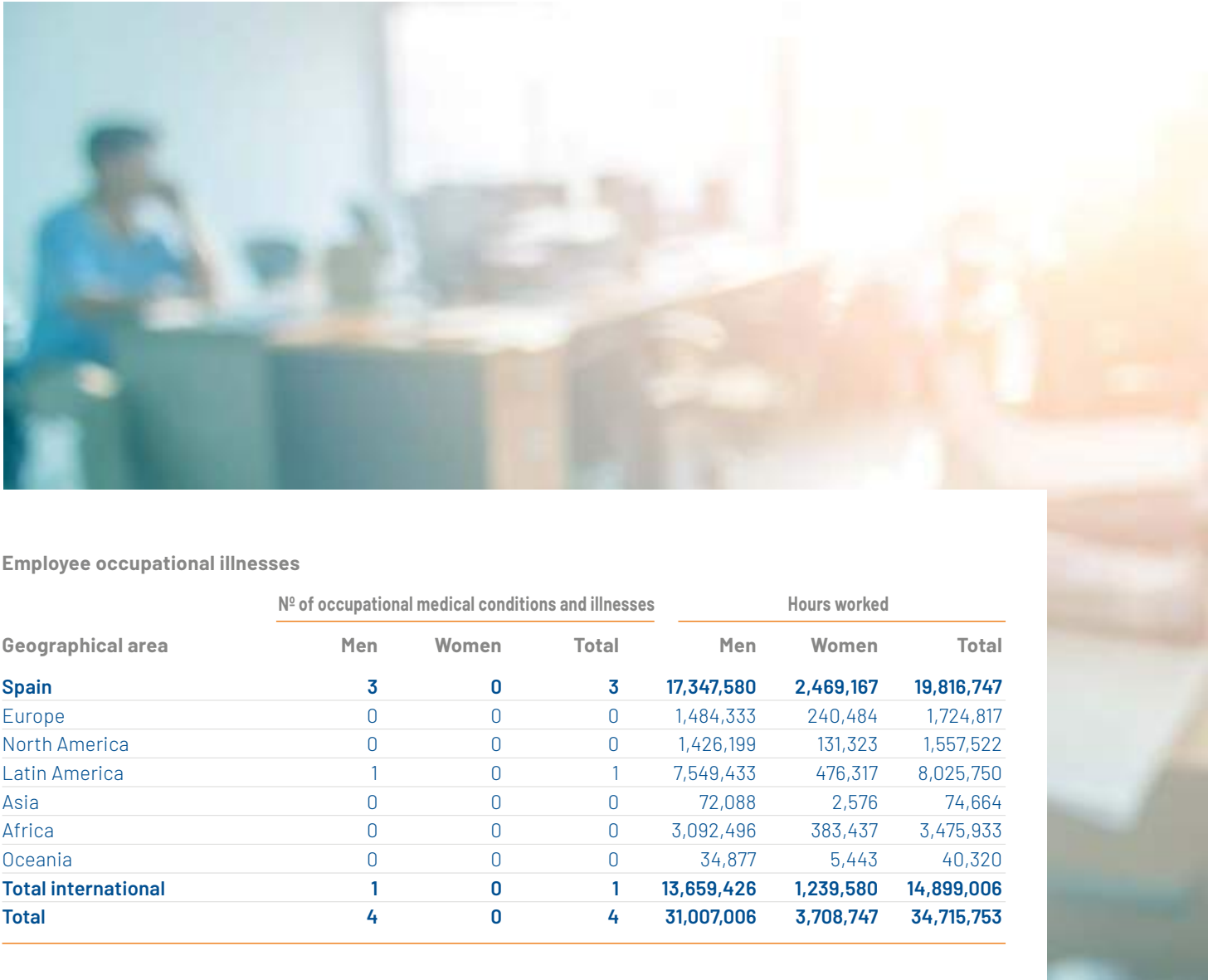
In general terms, Elecnor employees do not perform activities with a high rate or risk of occupational illnesses. In those activities in which there might be a risk of developing an occupational illness (work at nuclear plants, involving asbestos, phytosanitary products, etc.) the necessary preventive 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 2020.

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.

Awareness initiatives are implemented such as campaigns to combat AIDS and sexually transmitted diseases in various countries, with actions and campaigns to foster healthy habits (avoiding cardio-respiratory disease and musculo-skeletal disorders, nurturing a healthy

and balanced diet, etc.), back training, etc. Likewise, in several countries, risk awareness drives were conducted to coincide with World Breast Cancer Day and World Prostate Cancer Day.

Numerous actions were implemented in 2020 to raise awareness among staff and their families regarding the risk of COVID-19 infection.



Employee occupational illnesses

Geographical area	Nº of occupational medical conditions and illnesses			Hours worked		
	Men	Women	Total	Men	Women	Total
Spain	3	0	3	17,347,580	2,469,167	19,816,747
Europe	0	0	0	1,484,333	240,484	1,724,817
North America	0	0	0	1,426,199	131,323	1,557,522
Latin America	1	0	1	7,549,433	476,317	8,025,750
Asia	0	0	0	72,088	2,576	74,664
Africa	0	0	0	3,092,496	383,437	3,475,933
Oceania	0	0	0	34,877	5,443	40,320
Total international	1	0	1	13,659,426	1,239,580	14,899,006
Total	4	0	4	31,007,006	3,708,747	34,715,753

The most significant workplace hazards that present a risk of medical condition or illness are determined on the basis of their past record at Elecnor:

- ▶ Endemic diseases in certain countries where the company operates: malaria, dengue fever, etc.
- ▶ Asbestosis in places where there is asbestos.
- ▶ Musculo-skeletal diseases at construction sites.

In 2020, there were four instances of occupational illness, all of them in men, although the figures are incomplete since there are countries where they are not registered as such. There were two serious cases of malaria and a third, less serious case, and one case of musculo-skeletal disease. Cases among local staff in countries with endemic diseases are not considered to be occupational illnesses.

Safety Excellence project

In 2020, the second phase of the Safety Excellence Project (SEP) was rolled out in Spain and the internationalisation of the project continued, although it has been slowed down by the pandemic.

Meanwhile, the work groups in Angola, Argentina, Chile and Uruguay have adapted and implemented many of the actions defined in the SEP in Spain, with the requisite changes in accordance with the characteristics of each country.

The digital transformation of prevention

The digital transformation, as in other areas of the Group, contributes significant added value to the management of occupational risk prevention. In this regard, processes are optimised, the most suitable technology is applied and efficiency is boosted.

In 2020 initiatives were launched and consolidated within the framework of the Group's Digital Transformation project. Some of them are listed below:

- ▶ The PRP (Principal Risk Permit) tool has been 100% rolled out in Spain, and includes an app and web environment for its management and control. PRPs enable brigades to identify key aspects to prevent serious accidents and errors in the implementation of projects,

before the work begins. At present, an average of 30,000 PRPs are performed per month, identifying and eliminating projects' risks. In Spain, a total of 207,453 PRPs were carried out in 2020.

- ▶ Development of the Evalu@ software, implemented in Spain for new subcontractors and compiling evidence of their qualification process. Moreover, the software tracks their performance in health and safety and also receives inputs from other tools: SegurT (safety inspections) and Notific@ (notification of incidents, accidents and ideas for improvement).
- ▶ Unification of documents and criteria in e-coordina: an evaluation process carried out by OHS experts at various business units.
- ▶ Implementation of the various IT tools (SegurT, Notific@, PRP, e-coordina) in different countries in the international market (Angola, Argentina, Chile, Italy, Panama, United Kingdom, etc.).



Health and safety management during COVID-19

With the onset of the global pandemic, the Elecnor Group sought to minimise cases of the illness in the working environment among its own employees and those of subcontractors.

As the section on Responsible Management of this report explains in greater detail, in mid-March, as a consequence of the rapid spread of COVID-19 and the measures restricting mobility implemented by most governments, the Group set up a top-level COVID-19 Monitoring Committee to respond in a quick, coordinated and effective manner to the major challenges and difficulties posed by this exceptional situation.

The Group's priority has been to guarantee the health of its employees, customers and suppliers; to maintain production so as to ensure the maintenance of critical infrastructure in the energy, telecommunications, water, gas and transport sectors; and

to boost the Group's financial strength.

As a measure of the Group's efforts, note that in Spain alone it has invested more than Euros 5.7 million in measures to prevent or minimise COVID-19 infections within the organisation.

Below is an outline of the main preventive measures implemented to tackle the health crisis in an efficient way, which has enabled the Group to keep case numbers in the working environment low:

- ▶ Specific protocols for works sites and fixed work centres (warehouses, offices, plants, etc.), which have been translated into the most widely used languages at the Group (English, Portuguese, Italian and French).
- ▶ Development of our own signage showing safety measures, also translated into the four languages.
- ▶ Preventive measures and protective equipment: masks, gloves, disposable suits, watertight goggles, sanitisers, thermometers at entrances to work centres, screens separating work stations, disposable tissues, waste paper baskets, specific disinfectants, etc.

- ▶ Protocol to protect workers who are most vulnerable due to their specific physical conditions.
- ▶ Conducting serological tests, PCR, antigens, etc.
- ▶ Management of confirmed cases and close and casual contacts of confirmed cases.

When case numbers were at their highest, production activity and some actions including training, meetings, safety inspections, etc., were affected by the restrictions and limitations on mobility.

One of the most significant measures taken in the toughest months of the pandemic was the repatriation of ex-pat workers in various African countries. Elecnor, in collaboration with the Spanish Embassy in Luanda, conducted what was the largest repatriation of a Spanish colony from an African country due to COVID-19. An aircraft was chartered for 151 people, 96 of them Elecnor staff and 55 residents in Angola, so that they could return to their countries of origin.

During the pandemic, communication and awareness of workers and their families via the Buenos Días intranet have been key. One of the

most significant campaigns was "Cuídate, cuidame" (Look after yourself, look after me), which, by means of continuous, clear and practical messages, disseminated the safety measures put in place to minimise the potential risks.

To raise awareness among children, posters were made to enable workers and their families to play "Find Covid", along the lines of the

"Where's Wally?" game. They are distributed on paper and digitally.

At the end of the year, the Christmas campaign focused on wishing people a "Happy and Safe Christmas". In order to continue raising awareness in the Group, a competition was launched in which Christmas and safety featured as the pivotal axes for a responsible festive season.



OPERATIONAL EXCELLENCE

GRI 102-11

Elecnor has an **Integrated Management System** encompassing the following aspects: Environment, Quality, Occupational Risk Prevention, Energy Management and RDI Management.

The Integrated Management System is configured around strict compliance with applicable legislation and any other requirements binding upon Elecnor in the markets in which it operates; knowledge of the nature and scale of environmental impacts, customers' requirements; the health and safety of all workers and collaborators; and improvements in competitiveness through RDI enabling it to contribute value and differentiation. Based on these criteria, specific commitments and action lines are established for each sphere.

The Integrated Management System Policy is available in the corporate website www.elecnor.com.

In 2020, multi-site certification audits were conducted according to ISO standards 9001 and 14001. This is a single certificate for all of the organisations in the Elecnor infrastructures area that contains all of the scopes of the various activities and all of the work centres.

72% of turnover is certified in accordance with international ISO 9001 standards.



Quality management

Elecnor's quality strategy consists mainly of strengthening customer satisfaction, consolidating the

continuous improvement in the organisation's processes and involving the workforce in this process.

In 2020, the quality goals were aimed primarily at continuing to roll out the Quality and Environment Management System abroad and at optimising quality processes.

Main achievements

- ▶ The methodology for managing risks and opportunities in the various processes has been improved.
- ▶ Within the framework of the digitalisation project, a software tool to digitalise the Quality and the Environment Management System both at the corporate level and at work sites has been developed.
- ▶ In the international sphere, Elecnor Chile was added to the multi-site certificate and the Quality and the Environment Management System was implemented at Elecnor Angola in accordance with ISO 9001 and ISO 14001 standards.
- ▶ The system to report incidents at the international level has been improved by strengthening the available resources for the incident report and review process.
- ▶ Certificates were maintained at the subsidiaries Audeca, Deimos, Hidroambiente, Omninstal, Elecnor México, Elecnor do Brasil, Elecnor de Argentina, IQA and Montelecnor.



Customers, at the heart of the business

Elecnor periodically manages customer satisfaction through digital surveys, enabling it to gauge the degree of satisfaction with the services offered, as well as to identify strengths and areas for improvement.

1,681 surveys were sent out this year, of which 1,089 responses were received (65% response rate). The results show that Elecnor’s valuation among its customers has improved compared with 2019.



Satisfaction surveys	2019	2020
Number of surveys	684	1,089
Average score	8.32	8.53
The most highly valued aspects	Training and technical capacity	Compliance with the safety requirements
	Degree of communication, service and response	Global valuation
	Compliance with the safety requirements	Response and attention to need for changes

For satisfaction surveys that obtain low scores, a methodology was established to ascertain more details of the reasons for the score and to analyse how to improve it. This is implemented by means of improvement management reports defining the necessary corrective actions to remedy the cause of the low score obtained.

As for customer claims or complaints, they are managed in accordance with the “Internal and External Communication and Consultation” and “Improvement Management” procedures that outline the system to be applied for their management, analysis of causes and definition of efficient remedial actions.

In 2020, 144 customer complaints were filed, most of which were linked to technical management (38%), materials and equipment (22%) and workforce (19%). All complaints were fielded within a defined period and 54% of them were closed to the customer’s satisfaction. In some cases, a survey is sent to customers in order to ascertain whether the proposed solution to the complaint is satisfactory.



3,475
approved local
suppliers

Supply chain

GRI 103-1, GRI 103-2,
GRI 103-3, GRI 102- 9,
GRI 308-1, GRI 414-1

Guaranteeing the most stringent quality standards to customers requires constant attention to and control of the supply chain. In this connection, Elecnor 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.

The Elecnor Group’s suppliers are classified as suppliers of materials or suppliers of services. Elecnor currently has 3,475 approved local (in proximity to works sites or their catchment areas), national and international suppliers. 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.

Elecnor’s Integrated Management System comprises procedures, policies and manuals that describe supply chain management. Below is a summary of the foremost procedures:

► Procurement procedure. Establishes the method for preparing procurements documents so that they contain the necessary and sufficient data to correctly identify the material/ service requested, as well as the supply conditions for activities subject to the Integrated Management System. General procurement conditions envisage quality, compliance, ethical, labour, social and environmental criteria, among others. These conditions must be accepted and fulfilled by suppliers wishing to work with Elecnor.

► Procedure for drafting agreements/orders with subcontractors. Establishes subcontracting conditions, including quality, environment, energy management and compliance requirements.

► Logistics procedure. Establishes the air or maritime loading of equipment, supplies and materials.

► The process for approving and evaluating suppliers follows the "Procedure for managing suppliers of materials/services". Said procedure establishes that suppliers of materials/ services classified as important must provide the relevant documentation concerning quality, environment, energy management, occupational risk prevention, compliance, RDI, data security and other documentation in regard to ethical, employment, social and environmental issues that suppliers may provide. Depending on the requirements fulfilled, the supplier is afforded a score.

► Instruction concerning the management of critical suppliers. Describes the system for managing supplies selected by Elecnor as being critical or potential. Every year, audits are conducted at suppliers identified as being critical for the organisation.



Some indicators in 2020

- Of the 853 approved suppliers, 34% (286 suppliers) have proven to be aligned with Elecnor's environmental requirements, and 3% (22 suppliers) with the social requirements.
- 487 suppliers were re-assessed in accordance with the quality requirements established in the Integrated Management System.
- The supplier assessment system now includes on-site internal audits of critical suppliers.
- With a view to progress in calculating Scope 3 of the carbon footprint, information was requested from certain suppliers regarding environmental performance.
- Commercial relations were not severed with any suppliers.

Elecnor continuously assesses its suppliers by means of the procurements platform and on-site audits, which include social and environmental criteria. The internal audits and re-assessments ensure that Elecnor's suppliers comply with the quality requirements established in the Management System.

Among the requirements expressly stated is the evidence by the supplier of commitments in relation to conduct comparable to those set forth in Elecnor's own Ethical Code. This condition is especially important in those countries considered to pose a risk by qualified international bodies. Elecnor's employees will ensure that its image, reputation and values are safeguarded by contractors and collaborating companies.

At present, the main risks identified in processes relating to Elecnor's supply chain were late delivery (of both equipment and materials) and deficient quality of supplies or work executed by subcontractors. In accordance with the established methodology, once the risks have been identified, they are assessed and, depending on the result, measures are established to mitigate their effects.

COMMITTED TO THE ENVIRONMENT

The Elecnor Group aims to contribute actively and decisively to the construction of a sustainable, low-carbon future by generating renewable energies, implementing energy efficiency measures, reducing its carbon footprint and through proper environmental management.

In 2020, along with the goals of continuing to roll out the Integrated Management System internationally and optimising processes, Elecnor set the target of improving the score obtained in the sustainability ranking of the Carbon Disclosure Project (CDP), and achieved the goal by securing a score of A- (B in 2019), evidencing the company's leadership in combating climate change.



Malpica wind farm in
La Coruña (Spain).
Enerfin

Environmental management

GRI 103-1, GRI 103-2,
GRI 103-3

The General Services Area is responsible for overseeing the Integrated Management System which combines the Quality, Environmental, Occupational Risk Prevention, Energy and RDI management systems of the organisations belonging to the Elecnor Group with the aim of identifying opportunities for improvement applicable to the various businesses and activities and thereby fostering synergies between them.

In Quality and Environmental management, 95 people are distributed between the General Services Area and the various organisations of the Group, both in Spain and internationally, in order to ensure compliance with Elecnor's established Management Systems.

In performing its activities, Elecnor is committed to incorporating 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.

Consequently, Elecnor's activity is framed by its Environmental Management System and Energy Management, certified in accordance with ISO 14001 and ISO 50001 standards, respectively, as well as its Climate Change Strategy. The Environmental Management System establishes effective control mechanisms to minimise the most significant impacts arising from the Group's various activities, such as the generation of waste, impact on the natural environment, the use of natural and energy resources and the impact on flora and fauna.

Moreover, the Group has an environmental liability policy which covers all the activities of Elecnor, S.A. and its subsidiaries both in Spain and abroad, with a general limit of Euros 20,000,000 per claim and on annual aggregate for all the policy guarantees and coverages.

In 2020, multi-site certification audits were conducted according to ISO standards 9001 and 14001. Moreover, the certificates of the following subsidiaries were maintained: Audeca, Elecnor Deimos, Hidroambiente, Enerfín, Elecnor México, Elecnor do Brasil, Elecnor de Argentina, IQA and Montelecnor. 72% of turnover is certified in accordance

with international ISO 14001 standard.

In addition, Elecnor renewed its environment certificate for carbon dioxide emissions, obtained from the Spanish Association for Standardisation and Certification (AENOR) and verified in accordance with ISO 14064-1 standard; and adapted the Energy Management System to the 2018 UNE-EN ISO 50001 standard, which is AENOR-certified.

Also notable this year were the 2020 GRESB scores obtained by Celeo Redes Chile and Celeo Redes Brasil, companies that are co-managed by Elecnor. GRESB is an independent international index that analyses companies' environmental, social and governance performance. This year, Celeo Redes Brasil obtained a score of 99 points out of 100, the second best GRESB score out of the 406 participants in the global infrastructure category. It has also been recognised as a leader in the infrastructure assets sector. Meanwhile, Celeo Redes Chile obtained a score of 94 points and it was ranked eleventh-best enterprise of those analysed. Likewise, both companies obtained a GRESB 5 Stars rating in 2020, which recognises the leading companies in the ranking.

In 2020, multi-site certification audits were conducted according to ISO standards 9001 and 14001





The fight against climate change

GRI 103-1, GRI 103-2, GRI 103-3

Increasing expectations of more profound changes to the climate, with higher temperatures, lower precipitation and more frequent and intense weather events have placed climate change among the top priorities of the global political, social and business agenda.



Climate change strategy

GRI 201-2

Climate change is a challenge and strategic priority in respect of which the Group has been working hard for some years, since it began calculating its carbon footprint in accordance with internationally accepted standards and implemented measures to reduce GHG emissions within its scope of action. At present, Elecnor remains committed to a sustainable way of operating that is suited to the new climate conditions, which in turn contribute to achieving Sustainable Development Goal 13 – Climate Action.

Elecnor also conducted a strategic diagnosis of adaptation to climate change based on the recommendations of the Intergovernmental Panel on Climate Change, in order to identify opportunities and risks in that connection.

Elecnor's climate risk is defined in accordance with the potential impacts of the various climate threats on the business lines, as well as exposure to climate threats based on the geographical location of the activities, offset by its capacity to adapt. On the one hand, there are business opportunities

for Elecnor deriving from climate change considering reconstruction, repairs and maintenance activities deriving from climate threats and, on the other hand, its business is shaped by its exposure to these threats, depending on the geographical location of the activity and the capacity to address the situation of each business belonging to Elecnor Infrastructures.

The analysis of opportunities concluded that countries presenting the greatest business opportunities for Elecnor will be Angola, Brazil, Spain and Mexico in electricity, power generation, construction, environment and telecommunications. From a risk standpoint, business lines focusing on power grid and wind energy concessions are most affected, with those located on the American continent presenting the highest levels of climate risk.

From this starting point, in 2018 the 2030 Climate Change Strategy was devised, consisting of two main goals and three lines of action, and setting the framework for all the Group's actions to reduce greenhouse gas (GHG) emissions, adapt to climate change impacts and harness the associated opportunities.



The Climate Change Strategy aims to achieve two main goals:

- ▶ **Mitigation:** reduce GHG emissions by 25% by 2030 (as compared with 2014). In 2020, emissions were reduced by 24%, while in 2019 the reduction was 27%. Elecnor expects to maintain this positive trend and ratify compliance with the goal in 2030.
- ▶ **Adaptation:** ensure the resilience of Elecnor's concessions business as climate change advances and become a leader in the sector thanks to the opportunities afforded by climate change.

There are three strategic lines of action: People, Assets and Know-How, from which 22 climate change mitigation and adaptation actions derive, including aspects such as fostering training and awareness policies to encourage saving and reducing the consumption of energy, paper and water by the workforce; a commitment to technology to reduce unnecessary travel associated with the staff's professional activity; the steady replacement of energy-consuming equipment

and company vehicles by others with lower associated greenhouse gas emissions; improvements in renewable energy facilities; optimisation of processes to reduce water usage linked to park and garden management activities both at the Group and its customers; improved know-how relating to both mitigation and adaptation to climate change, enabling more informed decision-making; and a commitment to best practices to adapt businesses to a changing climate.

Monitoring, evaluation and review of the climate change strategy
GRI 302-4

To ensure that the implementation of the Strategy is attaining the expected results in economic and energy terms, Elecnor carries out periodic and systematic monitoring of the measures in place, as well as of the GHG emissions linked to the organisation's carbon footprint. Every year, a document entitled "Monitoring of the Elecnor Group's Climate Change Strategy" is produced. The latest report was completed in July 2020 and referred to the results obtained in 2019.



REDUCTION IN ASSOCIATED EMISSIONS

2,627
tCO₂e avoided in 2019

The initiatives implemented in 2019 led to a two-fold increase in investment, which rose from Euros 1,549,040 in 2018 to Euros 3,733,464 in 2019. This investment led to a significant reduction in associated emissions, which went from 382.63 tCO₂e saved in 2018 to 2,627 tCO₂e saved in 2019.

Below are details of some measures and their related emissions savings.



Strategic axis	Action	Objective	Annual saving of tCO ₂ e	Scope of carbon footprint
People	Implementation of awareness campaigns	Raising awareness among staff regarding the environmental impacts of their daily activities to help enhance environmental performance	96.21	1, 2 and 3
	Conference calls encouraged to avoid journeys	Reduction of greenhouse gas emissions associated with business travel	49.09	3
Assets	Improvements in renewable energy generation facilities and the acquisition of green power	Improvement of the design of wind farms and solar panels, in order to optimise power generation	1,936.84	N/A
	Installation of timers for electronic devices and automatic off switches. LED lighting to replace existing fixtures	Reduce energy consumption associated with lighting and, consequently, the related emissions	110.58	2
Knowledge	RDI projects	Implementation of RDI projects linked to climate change	45.24	Not estimated



Emissions
GRI 305-1, GRI 305-2,
GRI 305-3, GRI 305-4

Carbon footprint

Elecnor calculates its carbon footprint on an annual basis in accordance with international standards by means of a tool that enables each organisation belonging to the Group to report its electricity consumption, fuel consumption and use of coolants, with the data broken down by offices, warehouses, work sites and plants.

In February 2021, for the seventh consecutive year the Elecnor Group verified greenhouse gas emissions in accordance with UNE ISO 14064-1 standard, linked to the direct and indirect emissions relating to its activities. Within the framework of carbon footprint registration, offsetting and CO₂ absorption by the Ministry for Ecological Transition (MITECO), the Group also received the “Calculo y Reduzco” seal granted by the Spanish Office for Climate Change (OECC).

Moreover, for the third consecutive year, Elecnor took part in the Carbon Disclosure Project (CDP), presenting its voluntary report on climate

change. In 2020, Elecnor managed to improve on the previous year’s score, obtaining a score of A- (B in 2019), a score that positions the Group at the highest level in terms of sustainability, adaptation and mitigation of the impact of climate change. The inclusion of Elecnor in this international

ranking recognised by customers, investors and shareholders is part of its Climate Change Strategy.

Elecnor’s carbon footprint in 2020, in connection with Scopes 1 and 2, amounted to 57,070 tonnes of CO₂e (50,308 tCO₂e in 2019).



Factoring in Scope 3 emissions (deriving from the value chain), the organisation’s total emissions amounted to 101,328 tCO₂e (80,931 tCO₂e in 2019).

Since 2019, the carbon footprint has included Scope 3 emissions, for which purpose a selection was made of critical suppliers

and subcontractors. Scope 3 refers to processes associated with Elecnor’s value chain, but which take place in sources that do not belong to it and which it does not control.



EMISSIONS (T CO ₂ E) GRI 305-1, GRI 305-2, GRI 305-3	2019*	2020
Scope 1		
Stationary and mobile combustion**	45,904	53,394
Scope 2		
Consumption of electricity	4,404	3,676
Scope 1 & 2 totals	50,308	57,070
Scope 3	30,623	44,259
Total	80,931	101,328

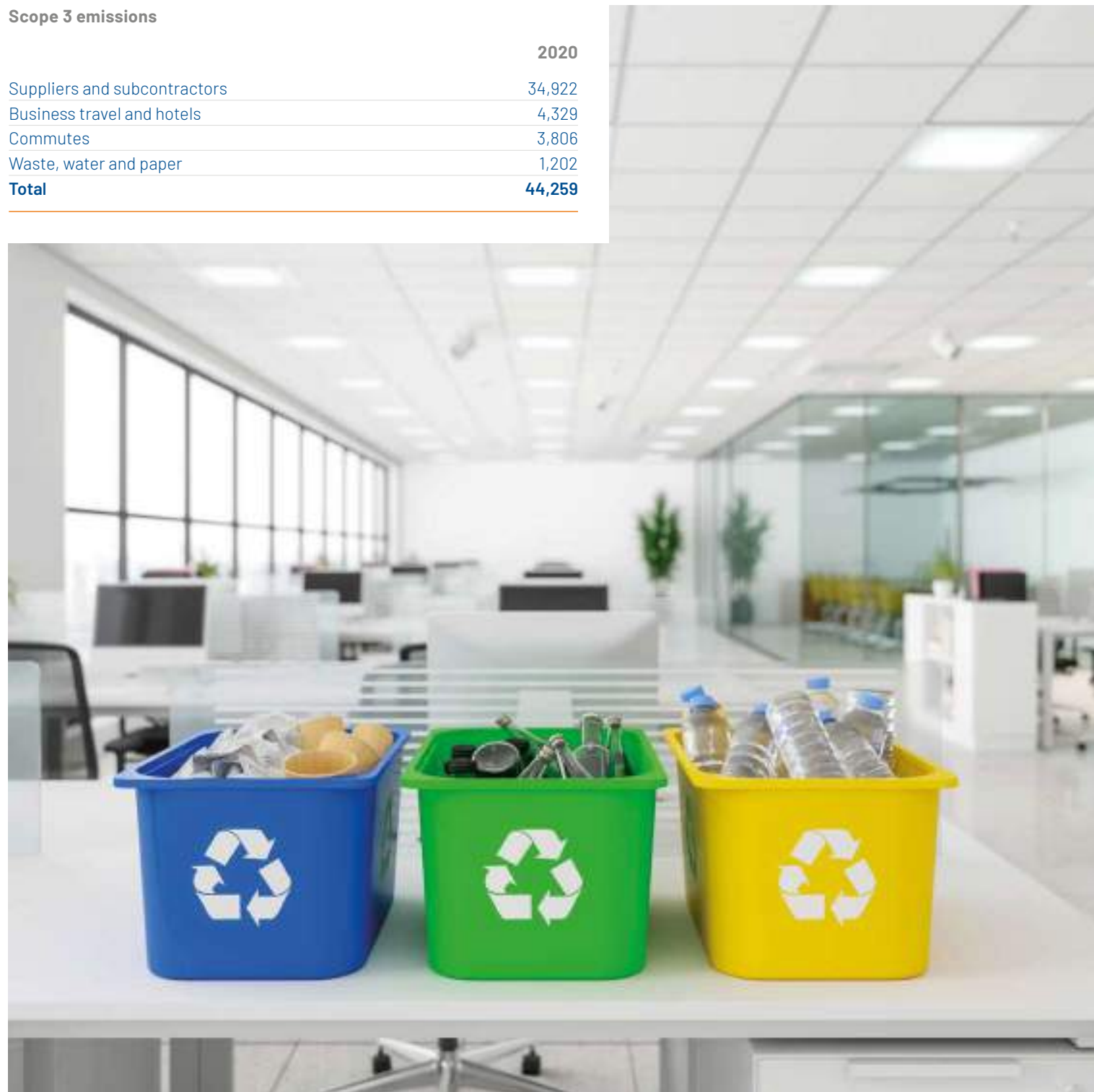
* The 2019 figures have been recalculated since Celeo Concesiones e Inversiones left the consolidation scope in 2020 and based on adjustments to commutes. Accordingly, the figures for the last two years are comparable.

** Fugitive emissions were counted, but not reported since they are only reported every three years due to their representing less than 1% of the total carbon footprint.

Meanwhile, the reduction in energy consumption is due to more organisations being committed to using electricity from renewable sources, which has led to a 17% reduction in Scope 2 emissions.

As for Scope 3 emissions, suppliers and sub-contractors accounted for 79% of the total, business travel for 10% and commutes for 9%. Emissions from consumables and waste generated at the facilities accounted for just 3% of the total. In 2020, these emissions increased since they included sub-contracted units (around 70%). Furthermore, the characterisation of upstream and downstream processes at the organisation improved, obtaining more accurate data, and including new emissions sources such as hotels, teleworking and business travel.

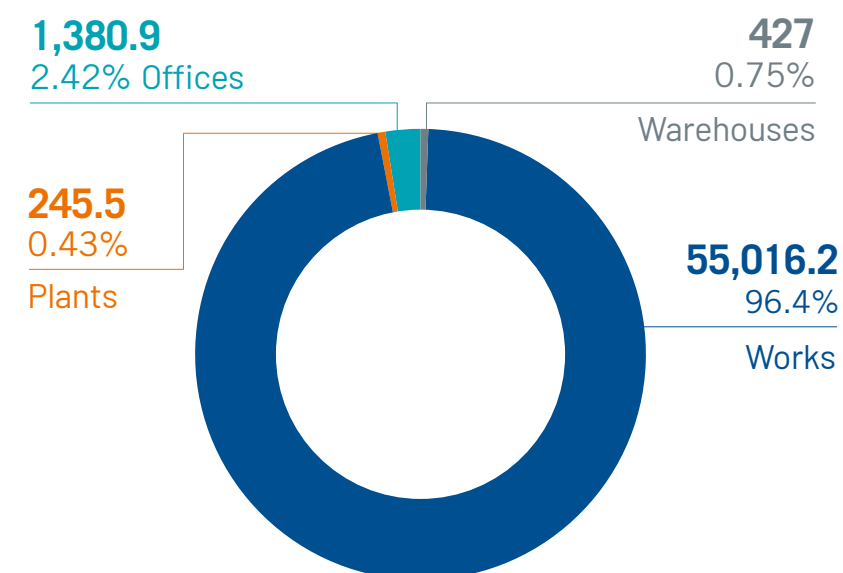
Scope 3 emissions	
	2020
Suppliers and subcontractors	34,922
Business travel and hotels	4,329
Commutes	3,806
Waste, water and paper	1,202
Total	44,259



GRI 305-4

At 2020 year-end, the ratio of emissions generated per hour worked was 1.86 kgCO₂e/hour, similar to that of 2019 (1.81 kgCO₂e/hour). Nevertheless, taking 2014 as the basis for comparison, the ratio has clearly improved, having fallen by 24% (2.4 kgCO₂e/hour in 2014 vs. 1.8 kgCO₂e/hour in 2020).

The most notable facilities when it comes to analysing Scope 1 and 2 emissions are works projects, which account for 96%; followed by plants, offices and warehouses, which account for 4%.



Mitigation through activities. Emissions avoided

GRI 305-5

The Group's power generation activity using renewable sources avoids the emission of greenhouse gases. Elecnor undertakes projects in the areas of wind, solar PV and solar thermal power, hydroelectric and biomass plants.

By means of its Concessions Business, Elecnor has holdings in 1,694 MW of renewable energy facilities in operation and construction in Spain, Brazil, Canada, Colombia and Australia (1,464 MW in 2019), broken down as follows:



Renewable energy (MW)	2019	2020
Wind energy	1,299	1,349
Solar thermal energy	150	150
Solar PV energy	15	195
Total	1,464	1,694

As part of its commitment to diversification, the Group's wind subsidiary Enerfin, 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.

Below are some of the most significant renewables projects awarded in 2020:



Montetorrero wind farm complex in Zaragoza (Spain)



Wind energy

Spain



Gecama wind farm
312 MW

Montetorrero wind farm
99 MW

Croas I and II wind farms
18 MW

Montetourado wind farm
10 MW

International



Tucano wind farm
322 MW
Brazil

Port Augusta wind farm
210 MW
Australia

Cerro Tigre wind farm
185 MW
Chile

Llanos del Viento wind farm
156 MW
Chile

Corumuel wind farm
50 MW
Mexico

Guajira I wind farm
50 MW
Colombia



Solar PV energy

Spain



Perseo Fotón
solar PV farm
126 MW

Zuera self-
consumption
11 MW

Las Motillas
solar PV farm
5 MW

International



New England
Solar Farm I
520 MW
Australia

Coremas IV-VIII
solar PV farm
156 MW
Brazil

Girasol
solar PV farm
120 MW
Dominican Republic

Pesé
solar PV farm
14 MW
Panama

Mayorca
solar PV farm
13 MW
Panama



Biomass

International



Biomass
cogeneration plant
20 MW
Belgium

Consumption management

GRI 103-1, GRI 103-2,
GRI 103-3

In 2020, energy consumption totalled 756,81 TJ, a 13% increased on the previous year due mainly to the increase in the consumption of biodiesel in Brazil.

The various energy consumptions are presented below:

ENERGY CONSUMPTION (TJ) GRI 302-1

	2019*	2020
Natural gas	0.16	0.13
Diesel	33.76	29.24
Petrol	50.44	54.14
Gas oil	466.45	479.75
Biodiesel	53.57	156.41**
Electricity	62.80	64.23
Non-renewable source	45.79	43.42
100% Renewable source	17.00***	20.65***
Other fuels	3.37	4.51
Total	670.56	852.48

* Figures for 2019 have been recalculated since Celeo Concesiones e Inversiones left the consolidation scope in 2020. Accordingly, the figures for the last two years are comparable.

** The increase in biodiesel was triggered by a rise in activity in Brazil.

*** Since 2018, Enerfin has had a contract to consume 100% renewable energy in all its national facilities (offices and wind farms).



Replacement of Mega lighting towers at Santander Airport, Cantabria (Spain)

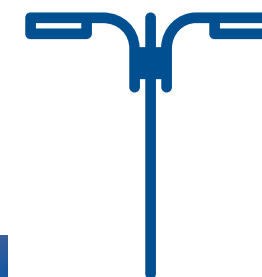
Energy efficiency initiatives

Energy management is one of the Group's areas of activity. Elecnor 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 284,887 street lights in 93 Spanish municipalities.

Meanwhile, internally and over the course of 2020, the Group continued to implement a number of energy-saving and energy efficiency actions as part of its Climate Change Strategy, most notably:

- ▶ Fleet renewal, including new hybrid vehicles in the organisation.
- ▶ One-off modifications to the facilities at water treatment plants to reduce electricity consumption, installing more energy-efficient machines.
- ▶ The first electric vehicle for Celeo's Diego Almagro base in Chile to be recharged using solar panels on the roof.

- ▶ Conference calls encouraged to avoid journeys.
- ▶ Courses in efficient driving practices to drivers of vans and heavy vehicles.
- ▶ Installation of timers for electronic devices and automatic off switches.
- ▶ Acquisition of sustainable and efficient vehicles, machinery and tools.
- ▶ Acquisition of more efficient computers.
- ▶ Route optimisation.
- ▶ Replacement of LED lighting in control buildings and wind turbines in the Páramo de Poza (Burgos) and Faro-Farelo (Galicia) wind farms. In Páramo de Poza, 30% of lighting in wind turbines was replaced.
- ▶ The "Apuesta por una conducción eficiente" (Choose efficient driving) campaign for wind farms.



Elecnor develops improved energy efficiency projects for street lighting, buildings and facilities



CLIME project for improved lighting with switch to LED technology in Castilla La Mancha (Spain)

Green financing

GRI 201-2

In line with its commitment to the highest standards of responsibility in sustainability, in June 2020 Elecnor signed its first "green guarantees" facility, valued at Euros 70 million, with Société Générale acting as the issuing bank for the operation. This financing is aimed at the implementation of selected ecological projects that are beneficial for the environment and are socially responsible.

Moreover, towards the end of 2020, Elecnor set up a Securitisation Fund called "Elecnor Eficiencia Energética 2020", to which it has assigned the credit claims derived from the contracts for the management of energy services and maintenance of street lighting installations, which Elecnor executes for 43 municipalities and public entities in Spain.

The Fund has issued Euros 50 million in bonds maturing in seven years to trade in Spain's Alternative Fixed Income Market (MARF). This was the first securitisation transaction for the sale of future credit claims derived from contracts with Public Entities to be conducted in Spain.

These bonds are compliant with the requirements established by Green Bond Principles and therefore qualify as green bonds for G-advisory, the Garrigues Group's consultancy firm. For Elecnor, this bond issue is further evidence of the Group's commitment to sustainability, contributing in particular to the achievement of Sustainable Development Goal 13 – Climate Action, pursuant to the United Nations Global Compact.

Consumption of renewable energy

In 2020, Enerfin signed electricity supply contracts guaranteeing that the power supplied at both offices and in national wind farms is from 100% renewable sources.



Peralta wind farm (Uruguay)

Water consumption

GRI 303-1, GRI 303-2

Elecnor's water consumption as a result of its activities is as follows:

- ▶ Processing for customers, meaning water captured from waste water treatment facilities, treatment plants or water supply services operated by Elecnor and processed to attain human consumption quality or at least a sufficient degree of treatment as established by law. In this regard, in mid-2020, the three water treatment concessions in Aragón (Spain) that were managed by Celeo were transferred to other companies. Accordingly, until

the date of that transaction, in July, the amount of water treated totalled 4,3 hm³.

- ▶ Own consumption, meaning water used in the facilities and to conduct the Group's various activities. Since this consumption is low, it is not considered to be a material environmental aspect in Elecnor's activities.

Although own water consumption is not significant in the Group, in the Environmental Management System it is identified as an environmental aspect of the organisation. As a result, at both the fixed facilities and works

executed, control mechanisms have been established and potential impacts relating to water consumption while conducting activities are assessed and monitored as follows:

- ▶ Monitoring of consumption.
- ▶ Identification and compliance with legal requirements.
- ▶ Standard environmental management procedures.
- ▶ Location of areas at high risk of water stress (WRI).



The Group is aware of the importance of this limited resource and that some of its activities are performed in areas where there is a high risk of water stress. Consequently, initiatives are fostered to reduce and optimise water consumption and water collection is avoided in those areas.

In this connection, for example, Elecnor do Brasil, during the construction of the 230 kV Piripiri substation, implemented an evaporative cooling system combining energy efficiency and optimisation of water usage. Moreover, a water saving mechanism was installed in the taps at some of Elecnor's office buildings. At the main offices of the Major Networks Unit, located in Bilbao, there is a system to recover grey water from bathrooms for use in toilets. The system also harnesses rainwater.

In addition, within the framework of the Climate Change Strategy, specific actions are being rolled out in connection with water consumption:

- ▶ Development of a plan to reduce water consumption in offices.
- ▶ Reuse of water for various purposes (watering gardens, street cleaning, etc.).
- ▶ Implementation of efficient irrigation systems. In the

last few years, the facilities have been analysed and opportunities for improvement have been identified in relation to the integrated water cycle in various municipalities in which Elecnor provides gardening services.

Moreover, Elecnor ensures compliance with all legislation in the areas where it performs its activities. Elecnor avoids collecting water in areas of high water stress where it operates.

GRI 303-3, GRI 303-5

	2019*	2020
Mains water consumption (hm ³)	0.110	0.094
Water consumption in areas of high water stress (hm ³)	ND	0.057
Water consumption in areas without water stress (hm ³)	ND	0.037

* Figures for 2019 have been recalculated since Celeo Concesiones e Inversiones left the consolidation scope in 2020. Accordingly, the figures for the last two years are comparable.

Improving access to drinking water

Elecnor acknowledges the importance of accessing drinking water, and as a result in 2020 it joined forces with AUARA to improve access to water in developing countries. Although our involvement in this kind of initiative is aimed at helping vulnerable groups to have access to drinking water, it also helps minimise the environmental impact, such as reducing the use of oil, and using bottles made from 100% recycled and 100% recyclable materials.

This year, water supply has been provided directly and permanently to 30 people, and 75,243 litres of drinking water were contributed to AUARA projects. Moreover, 138 kg of plastic were recycled, saving 231 litres of oil by recycling more than 6,128 plastic bottles.



Other consumption

Elecnor 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.

Waste management

GRI 103-1, GRI 103-2,
GRI 103-3, GRI 306-2

Elecnor's Waste Management Procedure includes the protocol for managing waste generated 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 by authorised managers in accordance with current legislation, seeking the best available techniques for recycling, wherever possible. Moreover, in 2020 the company generated a total of 32,981 tonnes of waste, 73% of which was recovered (re-use, recycling, soil treatment or other means).

Elecnor also contributes to waste recovery by managing municipal recycling centres and recovering silt at the water treatment plants (WWTP and DWTP) it manages.

The increase in hazardous waste was due mainly to a rise in activity in Brazil.

Below are details of the amounts of waste generated in Elecnor's operations:

Waste (kg)	2019	2020
Non-hazardous waste	32,339,288	32,267,427
Hazardous waste	292,693	713,193

Other initiatives

Enerfin, the Group's wind subsidiary, is very active in its commitment to reduce, re-use and recycle waste, at both its offices and its wind farms. Below are some of the initiatives introduced:

Celeo, meanwhile, continued with the "Celeo Recicla" (Celeo Recycles) campaign which is aimed at fostering recycling at work centres by providing separate bins, placing information signs and conducting awareness campaigns.

- ▶ Use of recycled paper and Forest Stewardship Council (FSC) certification guaranteeing that products were sourced from well-managed forests that provide environmental social and economic benefits.
- ▶ The "Apúntate al consumo inteligente" (Be a smart consumer) campaign.

- ▶ Reduction of paper consumption via the development and implementation of a digital invoice approval process to facilitate processes and minimise printing.



Management of biodiversity and protection of the natural environment

GRI 103-1, GRI 103-2,
GRI 103-3, GRI 304-1,
GRI 304-2, GRI 304-3

Elecnor's human-induced impact on biodiversity refers to the potential effects on flora and fauna due to disturbances, loss of habitat and even loss of species. Elecnor identifies and assesses this impact from all its activities, either for legal compliance or at the initiative of the organisation or its customers, by means of research or environmental impact statements. When so required by the environmental assessment of the project, an environmental monitoring plan is executed, including periodic controls of the impacts and preventive or remedial measures taken to reduce them.



L'Érable wind farm (Canada). Enerfín

Some examples of biodiversity actions or mitigation measures are outlined below:

▶ Replanting/plant restoration programmes:

In the 500/230 kV Parnaíba III-Tianguá II-Teresina III transmission line and the related substations in Brazil a plant restoration programme spanning 270 ha has been launched to offset the loss of plant life in the project area. The areas for replanting surround the project and primarily are located in the "Serra de Ibiapaba" Officially Protected Area with a view to expanding this preservation area.

▶ Programmes to repel, handle, protect, monitor and rescue fauna:

In the 500/230 kV Parnaíba III-Tianguá II-Teresina III transmission line and related substations in Brazil, a programme to monitor bird collisions has been implemented, which gauges the effectiveness of the anti-collision structures (metal spirals and others) for birds.

Various programmes for the handling and rescue of fauna have also been introduced in order to minimise the risk of death and accident of wild animals in some projects, such as:

- ▶ 500/230 kV Parnaíba III-Tianguá II-Teresina III transmission line and related substations, in Brazil.
- ▶ The new 220/66 kV Hualqui sectioning substation and the La Pólvora substation, in Chile.
- ▶ Mayorca solar PV farm, in Panama.
- ▶ 230 kV Acajutla-Ahuachapan transmission line, in El Salvador.
- ▶ 400 kV Baza-Caparacena and 220 kV Puente Bibey transmission lines, in Spain.



ELECNOR IDENTIFIES AND ASSESSES THE IMPACT GENERATED ON BIODIVERSITY THROUGH ENVIRONMENTAL IMPACT STUDIES OR STATEMENTS

► Plant management and monitoring programmes:

In Brazil, in the 500/230 kV Parnaíba III-Tianguá II-Teresina III transmission line and related substations, a programme is underway to harvest plant germoplasm to mitigate and offset the elimination of native vegetation necessary to implement the project, collecting the germoplasm from some of the native plant species in the project's area.

In Spain, in the Miñón wind farm in La Coruña a plant restoration project was rolled out, including the restoration of slopes and platforms as well as hydroseeding.

The Elecnor Group generates a positive impact on biodiversity and the natural environment by means of Audeca, the subsidiary focused on the preservation of protected areas and the conservation of the natural environment.

Some of the actions implemented by Audeca in 2020 are outlined below.

Protecting nature to mitigate the effects of climate change in the PRAE environmental education complex

- The Castilla y León Natural Heritage Foundation is implementing the initiative "Nature-based solutions for resilience to climate change and its impact on human health" as part of the "Research, health and environment agreement" with La Caixa Foundation.
- Elecnor is taking part with a view to conducting a series of nature-based architectural actions (enclosures and separation of spaces - in the environmental complex and pellets plant -, increasing green zones and trees, as well as shaded areas) to mitigate the extreme effects of climate change.

RDI projects concerning antibiotics

- Elecnor has undertaken a project to optimise the biological process of photosynthesis in order to re-use processed household waste water.
- The aim of this project is to eliminate contaminants emerging from household waste water through low-cost solutions like micro-algae and bacteria introduced at different stages of the treatment process so as to obtain optimal quality for the re-use of treated water.



Elecnor also develops wind projects through its subsidiary Enerfin which may have an impact on the immediate environment (including flora and fauna). Consequently, it works with specialist groups to ensure that projects are compatible with the environment and with existing habitats.

In the pre-operational phase (prior to the start of construction work) it is standard practice to conduct studies agreed with the administration and with a minimum duration of one year in order to list the species and populations of birds in the area and their behaviour (nesting areas, home range, flight heights, and so on). The findings of these studies are crucial for the environmental body's consideration of the project's viability.

Any impact can be avoided or reduced by properly locating or relocating the wind turbines. Various pre-operational studies of birds and bats were implemented in 2020 in a number of areas of Spain. Especially noteworthy are the studies on the golden eagle in Orense (Galicia) and on the lesser kestrel to find breeding colonies and count numbers in pre-migration roosting sites in Navarra.

In the construction phase, environmental monitoring is conducted to prevent potential impacts at the site and to assess the suitability of the measures proposed. In the event of identifying impacts not initially foreseen (nesting areas, presence of unlisted species, etc.), measures are established to reduce, offset or cancel those impacts.

Once the facility has entered into service, by means of a proper environmental supervision programme, the actual impacts are evaluated and, where necessary, any suitable measures are taken.

In the wind farms of La Herrería and Pasada de Tejeda, managed by Enerfin, remedial environmental

measures include a preventive shutdown of the wind turbines in situations of risk to birds, continuous monitoring of birds, periods of increased monitoring due to mass influx of birds during migration and ongoing annual control of the presence of carrion in the area in which the wind farms are located. Since March 2020, environmental monitoring in

these wind farms has been increased, by adding new monitoring stations and hours of supervision.

The final goals of these measures are to minimise bird mortality in the various wind farms and ascertain the degree to which this mortality affects local populations.

For several years Enerfin has also been managing the Malpica Wind Farm (La Coruña, Spain), part of which is located in the Red Natura environmental protection network, which means it is necessary to have various monitoring plans in place for birds and bats, as well as a plan for morphological, soil and plant restoration or the monitoring of noise, among others.

As for Celeo, the main impacts identified on biodiversity from the operation of electricity transmission lines in Brazil and Chile relate to the removal or loss of vegetation. The impacts are managed through an environmental impact assessment that defines mitigation, repair and compensation measures. The mitigation of impacts relating to the operation of electricity distribution lines is achieved through the optimisation and reduction of interventions to the minimum necessary,

as well as the environmental regeneration of the areas affected.

In Brazil, various environmental programmes are underway to comply with legal requirements inherent to the activities. With regard to biodiversity, note the bird monitoring programme aimed at verifying whether there is any interference by the transmission line in bird traffic, whether accidents are taking place involving birds as a result of the developments and whether birds use the transmission line structures.

In Chile, 56.4 ha were reforested pursuant to the environmental commitments relating to the CHATE (Charrúa Transmisora de Energía) projects. Furthermore, in Brazil a total of 33.23 ha were restored as part of the various projects (CAIUA, CANTE, JTE, among others).



Environmental awareness

Elecnor is working to raise awareness among stakeholders by means of awareness and information campaigns and programmes.

Some of the most notable of these are:

- ▶ World Environment Day. Elecnor marked this day with a campaign that conveyed its commitment to the protection of and respect for the environment, disseminating the Group's Climate Change Strategy. Furthermore, it held a competition to encourage employees to perform eco-challenges linked to the environment.
- ▶ #Antesdeimprimir #Responsabilidad #Compromiso #MedioAmbiente (#Beforeyouprint #Responsability #Commitment #Environment). These tags are featured in the corporate e-mail signature message for the entire Group, and they are aimed at raising awareness about whether it is really necessary to print e-mails and documents received daily.
- ▶ To mark the 5th anniversary of the approval of the 2030 Agenda, the Group launched the campaign #ApoyamoslosODS (#WeSupporttheSDGs) to help familiarise people with the SDGs and encourage them to work towards them.
- ▶ Elecnor keeps its employees informed regarding the actions being taken to fulfil its commitment to reduce its carbon footprint through the Scope 3 calculation, verification of ISO 14064-1 (verified AENOR environment certificate for carbon dioxide emissions) and its involvement in the Carbon Disclosure Project (CDP).
- ▶ Awareness drives are run for the proper management of waste at wind farms, in order to improve waste segregation.
- ▶ Elecnor Brasil has conducted initiatives to raise awareness among workers regarding various environmental matters, such as economising on water consumption, dangerous animals, waste management, environmental aspects and impacts and specific training in environmental issues.
- ▶ The talks and campaigns organised by Elecnor Chile have encompassed the following topics: flora & fauna, recycling, climate change, responsible paper consumption, environmental conservation, campaign to clear access roads and entrances to work areas so as to prevent fires.
- ▶ In Cameroon, Ghana, Panama and El Salvador, environmental awareness is being raised by means of training, talks and volunteer programmes, among other actions.

TECHNOLOGY AND INNOVATION

The digital transformation at Elecnor: processes, technology and people

By means of the Digital Transformation strategic project, the Elecnor Group continues to achieve progress in improving processes, operating efficiency, cultural change and competitiveness. The digital transformation at Elecnor has driven the development of an efficient management model that aligns processes, technologies and people.



DIGITAL TECHNOLOGIES

COLLABORATORS

Stabilisation

Deployment

Discovery and model design

Digitalisation in perimeter 0

Digitalisation Office



Adoption (management, users and third parties)



Interest



Communication/Training



Cost/Benefit



Work on processes, people and technology

Continuous improvement – Work

INITIATIVES

This project focuses on the design, digitalisation and roll-out of an innovative management model, with organic capacity to create value in a sustainable manner over time, with technology and people as the drivers of change.

To ensure the Digital Transformation project's success, the Digitalisation Office was created to oversee compliance with the established goals and measure progress by means of certain indices such as the Digitalisation Index or the Implementation Rate. This office is now fully established, and guarantees that the project has the necessary structure, method and model of governance.

Through various working panels, the Office coordinates all the initiatives for innovation in processes, technologies and people. Each panel examines a series of initiatives on a specific matter and 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 Operating Committee, which includes a representation from all areas of the company and contributes a transversal business approach.

Lastly, the Operating Committee refers the decision to the Steering Committee, responsible for analysing the next steps and, where applicable, allocate the necessary resources to carry out the relevant initiatives.

Achievements 2020

- ▶ The initiatives in place at the start of the year obtained a Digital Development Score (DDS) of 96% and an Implementation Rate (IR) of 89%. The new initiatives launched in 2020 obtained a DDS of 96% and an IR of 88%.
- ▶ Progress in the digitalisation of transversal and business processes: procurements management, fleet management, financial reporting, various spheres of occupational risk prevention, consolidation of financial statements, insurance management, estimated closures, clocking in, document management, overseeing of major construction projects, framework agreement management, time sheets, CRM, etc.
- ▶ Launch and activation of initiatives to improve and digitalise contracts for street lighting, digital signatures, monitoring of Group employees abroad, reporting of goals and allocations of structure costs, among others.
- ▶ Continuity of initiatives regarding compliance, security and cyber-risks.
- ▶ Generation of synergies, reduction of technological risk and enhancement of intra-learning within the organisation.
- ▶ Increased levels of involvement: +400 participants, +6,000 users, +7,000 third parties, 600 working sessions, +80 training sessions and 22 committee meetings held.

Cybersecurity

In 2020, cybersecurity became an even more significant factor for companies since, as a result of the crisis unleashed by the pandemic, cyberattacks have increased.

Elecnor's cybersecurity team has worked to ensure that assets are protected at all times. In this regard, a number of steps were taken:

- ▶ Process of certification to ISO 27001 standard.
- ▶ Technical projects such as the implementation of secure WiFi or projects to guarantee security at installations and plants.
- ▶ Awareness and training to the entire workforce, crucial to maintain a high degree of protection against external threats.

Tackling COVID-19 by means of the digital transformation

From the technological standpoint, tackling COVID-19 has been a big challenge within the company, aimed mainly at guaranteeing the continuity of employees' work remotely by providing the adequate resources and resolving IT issues for a large number of employees as quickly as possible.

The fact that Elecnor already had a Contingency Plan in place enabled it to adapt working methods as efficiently and quickly as a situation like this required. Said Plan includes potential contingencies that might affect the availability of information systems, such as power outages, internet and server failures, impossibility of accessing the building, etc.

The pandemic has led to considerable progress in the Group's digital transformation in terms of both the deployment of tools and the proactive approach of the workforce.

Employees became aware that technology and digitalisation have enabled them to continue their daily work in such exceptional circumstances. As a result, the adoption of digital habits has been greatly accelerated at the Group.

Among the initiatives developed by Elecnor to respond to the new situation, we highlight the following:

- ▶ Allocation of a considerable number of laptops to enable office staff to work from home, enabling activity to continue and offering the same, top quality service to customers.
- ▶ Security has been strengthened at the technical level and resources for teleworking have been adapted: activation of the protocol with suppliers and partners, mass deployment of VPN clients, HIP – host identity protocol to control the security level for each device connecting to the network, antivirus, control of corporate devices,

non-corporate devices and laptops on loan, expansion of IP range, modification of bandwidths, dynamic loan balancing, adaptation of video-conferences, adaptation of the policy for updating devices, etc.

- ▶ Massive use of VPN solution.
- ▶ Strengthening and continuous monitoring of communications infrastructure, in response to substantial increases in traffic for much of the year. For perspective, in the most critical period of the pandemic, when the strictest lockdown measures

were in place, the company went from conducting 5,000 video-conferences per month to performing around 40,000.

- ▶ Monitoring and reinforced prevention of cyberattacks amid an increase in risk.
- ▶ Employee training in the use of IT tools.
- ▶ Digitalisation of the most paper-intensive processes, mainly in the administrative management of procurements or internal authorisation and signature processes, avoiding physical handling and interaction.



SOME MILESTONES AROUND

40,000

video-conferences
PER MONTH DURING STRICT
LOCKDOWN PERIOD
(FROM MARCH TO JUNE)

+15,000

issues resolved
(from January to September)

Innovation and new business opportunities

Driving innovation, Elecnor 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.

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.

Achievements 2020

- ▶ Certification of the phytotreatment project in accordance with UNE 166001 standards.
- ▶ Submission of LIFE WAPTECH Alguazas to 2020 call for proposals.
- ▶ Launch of Innova 2020 internal call for proposals for RDI project funding.
- ▶ Hosting of a virtual Innovation Meeting.
- ▶ Development of various projects with customers and collaborators.
- ▶ Continued integration of BIM working methodology and tools.
- ▶ CDTI approval of the financing for two projects related to the environment and energy storage at wind farms; and three proposals in the framework of the ESA

technological programme aimed at Galileo activities, the launch of a micro-satellite developed by Elecnor Deimos (the Group's technological subsidiary) and research into a constellation of micro-satellites.

- ▶ Adjudication to Elecnor Deimos of four new projects within the framework of the European Union Horizon 2020 programme.
- ▶ Performance by Enerfin of an experimental storage programme using lithium-ion batteries at the Montes de Cierzo wind farm (Navarra).

Storage with lithium-ion batteries at Montes de Cierzo wind farm in Navarre (Spain). Enerfin

Highlighted projects

Innovation projects

In 2020, the Group was involved in around 40 innovation projects that, in many cases, it performs in collaboration with various universities and technological centres and institutes, such as Railway Innovation Hub, University of Valladolid, Madrid's Polytechnic University, University of Pisa (Italy), University of Ioannina (Greece), Ramón Llull University (Spain) and Rzeszow University of Technology (Poland); the company Tekiner or aerospace agencies such as Spain's Institute of Aerospace Technology (INTA), among others.

The WINDBATTERY project

This project, by the wind energy subsidiary Enerfin, consists of designing, implementing and optimising a new prototype of wind turbine battery integrated control system.

In this regard, Enerfin analyses and develops new battery management software in order to manage production in a much more efficient way and to very high standards.

With regard to the advantages, the wind system plus the battery allow large-scale renewable energies to be integrated without compromising on the guarantee and quality of electricity supply, thereby being able to forego well-known back-up technologies (mainly thermal), since they are the main culprits of greenhouse gas emissions.

Among the main benefits of this project for the Spanish electricity system are the following:

- ▶ Reduce imbalances between generation and forecasting.
- ▶ Shift renewable generation to peak consumption hours in order to adapt, as far as possible, the generation curve to the requirements of demand.
- ▶ Provide the system the capacity to increase/decrease generation to adjust imbalances between generation and demand in real time, so as to improve security and continuity of electricity supply with clean technologies.
- ▶ Adapt to new European network codes.
- ▶ Reduce deviation costs of the Spanish electricity system.

The GENIO project

This project is executed by the Group's Railways Arm in partnership with Aner Sistemas Informáticos and Tekniker, and it is aimed at developing a smart system for planning and performing maintenance of linear facilities such as railway electrification.

The project has defined scientific-technological, industrial, market and social objectives.

The main goal of the project is to develop a smart system to support planning and execution of maintenance. In this regard, Aner, as an ICT solutions developer, will expand its product base focusing on the

maintenance and management of assets incorporating technologies that enable a product to stand out for its ease of use and adaptability to staff, its interoperability with other systems and the efficiency of its results. Meanwhile, Elecnor aims to develop a complex asset management system based on information management so as to gain competitiveness and market share. Both companies will rely on the Tekniker centre and its technological industrial maintenance solution, which in turn is aimed at furthering the knowledge and application of various technologies linked to artificial intelligence within this field.



The ENTORNO project

► The project by Audeca, the Group's subsidiary specialising in integrated maintenance of railway infrastructure and the conservation of the natural environment, is aimed mainly at controlling roadside vegetation by means of remote sensing, multi-spectral sensors and weather forecasting, and upkeep of

vegetation to help maintain road safety. The new element is a methodology that helps make decisions regarding mowing and brush cutting based on new detection technologies, weather information and plant phenology, instead of being based on past history or visual inspection.

Innova 2020 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 based in Spain and foreign subsidiaries can apply for funding for RDI projects.



Highlighted project

Removal of emerging contaminants

The project is aimed at developing a novel, low-cost and proprietary methodology to remove emerging contaminants from waste water. Specifically, the project will examine the elimination of the most frequent antibiotics from the water.

To reach this goal, the project plans to chart the antibiotics most frequently found in urban waste water, develop a low-cost methodology to remove these emerging contaminants and test the methodology in a laboratory and in a pilot plant operated by Elecnor.

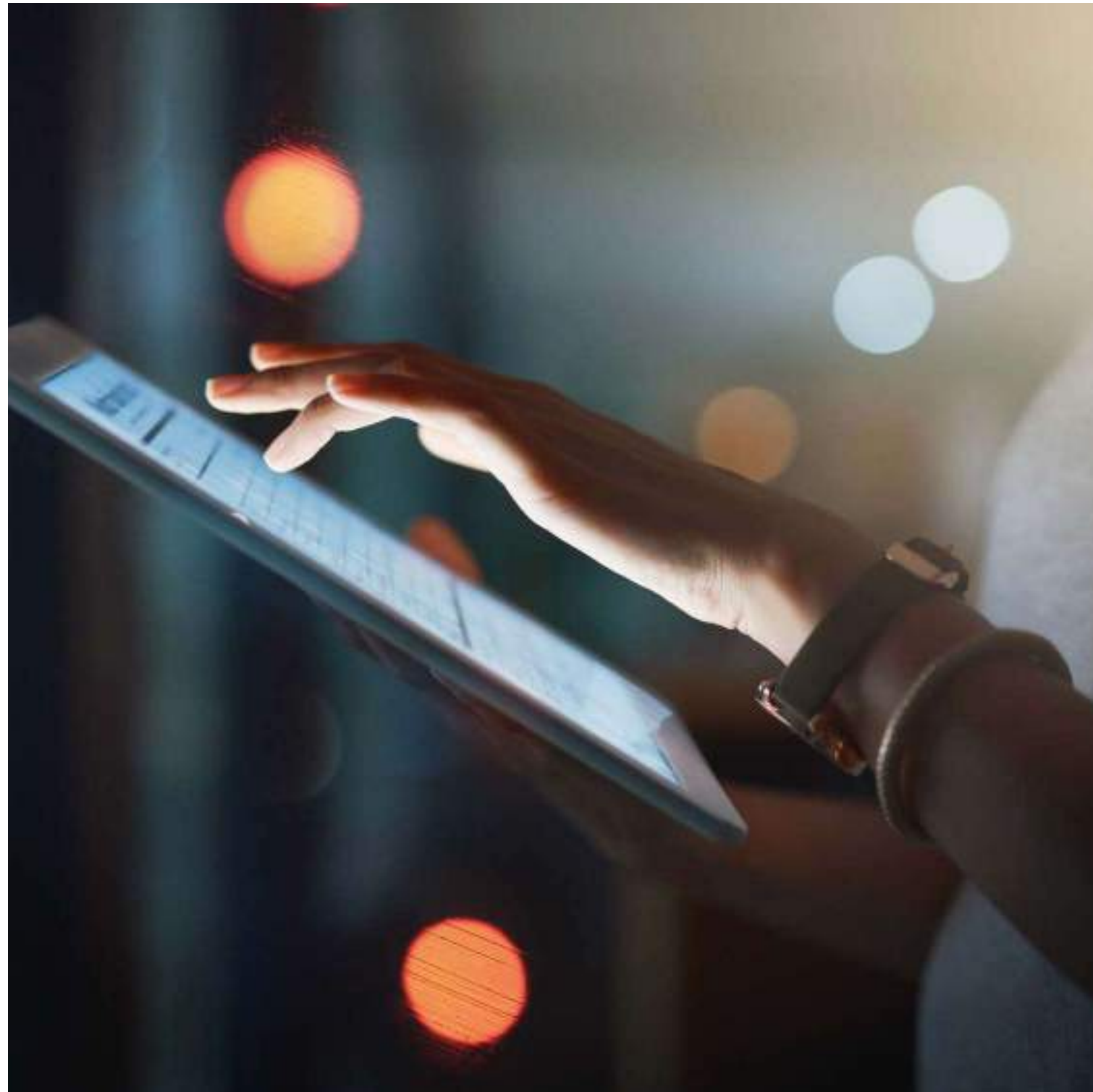
Innovating through startups

Collaboration with startups enables Elecnor to access greater knowledge, develop innovative solutions and create new business opportunities that may contribute added value to customers.

In this regard, Elecnor partners with Solarnub to find financing and energy sales models in self-consumption solar PV projects.

Enerfin is also developing a digitalisation initiative to detect and forecast operational anomalies in wind turbines. In this project it has joined forces with the advanced data analysis startup Datatons, whose purpose is to define data models for forecasting potential losses of energy in wind turbines at the Cofrentes wind farm (50 MW).

Furthermore, since 2018 Elecnor Deimos has held a stake in the share capital of the Anglo-Danish startup ORBEX, which focuses on the development of small satellite launchers. It is also involved in developing key areas of the launcher, such as the guidance, navigation and control system, the on-board software or the ground control segment.



Membership of RDI associations and platforms

GRI 102-13

- ▶ Associate member of Eraikune Construction Cluster in the Basque Country. Eraikune helps boost the competitiveness of companies in the Construction Industry by means of training, innovation and internationalisation.
- ▶ Associate member of the Asturias Innovation Club (Innovasturias).
- ▶ 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.
- ▶ 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 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.

RESPONSIBLE MANAGEMENT

Corporate Governance

Elecnor 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*

* This information is available under Corporate Governance in the Shareholders and Investors section of the website www.elecnor.com

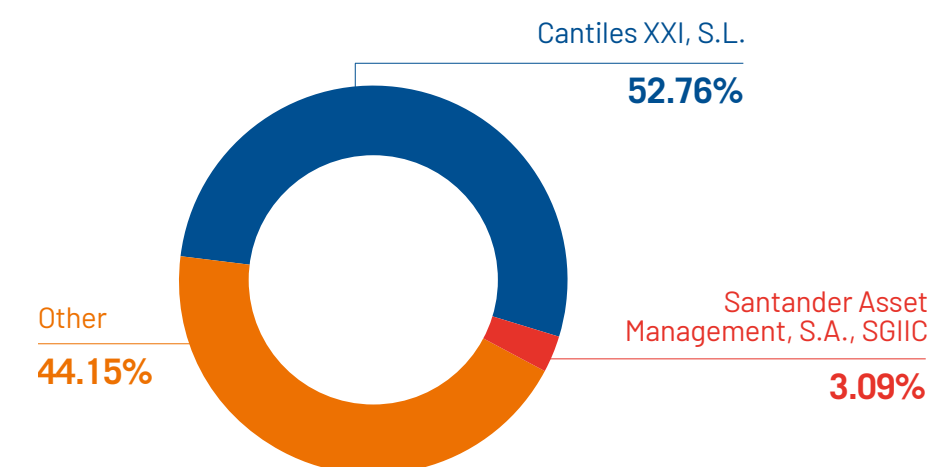


Ownership structure

Elecnor S.A. is controlled by a group of shareholders comprising ten family groups that act as the company's unit of decision and control, instrumented by means of the company Cantiles XXI, S.L.

Under the heading "Other" are shareholders with an insignificant percentage stake (less than 3%), as well as own shares in Elecnor, S.A., which accounted for 2.67% at 2020 year-end (the same percentage as in 2019).

Shareholding





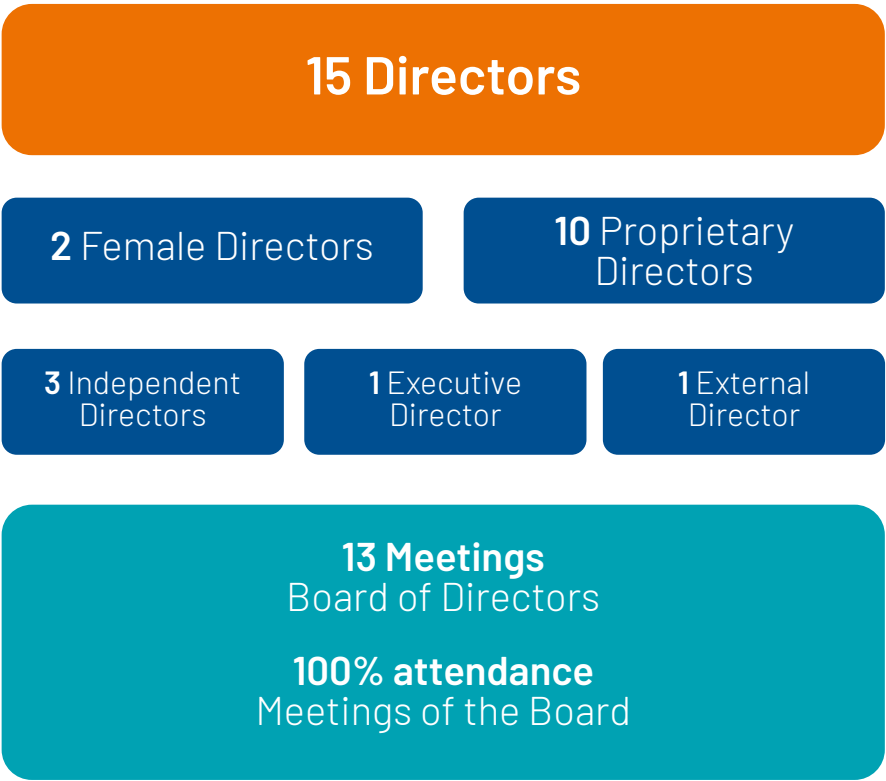
Governance structure

GRI 102-18

The governing bodies of the parent company (Elecnor S.A.) are its General Shareholders' Meeting and the Board of Directors. The Executive Committee, Audit Committee and Appointments and Remuneration Committee report to the Board of Directors.

The General Shareholders' Meeting was held on 20 May 2020, with record attendance of 83.64%. Due to the restrictions deriving from the pandemic, for the first time ever the General Shareholders' Meeting was held entirely remotely.

Board of Directors



Director name	Position on the Board	Category	Date last appointed
Jaime Real de Asúa Arteche	Chair (non-executive)	Proprietary	01 June 2018
Ignacio Prado Rey-Baltar	Vice-Chair	Proprietary	01 June 2018
Rafael Martín de Bustamante Vega	Director and Chief Executive Officer	Executive	16 May 2017
Cristóbal González de Aguilar Alonso-Urquijo	Deputy-Secretary	Proprietary	22 May 2019
Fernando Azaola Arteche	Director	External	01 June 2018
Miguel Cervera Earle	Director	Proprietary	01 June 2018
Isabel Dutilh Carvajal	Director	Independent	22 May 2019
Joaquín Gómez de Olea y Mendaro*	Director	Proprietary	20 May 2020
Irene Hernández Álvarez	Director	Independent	01 June 2018
Juan Landecho Sarabia	Director	Proprietary	01 June 2018
Santiago León Domecq**	Director	Proprietary	28 October 2020
Miguel Morenés Giles	Director	Proprietary	01 June 2018
Gabriel de Oraa y Moyúa	Director	Proprietary	01 June 2018
Rafael Prado Aranguren	Director	Proprietary	01 June 2018
Emilio Ybarra Aznar	Director	Independent	22 May 2019
Pedro Enrile Mora-Figueroa***	Secretary non-director		24 June 2020

* Re-appointed in 2020.

** Appointed by cooptation to cover the vacancy caused by the death of the proprietary director Fernando León Domecq, who was also a member of the Executive Committee and the Appointments and Remuneration Committee of Elecnor.

*** Appointed in 2020.

Board of Directors' Committees

Executive Committee

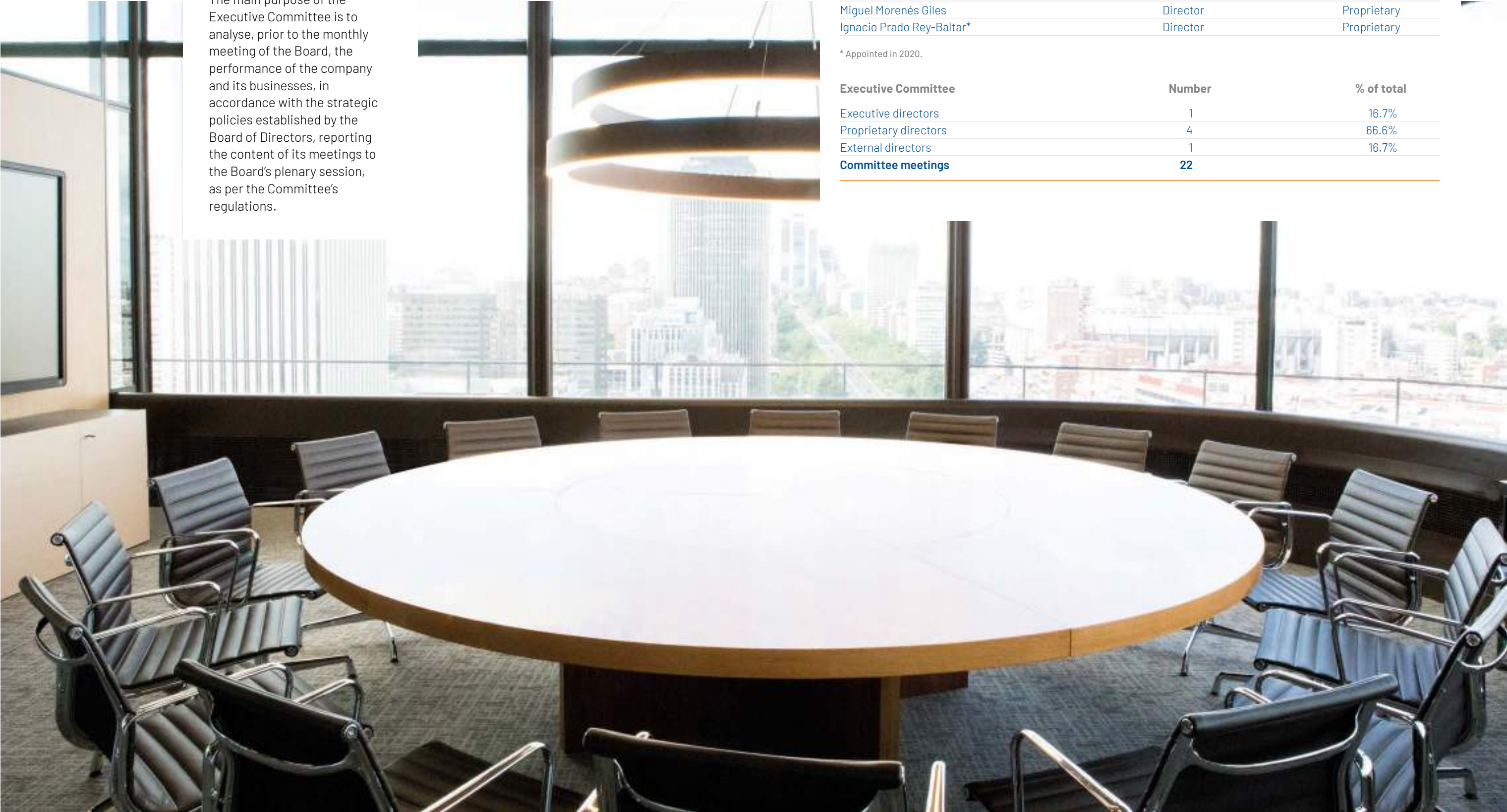
The main purpose of the Executive Committee is to analyse, prior to the monthly meeting of the Board, the performance of the company and its businesses, in accordance with the strategic policies established by the Board of Directors, reporting the content of its meetings to the Board's plenary session, as per the Committee's regulations.



Name	Position	Type
Jaime Real de Asúa Arteche	Chair	Proprietary
Fernando Azaola Arteche	Secretary	External
Cristóbal González de Aguilar Alonso-Urquijo	Director	Proprietary
Rafael Martín de Bustamante Vega	Director	Executive
Miguel Morenés Giles	Director	Proprietary
Ignacio Prado Rey-Baltar*	Director	Proprietary

* Appointed in 2020.

Executive Committee	Number	% of total
Executive directors	1	16.7%
Proprietary directors	4	66.6%
External directors	1	16.7%
Committee meetings	22	



Audit Committee

This committee supports the Board in the supervision of accounting, tax and financial information, internal and external audit services, compliance, internal control and risk management.

Name	Position	Type
Irene Hernández Álvarez	Chair	Independent
Miguel Morenés Giles	Secretary	Proprietary
Isabel Dutilh Carvajal	Director	Independent
Ignacio Prado Rey-Baltar	Director	Proprietary
Emilio Ybarra Aznar	Director	Independent

Audit Committee	Number	% of total
Independent directors	3	60%
Proprietary directors	2	40%
Female directors	2	40%
Committee meetings	11	

Over the course of the year, the Audit Committee performed the following actions:

- ▶ The review of annual financial and non-financial information and half-yearly and quarterly financial information published in markets and the goals and forecasts at year end. Note the Committee's monitoring of the implications and accounting impacts of the corporate transaction conducted at the end of 2019 in which Dutch fund APG took ownership of 49% of shares in Celeo Concesiones e Inversiones, which heads the Celeo sub-group. In addition, as a result of this transaction and in accordance with the CNMV's recommendation, in the consolidated annual accounts for 2019 the comparative figures for 2018 were restated to reflect what the Group's accounts would have looked like had this accounting method been used since the agreement with APG was signed in 2014 in Celeo Redes.
- ▶ The monitoring of the main risks with the potential impact on the income statement and other material matters relating to the annual accounts, the Risk Management System and the Internal Audit system. Note that the Audit Committee closely monitored the main impacts and measures to tackle the situation caused by COVID-19, most notably:
 - ▶ The launch of the COVID-19 Monitoring Committee, chaired by the Chief Executive Officer.
 - ▶ Protocols for action against COVID-19 and other instructions.
 - ▶ Main measures to contain costs and for more flexible employment.
 - ▶ Liquidity situation and measures taken to strengthen it in the event of a decline in cash generation at businesses.
 - ▶ Supervision, from an IT resources and systems standpoint, of problems arising from the mass implementation of teleworking and the associated security risks.
 - ▶ Review of risks managed through the Risk Management System to include the risk associated with health crises (public health).
 - ▶ Information to be reported to markets in connection with COVID-19 in compliance with the recommendations of the CNMV and ESMA.
 - ▶ The relationship with the Group's external auditors, supervision of their independence and approval of fees.
- ▶ Supervision of the Compliance System and the activities of the Compliance Committee.
- ▶ Monitoring of the Group's Digital Transformation Project.
- ▶ Information to the General Shareholders' Meeting.
- ▶ Review, update and modification of various operating Policies and Regulations to adapt them to the recommendations outlined in the Code of Good Governance of Listed Companies and other standards. Specifically, this year the Regulation of the Audit Committee and the Policy concerning communication, contacts and engagement with shareholders, institutional investors, asset managers, financial intermediaries and proxy advisers have been updated.

Comprehensive information of the Report on the Activities of the Audit Committee is contained in the **Annual Corporate Governance Report**, available on the corporate website.



Appointments and Remuneration Committee

This Committee assesses the competencies, knowledge and experience necessary in the Board. Additionally, it proposes and reviews the remuneration policy for Directors and Management.

Name	Position	Type
Emilio Ybarra Aznar	Chair	Independent
Jaime Real de Asúa Arteché*	Secretary	Proprietary
Isabel Dutilh Carvajal	Director	Independent

* Appointed Secretary in 2020

Appointments and Remuneration Committee	Number	% of total
Proprietary directors	1	33%
Independent directors	2	66%
Female directors	1	33%
Committee meetings	10	

Over the course of the year, the Appointments and Remuneration Committee performed the following actions:

- It examined the category or status of the Directors, reviewed the models for assessing the Board, its Chairman and its Committees, and performed the evaluation of the Appointments and Remuneration Committee itself, with a very satisfactory result. Furthermore, it reviewed the questionnaire completed by Directors in connection with conflicts of interest in reference to 2020.

The Committee continued its study on the structure of the Board of Directors, which commenced in mid-2017.
- It has performed a preliminary analysis of the needs of the Board of Directors including competencies, know-how and experience required by the Board, which was taken into account when compiling proposals and reports submitted to the Board concerning the appointment and re-election of Directors. Specifically, at the behest of the Board of Directors, the Committee endorsed the re-election as a Director of Joaquín Gómez de Olea y Mendaro, the appointment by cooptation of Santiago León Domecq, and the appointment as Secretary (non-Director) of the Board of Directors of Pedro Enrile Mora-Figueroa.
- With regard to remuneration, the Committee proposed the annual fixed and variable remuneration for the Executive Director and compiled the 2019 Remuneration Report which the Board presented to shareholders at their General Meeting for an advisory vote. It also submitted the proposed Remuneration Policy for the management team and its application, including the proposed variable remuneration, as well as the long-term incentive, also variable, for the 2017-2019 period, which is linked to the targets set.
- An external comparative analysis was conducted of the management team's remuneration, with the help of Willis Towers Watson, a project that is still underway and that comprises a quantitative analysis of the remuneration to the Chief Executive Officer and the Management Team, and a diagnosis of the current policy in relation to the market and corporate governance best practices.
- The succession plans for the Chairman, Chief Executive Officer and Management Team have been reviewed.
- An examination was conducted, with the presence of those in charge of Human Resources, of this Management's situation, especially in matters relating to COVID-19 and furlough management, changes to the Group's workforce, work environment survey, regulatory changes and certifications, gender and wage gap analysis, inclusion and diversity, and internationalisation.
- It has undertaken measures linked to sustainability, after the creation of the first Sustainability Committee comprising people from various of the company's business areas.
- It has also proposed to the Board the modification of the Regulation of the Committee itself and of the Policy for the Selection of Directors and for Board Diversity, with a view to adapting those texts to the partial reform of the CNMV's Code of Good Governance approved in June 2020.

Comprehensive information of the Report on the Activities of the Appointments and Remuneration Committee is contained in the **Annual Corporate Governance Report**, available on the corporate website.

Diversity of the Board of Directors and Director selection

GRI 405-1

Elecnor's Policy for the Selection of Directors and for Board Diversity, available on the company website, outlines all the measures adopted in relation to the selection of Directors, diversity policies in connection with gender, age, experience, etc. This policy was applied in the appointment of a second female Independent Director in 2018.

In December 2020, the Board of Directors agreed to amend this Policy to bring it in line with the reform of the Code of Good Governance of Listed Companies approved by the CNMV in June of the same year.

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.

- ▶ Compliance with applicable regulations and the principles of good corporate governance.

- ▶ 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.

Said Policy establishes that 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 and Remuneration Committee, without prejudice to the appointment powers of the General Meeting of Shareholders.

In compliance with legal stipulations, the Board of Directors of Elecnor, S.A. compiled the Annual Corporate Governance Report for the year ended 31 December 2020. Said document is available on the CNMV and Elecnor websites.

Remuneration Policy

On 27 March 2019, at the proposal of the Appointments and Remuneration Committee, the Board of Directors of Elecnor approved the Remuneration Policy corresponding to the years 2020, 2021 and 2022, which is a continuation of the Remuneration Policy in force until 2019.

With regard to the goal of ensuring that the number of female directors represents at least 40% of members of the Board of Directors by the end of 2022 and thereafter, and no lower than 30% before then, 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.

As the foremost measure of the new Remuneration Policy, the Board of Directors, after studying the prevailing legal and legislative context, agreed to amend the Bylaws (article 12) and the Regulations of the Board of Directors in relation to Directors' remuneration. Article 12 establishes that the General Shareholders' Meeting will determine and approve the maximum remuneration to be received as compensation by Directors for all items and all duties they perform, including both executive and non-executive functions.

This Policy aims to reduce mercantile and tax risks emerging in the future in relation to the remuneration of Elecnor directors in the event of a change of legislation, as occurred at non-listed companies.

The Policy is governed by the following guiding principles:

► **Moderation:** remuneration must be reasonable, in accordance with trends and references of similar companies and in proportion to the Company's situation and the economic context at each given time.

► **Suitability:** the Policy is designed to attract, motivate and retain directors. It rewards directors' quality, dedication, responsibility and knowledge of the business, as well as their professional track record and commitment to the Company.

► **Profitability and sustainability:** remuneration to directors performing executive duties will provide an incentive for performance and reward value creation in the long term.

► **Transparency:** the design, establishment and application of the Policy will be implemented in strict observance of transparency. In particular, the Company will make available to shareholders, at the General Meeting, this Policy and the related Report, and it will be outlined in both the notes to the Company's annual accounts and its Annual Corporate Governance Report.

► **Safeguarding shareholders' interests.**

Total remuneration accrued by the Board of Directors in 2020 amounted to Euros 4,938.1 thousand (Euros 5,199.6 thousand in 2019), including remuneration deriving from their executive functions (CEO) 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 Board of Directors. This breakdown is also available in the Annual Report on Remuneration to the Directors of the Company, published by the CNMV and on the corporate website.

Director name	Remuneration accrued within the Company					Remuneration accrued within companies in the Group				
	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in 2020	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Group total in 2020
Jaime Real de Asúa Arteche PROPRIETARY	460.5			0.34	460.8	20				20
Fernando León Domecq PROPRIETARY	126.9			0.34	127.2	13.3				13.3
Ignacio Prado Rey-Baltar PROPRIETARY	185			0.34	185.3	20				20
Rafael Martín de Bustamante Vega EXECUTIVE	1,920.8			5.24	1,926.0	20				20
Joaquín Gómez de Olea y Mendaro PROPRIETARY	173			0.34	173.3	20				20
Cristóbal González de Aguilar Alonso-Urquijo PROPRIETARY	188.8			0.00	188.8	20				20
Fernando Azaola Arteche EXTERNAL	188.8			2.48	191.3					
Miguel Cervera Earle PROPRIETARY	163.8			0.00	163.8	20				20
Isabel Dutilh Carvajal INDEPENDENT	178.8			0.34	179.1					
Irene Hernández Álvarez INDEPENDENT	171.3			0.00	171.3					
Juan Landecho Sarabia PROPRIETARY	151.3			0.91	152.2	20			71.9	91.9
Santiago León Domecq PROPRIETARY	40.4			0.00	40.4					
Miguel Morenés Giles PROPRIETARY	203.8			0.34	204.1	20				20
Gabriel Oraa y Moyúa PROPRIETARY	151.3			2.09	153.4	20				20
Rafael Prado Aranguren PROPRIETARY	151.3			0.34	151.6	20				20
Emilio Ybarra Aznar INDEPENDENT	183.8			0.00	183.8					
Total	4,639.6			13.1	4,652.7	213.3				285.4



The Board of Directors, at its meeting on 13 April 2020, unanimously decided to reduce the fixed remuneration of the Board, Chairman and Secretary by 30%, in the same terms and time frames as the furlough schemes and working day reductions implemented to tackle the COVID-19 crisis (from 13 April to 31 May 2020). In addition, per diems for Directors relating to meetings held remotely in April, May and June 2020 were cancelled.

Board of Directors' Evaluation

The Company's Board of Directors evaluates, 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 remedial measures. These questionnaires are reviewed by the respective Committees.

They include the evaluation of areas such as the degree of compliance with targets, value creation and strategy, composition and dynamic of the Board, risk management, transparency and relations with shareholders, Corporate Governance and corporate social responsibility, the operation of the Board Committees and the performance of the duties of the Chairman and Secretary of the Board and the Chief Executive Officer.

The annual assessment by members of the Board of Directors in 2020 led to the proposal of an Action Plan which notably includes the strengthening of the Director training programme, continuous improvement in the availability of information to be discussed at Board meetings, and the launch of a Board information and analysis programme aimed at fostering an adequate sustainability policy in connection with environmental and social matters, in keeping with Principle 24 of the CNMV's Code of Good Governance of Listed Companies. Training provided to Directors in 2020 focused mainly on the following matters: key new governance, insurance, IT, framework agreements and energy services companies in street lighting installations.

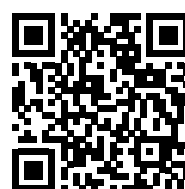


Progress on the principles of good governance

In order to continue fostering measures to boost Elecnor's shareholders' engagement and involvement, the Board of Directors of Elecnor, S.A., meeting in March 2020, approved the "Policy concerning communication, contacts and engagement with shareholders, institutional investors, asset managers, financial intermediaries and proxy advisers," which was modified in December 2020 in order to adapt it to the changes in the Code of Good Governance of Listed Companies approved by the CNMV in June 2020. From then on, the Policy became known as the "Policy on communication of information, contacts and engagement with shareholders, institutional investors, asset managers, financial intermediaries, proxy advisers and other stakeholders".

This Policy, which is published on the corporate website, establishes the Company's general information and communication channels, as well as specific channels that enable dialogue and participation of shareholders, institutional investors, asset managers, financial intermediaries and proxy advisers, to ensure that they have adequate and up-to-date information concerning the Company.

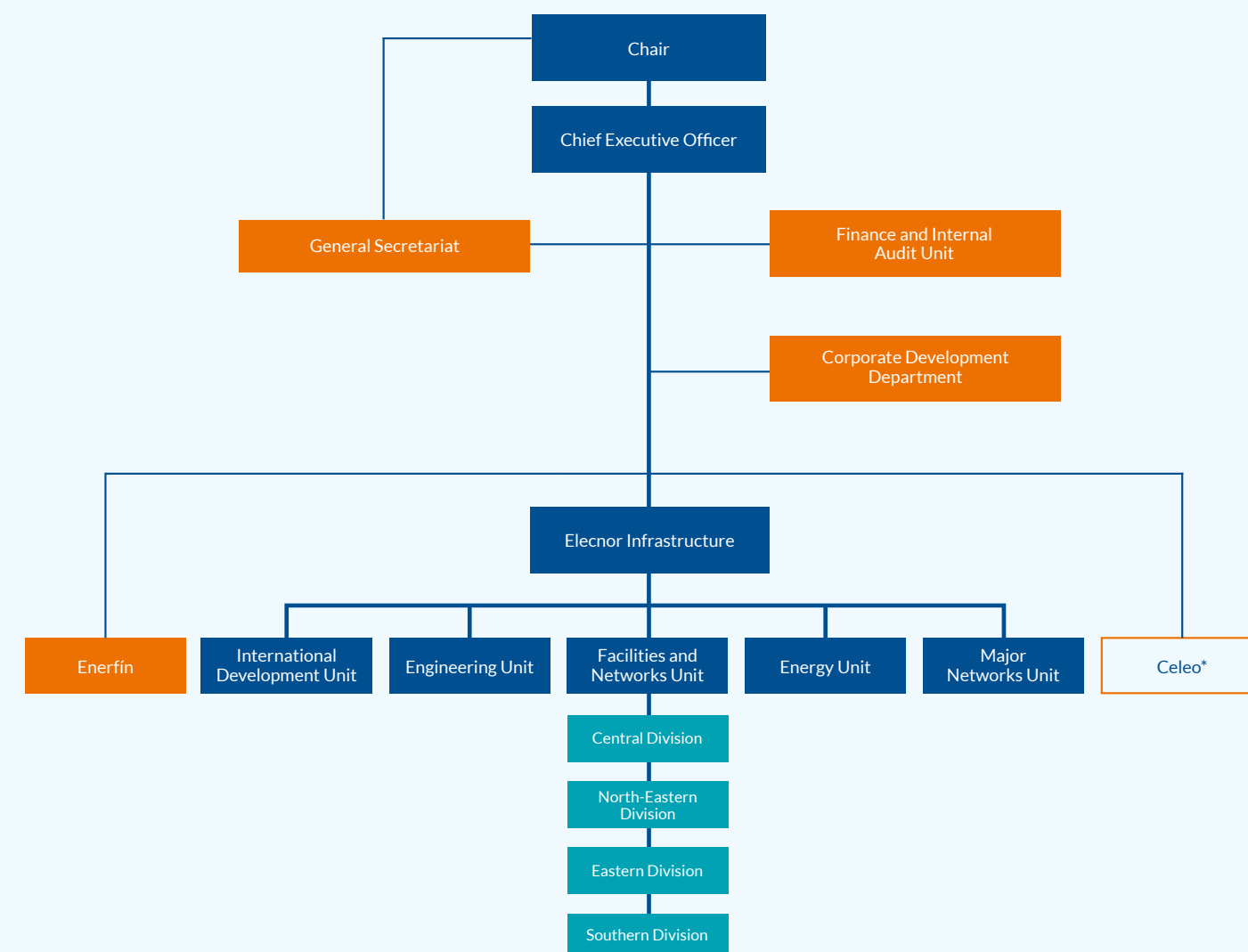
Moreover, as part of its ongoing efforts to maintain an optimal standard of Corporate Governance, in 2020, the Company's Board of Directors has reviewed and approved the modification of the regulations of the Board of Directors, Audit Committee and Appointments and Remuneration Committee, as well as the Internal Code of Conduct, so as to adapt them to the various regulatory reforms that have been introduced in the year.



Link to Corporate Governance Policies

Organisational structure at 31 December 2020

GRI 102-18



* Company co-managed by Elecnor (51%) and APG (49%)

Responsible management of the COVID-19 health crisis

In mid-March, as a consequence of the rapid spread of COVID-19 and the measures restricting mobility implemented by most governments, the Group set up a top-level COVID-19 Monitoring Committee to respond in a quick, coordinated and effective manner to the major challenges and difficulties posed by this exceptional situation.

The Group's priority has been to guarantee the health of its employees, customers and suppliers; to maintain production so as to ensure the maintenance of critical infrastructure in the energy, telecommunications, water, gas and transport sectors; and to boost the Group's financial strength.

For this purpose, the following initiatives were implemented:

- ▶ An Action Plan was drawn up to protect people's health.
- ▶ A Special Contingency Plan was devised defining the scope of action of Elecnor as an essential supplier for critical system operators.
- ▶ The Procedure for Occupational Risk Prevention Services was activated in respect of exposure to SARS-CoV-2 for the most vulnerable staff.
- ▶ Various measures were implemented to contain costs and make employment more flexible which have so far mitigated the effects of the pandemic.
- ▶ As a measure of prudence in the event of a potential decline in liquidity, in the first few months of the crisis the Group's financing limits were increased, despite its solid liquidity position prior to the COVID-19 outbreak.



Adaptation of space for canteens and other facilities in Madrid (Spain)

Constant communication and information to the workforce and to stakeholders with whom the Group has a relationship have been key to preventing risks deriving from this crisis.

Elecnor has a specific space on its corporate intranet containing information relating to COVID-19, including the action protocols at work centres and project sites, instructions for handling cases and their close contacts, and a plethora of documentation and information to boost knowledge of the risks and the adequate prevention measures.

Risk management

GRI 205-1

Elecnor 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.

For this purpose, the Group has a structured and dynamic Risk Management System the main pillars of which are as follows:

- ▶ Continuous risk identification and evaluation and prioritisation.
- ▶ Identification of the management and control mechanisms and tools in place in connection with the main risks and assessment of 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.

These management and control mechanisms and tools 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.

Elecnor's main risks are grouped into five broad categories:

Governance risks

Relating to 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).

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 include:

- ▶ Business model
- ▶ Managing and fulfilling the changing requirements of customers
- ▶ Growth
- ▶ Sub-contracting strategy
- ▶ Business concentration
- ▶ Changes in the market, industry and competition
- ▶ Public health
- ▶ Laws and regulations
- ▶ Political or social situation
- ▶ Changes in exchange and interest rates

Operating risks

Comprising the manner in which the organisation carries out its activity and administers its resources in accordance with the established processes and procedures. These include, among others, 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, etc.

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 management reports or mandatory reports (annual accounts, reports and tax filings, etc.).

Compliance risks

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.



In 2020, as a result of COVID-19, the Group reviewed its Risk Management System and raised the importance level of public health risk. In this framework, an analysis was performed of the potential impacts of the materialisation of this risk and the available mechanisms to manage it, which has enabled the Group to improve the monitoring of the various action plans launched to tackle the crisis, to identify the potential impacts sufficiently in advance and to design new prevention mechanisms.

With regard to Compliance risks and within the framework of its Compliance System, the Group has identified those situations in which, in accordance with the provisions of Spain's current Criminal Code and equivalent local regulations, legal persons may be criminally liable for certain offences committed by their employees or by certain related parties. Accordingly, the Group has implemented the necessary controls to ensure adequate prevention and management of the risks that might arise from such situations.



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 Group lays particular emphasis on preventive management in this regard.

The main risks associated with these offences potentially imputable to legal persons and that could potentially affect the Group are described below:

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.
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 revelation 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.

For each of the risks identified, Elecnor has specific controls in place, including the Ethical Code, Compliance Policy, periodic internal and external audits of the Integrated

Management System, Payment Management and Control Procedure, Recruitment Policy, Ethical Code whistleblower channel, Supplier Assessment System, etc.

Ethical management and regulatory compliance

GRI 103-1, GRI 103-2,
GRI 103-3, GRI 102-16

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 bring about 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's well-being.

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, our levers for growth and expansion.

Values

Focused on people

Talent
Passion
Safety



We are a family team

Team

Customers



Committed

Hard Work
Perseverance
Trust

We are reliable

Company

Responsible

Integrity
Ethics
Respect

We care about others



Compliance system

The Elecnor Group and each of its employees undertake, as expressed in its Ethical Code and its Compliance Policy, to discharge their activities in accordance with applicable legislation in the territories and countries in which it operates, as well as to comply with and uphold human rights and respect labour rights, act in a diligent and professional manner, with integrity, quality, care for the environment, preventing occupational risks and exercising corporate social responsibility.

The Elecnor Group's Compliance System has embodied those principles and values and strives for the ongoing improvement of its practices and management procedures with a view to strengthening its Corporate Governance.

The scope of the System covers all countries in which Elecnor and its subsidiaries and investees operate, notwithstanding the necessary adaptations in line with each country's specific characteristics.

In 2020, Elecnor strengthened its Compliance System with a reorganisation aimed at buttressing the structure and system to reinforce and improve the apparatus and maintain it in operation at all times.

The Group's commitment to the ongoing improvement of its management practices and procedures was acknowledged when it was certified to the UNE-ISO 37001 anti-bribery management system standard, positioning the organisation as a leader in this sphere as the first company from its sector in Spain and one of the first companies from any sector in Spain and globally to obtain this certification.

Furthermore, Elecnor also holds UNE 19601 criminal compliance management system certification, the main benchmark in Spain for the design and articulation of criminal risk prevention systems and based on the highest international standards in this connection.

Certification to UNE-ISO 37001 anti-bribery management system standard

This is the most modern 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



Ethical Code



Compliance Policy



Compliance Management System Manual



Compliance Committee



Map of Compliance Risks and Procedures and mandatory internal controls



Ethical Code whistleblower channel

The Elecnor Group permanently seeks to ensure that all its actions are carried out in accordance with the strictest ethical standards, applying a principle of zero tolerance to ethical malpractice and a lack of professional integrity, and it expects its employees and the persons with whom it interacts to adhere to the principles of the Group's Ethical Code.

Elecnor has set up a procedure to enable all its employees to report, confidentially, in good faith and with no fear of reprisals, any irregular conduct in connection with matters covered by the Code, the rules on which it is based, its implementing policies and procedures, or the law. The e-mail address **codigoetico@elecnor.com** and post office box 26-48080 are available for this purpose.

Employees may also resolve queries or propose improvements in the internal control systems in place.

In 2020, no complaints were received in the sphere of human rights in connection with respect for freedom

of association and the right to collective bargaining, the abolition of forced or compulsory labour or the effective abolition of child labour. Likewise, neither were any complaints received in connection with corruption, bribery or money laundering.

The five complaints received in 2020 via the Ethical Code whistleblower channel and managed by the Compliance Committee refer mainly to job-related issues. At the time of completing this report, there were no complaints pending resolution.

Both the Ethical Code and the Compliance Policy of Elecnor are available on the corporate website and intranet.

The Compliance Committee compiles an Annual Compliance 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 Team to help them in their duties of supervision of the System.

Actions in 2020

GRI 205-2

► Completion of the review and improvement of the procedures and controls established to prevent and avoid anti-trust practices. Elecnor commenced this project in 2019 and has been advised by Deloitte. A review was conducted of the main risks associated with the sphere of anti-trust laws to which Elecnor is exposed, as well as procedures, protocols and controls in place. As a result, improvements and new controls to be implemented have been identified. In order to raise awareness and bolster employee training a specific training programme has been designed for the Group's Management Team (around 200 people). This training will be held in early 2021.

► Design of a work schedule within the framework of the collaboration agreement with IE Law School to create the "IE-Elecnor Observatory on Sustainable Compliance Cultures". The observatory, with an initial duration of two years, is aimed at analysing the adoption of compliance at medium-sized and even medium-large companies from a global and comparative perspective, with a view to gleaning an in-depth understanding of the reality of the challenges involved, examining potential solutions and disseminating the knowledge generated. In 2020, work focused mainly on assessing the current state of compliance at medium-sized companies in Spain (this research is now in the completion phase), as well as on setting up the observatory website.

► Compliance Training:



2020
ONLINE TRAINING
FOR

+2,400
people



LAST 3 YEARS

+3,000
people

within the Group
Management team, middle
management, staff in support,
advice and control duties and the
rest of staff in Structure in Spain
and abroad

Elecnor allocates significant investment to raising awareness and training its staff in connection with compliance issues. Below are details of the number of employees who have received this kind of training in the last 3 years, broken down by professional category and geographical area:

	Management	Executive	Technician
Spain	145	728	1,933
Europe	-	22	8
America	5	62	32
Africa	-	50	84
Asia	-	10	3
Oceania	-	1	-
Total *	150	873	2,060

* Compliance training is organised for staff in Structure. Staff in Works, given their lower exposure to compliance risk, are not included in these specific training plans.

The information above includes only that designed and managed at the corporate level. Consequently, it does not include training conducted locally by the various organisations.



► Design and implementation of a Compliance Training Model for the on-boarding stage of new recruits.

► Consolidation of the “compliance contacts” initiative, which consists of presenting a compliance training pill at all meetings of the Board of Directors, Executive Committee, Management Committee and the rest of senior-level meetings.

► Continuation of 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. Notable here in 2020 was the activity in the United States and in the wind (Enerfin) and concessions (Celeo) businesses.

► Launch and rollout 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, and also encompassing the bidding phase.

The Elecnor Group has partnered various sector associations in order to continue driving the sectors of activity in which it operates. Nevertheless, in accordance with its Compliance System, it never makes financial contributions that are unlawful or aimed at obtaining special treatment. In 2020, the Elecnor Group contributed Euros 1.1 million to sector associations (Euros 1.3 million in 2019).



In 2021, work will continue in relation to the following goals:

- Review and improvement of the compliance risk assessment and due diligence procedures in relation to third parties (mainly suppliers and subcontractors).
- Improvement of integration between the Compliance and Integrated Management Systems (better harnessing of know-how, systems and resources).
- Review of compliance indicators and improvement in the measurement and monitoring process.
- Completion of the project to improve systems relating to the preparation, issuance and approval, dissemination, review and monitoring of the mandatory Corporate Policies and Procedures.
- Continuation of the consolidation and improvement of the Group's Compliance System at the various subsidiaries in accordance with the “Compliance System Rollout Plan”.

Committed to fighting corruption, bribery and money laundering

GRI 205-3

Elecnor's commitment to combating corruption and bribery is consistent with its principle of zero tolerance to ethical malpractice and lack of professional integrity, and it is enshrined in its **Ethical Code** and its **Compliance Policy**, establishing that:

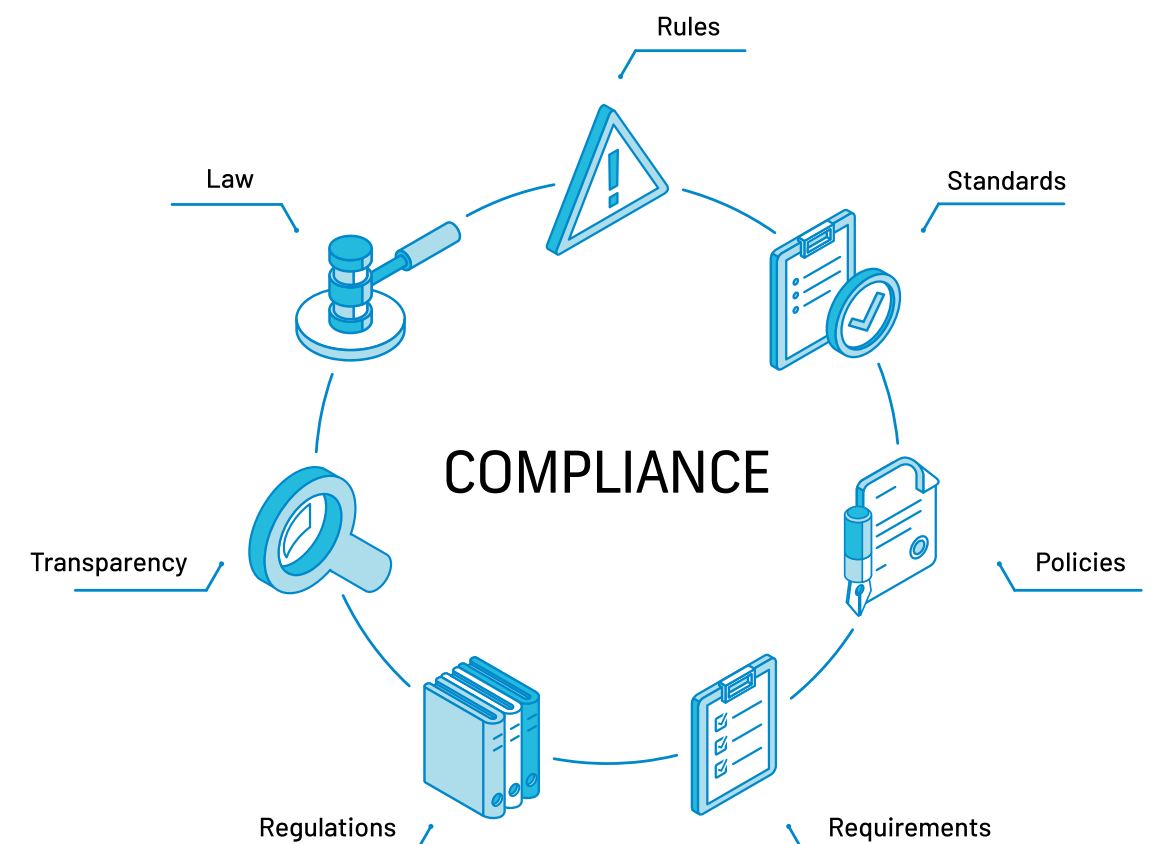
- ▶ Under no circumstances shall Elecnor employees and their related persons engage in unethical practices that may be seen as instigating a lack of impartiality, transparency and honesty in the decisions by authorities, civil servants or persons taking part in public service, or any other person outside the organisation.
- ▶ These unethical practices include offering or promising to deliver gifts, favours or remuneration of any kind or the existence of any situation deriving from a personal relationship with the authority, civil servant

or any other person outside the organisation who might influence the obtaining of a decision that could directly or indirectly generate a financial benefit for Elecnor or a third party.

- ▶ Elecnor employees and their related persons shall refrain from receiving, requesting or accepting, or from promising, offering or granting third parties any unwarranted benefits or advantages, for themselves or for third parties, or obtaining undue advantage for themselves or a third party in the acquisition or sale of goods, contracting of services or in commercial relationships.

- ▶ For the purposes of determining whether such acts are of a criminal nature or not, their taking place outside the working hours or facilities of Elecnor, their being funded on an individual basis, or their taking place in Spain or abroad are all immaterial.

With respect to money laundering, the Compliance Policy establishes that "Under no circumstances shall Elecnor'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's



staff shall therefore be extremely cautious and diligent in their transactions with third party providers of goods and services, to assure that they do not arise from a criminal activity."

Elecnor's Compliance System is its main tool to combat corruption, bribery and money laundering. As stated above,

Elecnor is certified to UNE-ISO 37001 anti-bribery management system standard and UNE 19601 criminal compliance management system standard.

In 2020, no complaints were received in connection with corruption, bribery or money laundering.



This is our anti-corruption commitment

Human rights

GRI 103-1, GRI 103-2,
GRI 103-3, GRI 412-2

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.



Fiscal transparency

Elecnor's Board of Directors decided to approve 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, Elecnor's Tax Policy reflects the Group's fiscal strategy and its commitment to the application of best tax practices. 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.

This Policy is fully aligned with the Group's Corporate Social Responsibility Policy and its Ethical Code, 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.

The Human Rights Policy lays particular emphasis on equality of opportunities regardless of people's characteristics, as well as the avoidance of child labour and forced labour and respect for the rights of ethnic or indigenous minorities.

GRI 102-12

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-bribery into its corporate strategy, and to promote the Sustainable Development Goals (SDGs).

The companies co-owned by Elecnor, Celeo Redes in Chile and Brazil, have also subscribed to the Global Compact.

In 2020, no complaints were received in connection with human rights breaches relating to respect for freedom of association and the right to collective bargaining, the abolition of forced or compulsory labour, the effective abolition of child labour, and non-discrimination.

GRI 406-1



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

The Group's tax strategy is based on the following principles:

- ▶ Fulfilling their tax obligations with the utmost diligence in the various countries and territories in which the Group operates.
- ▶ Submitting all the Group's tax filings in a timely manner, including those that do not involve tax payments.
- ▶ Paying in a proper and timely manner all taxes payable in accordance with the applicable laws.
- ▶ 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.
- ▶ 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.
- ▶ Preventing and minimising, to the extent possible, the tax risks associated with the Group's strategic operations and decisions.
- ▶ Defining and implementing frameworks for the supervision, review and control of the tax function.
- ▶ Informing the management bodies in regard to the main tax implications of the operations or matters

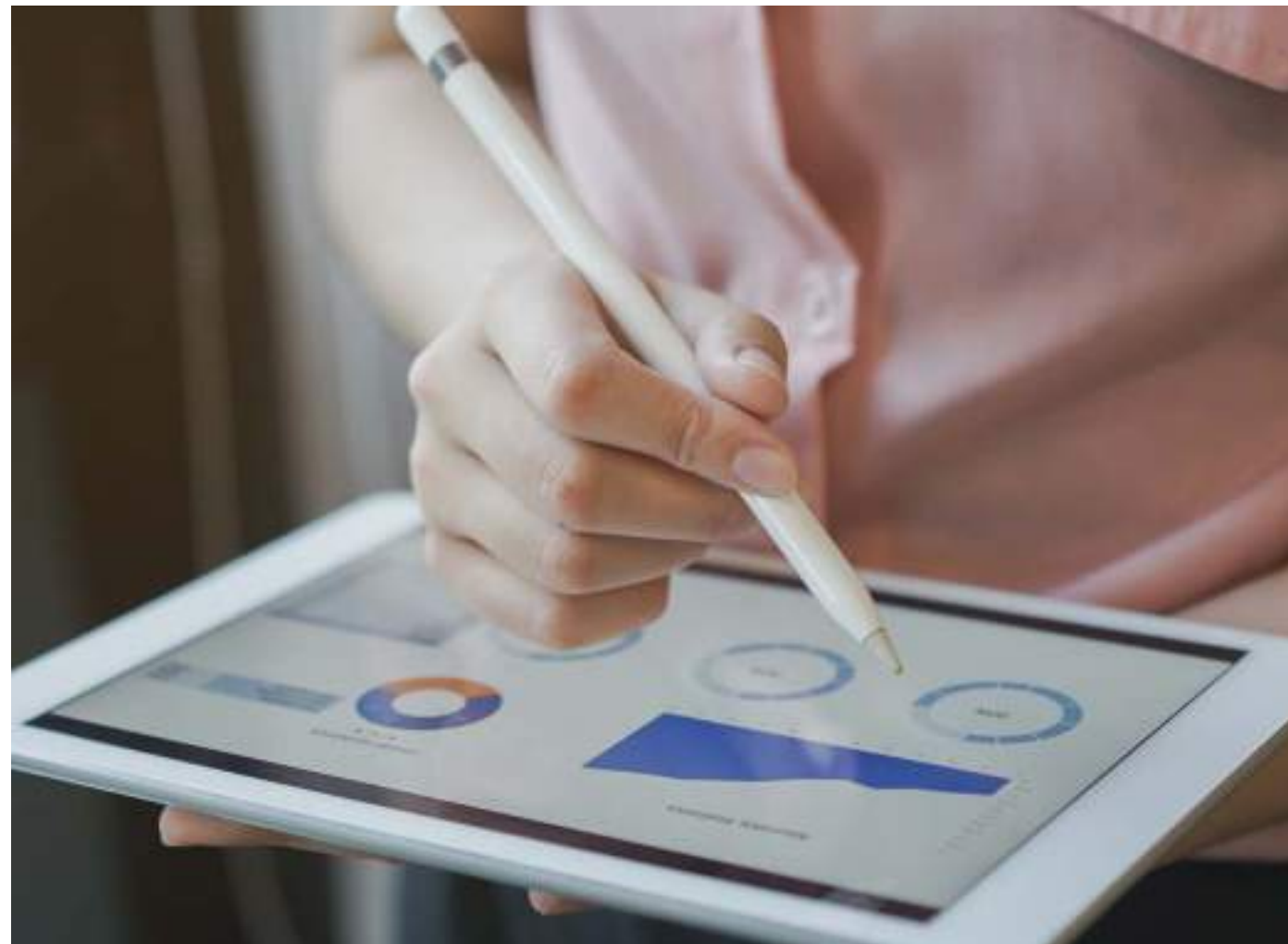
submitted for their approval, when they constitute a significant factor in determining their intentions.

- ▶ 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 in the corporate website.

Elecnor 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.



PROFIT BEFORE TAX BY COUNTRY

Figures in thousands of Euros

Country	2019	2020
Germany	-18	219
Angola	19,991	11,777
Algeria	-884	9,561
Argentina	1,690	1,299
Australia	-130	-325
Belgium	-	-3,636
Bolivia	-91	-178
Brazil	57,422	52,597
Cameroon	704	-2,064
Canada	1,430	2,734
Chile	11,247	10,528
Colombia	-2,952	-1,345
Ivory Coast	-	-2
Ecuador	-879	1,469
El Salvador	267	741
Spain	94,756	23,566
United States	6,520	8,128
Finland	-	919
France	2,589	-20
Ghana	-537	-1,647
Guatemala	-2	47
Guinea	21	-
Honduras	1,592	2,737
Italy	4,318	-2,446
Jordan	2,638	-1,248
Kuwait	3	-5
Lithuania	-	1,460
Morocco	-91	-33
Mauritania	557	-1,171
Mexico	-11,212	8,888
Mozambique	-	-135
Norway	3,946	6,634
Oman	56	-2,316
Panama	4,129	-1,729
Paraguay	-	2
Peru	-1,270	206
Portugal	-632	-2,185
UK	781	4,375
Dominican Republic	-7,888	-1,001
Romania	-	60
Senegal	90	-1,234
South Africa	37	1
Uruguay	869	1,062
Venezuela	1,010	-359
Total	190,077	125,931

INCOME TAXES

Figures in thousands of Euros

Country	2019	2020
Angola	6,193.0	1,127.9
Argentina	204.9	428.6
Australia	4,358.2	483.1
Bolivia	9.0	49.9
Brazil	14,468.0	17,274.2
Cameroon	124.0	4.4
Canada	63.2	86.3
Chile	-479.1	759.5
Colombia	-	2.5
Ecuador	230.6	226.8
El Salvador	34.0	28.0
Spain	1,815.5	1,206.3
United States	5,433.4	57.4
France	76.0	140.3
Ghana	7.0	6.5
Equatorial Guinea	-	6.2
Honduras	519.7	12.8
Italy	183.4	17.6
Jordan	244.3	72.6
Kuwait	17.0	12.7
Morocco	0.3	0.0
Mauritania	120.0	228.9
Mexico	13.7	-224.6
Panama	215.0	656.5
Peru	551.3	0.0
Portugal	-27.1	153.3
UK	472.9	35.9
Dominican Republic	263.5	263.0
Romania	1.1	1.7
Senegal	10.0	1.8
Uruguay	375.9	274.3
Venezuela	6.5	0.1
Total	35,505.2	23,394.4

Elecnor has made its best estimate of the breakdown of results by country, as well as the payments made in current 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 2019, and to payments on account of taxes accrued in 2020 which will be settled in 2021.

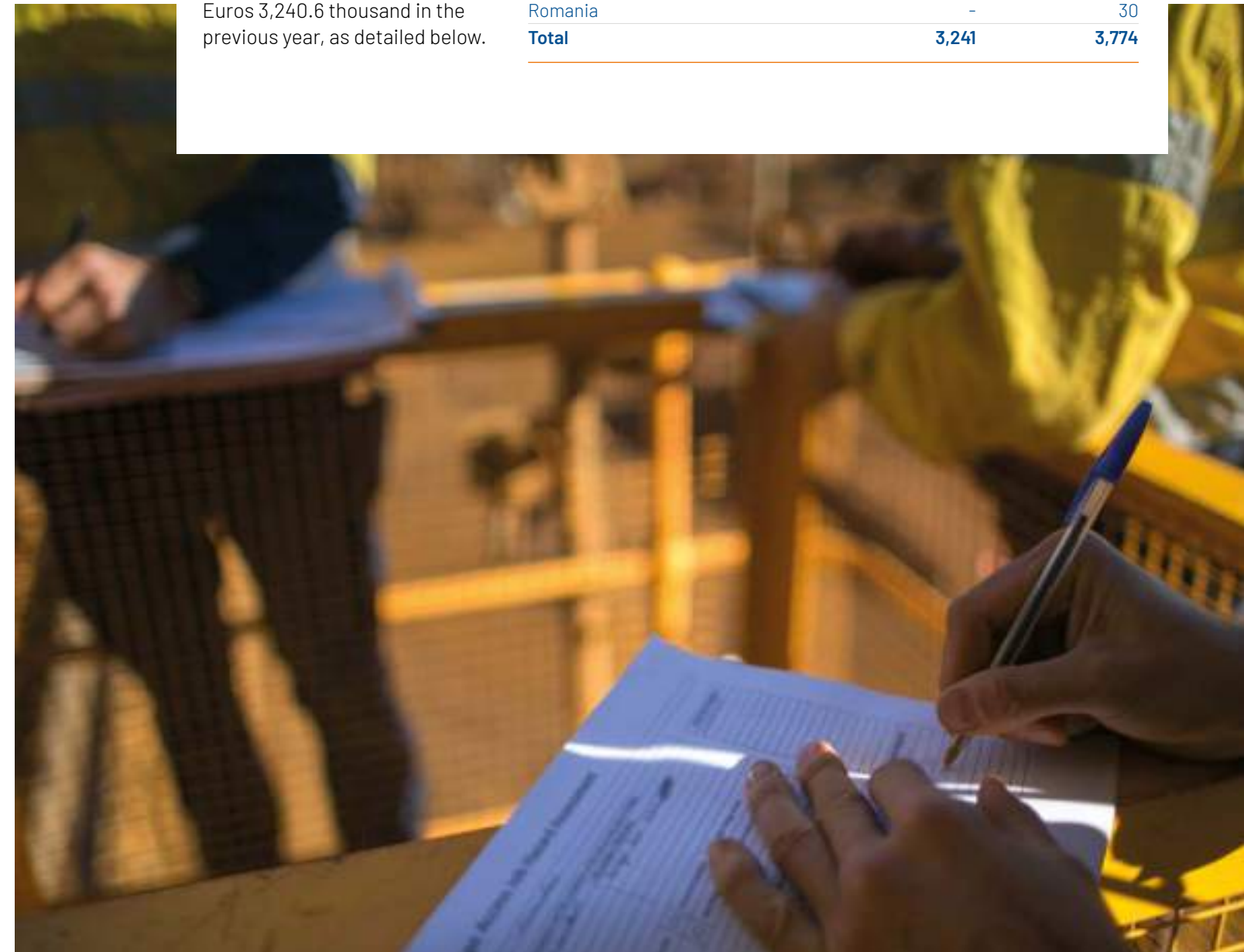
Public grants received

GRI 201-4

In 2020, the Elecnor Group received public grants amounting to Euros 3,744 thousand, compared with Euros 3,240.6 thousand in the previous year, as detailed below.

Figures in thousands of Euros

Country	2019	2020
Spain	1,947	2,499
Canada	119	117
UK	479	340
Portugal	695	788
Romania	-	30
Total	3,241	3,774



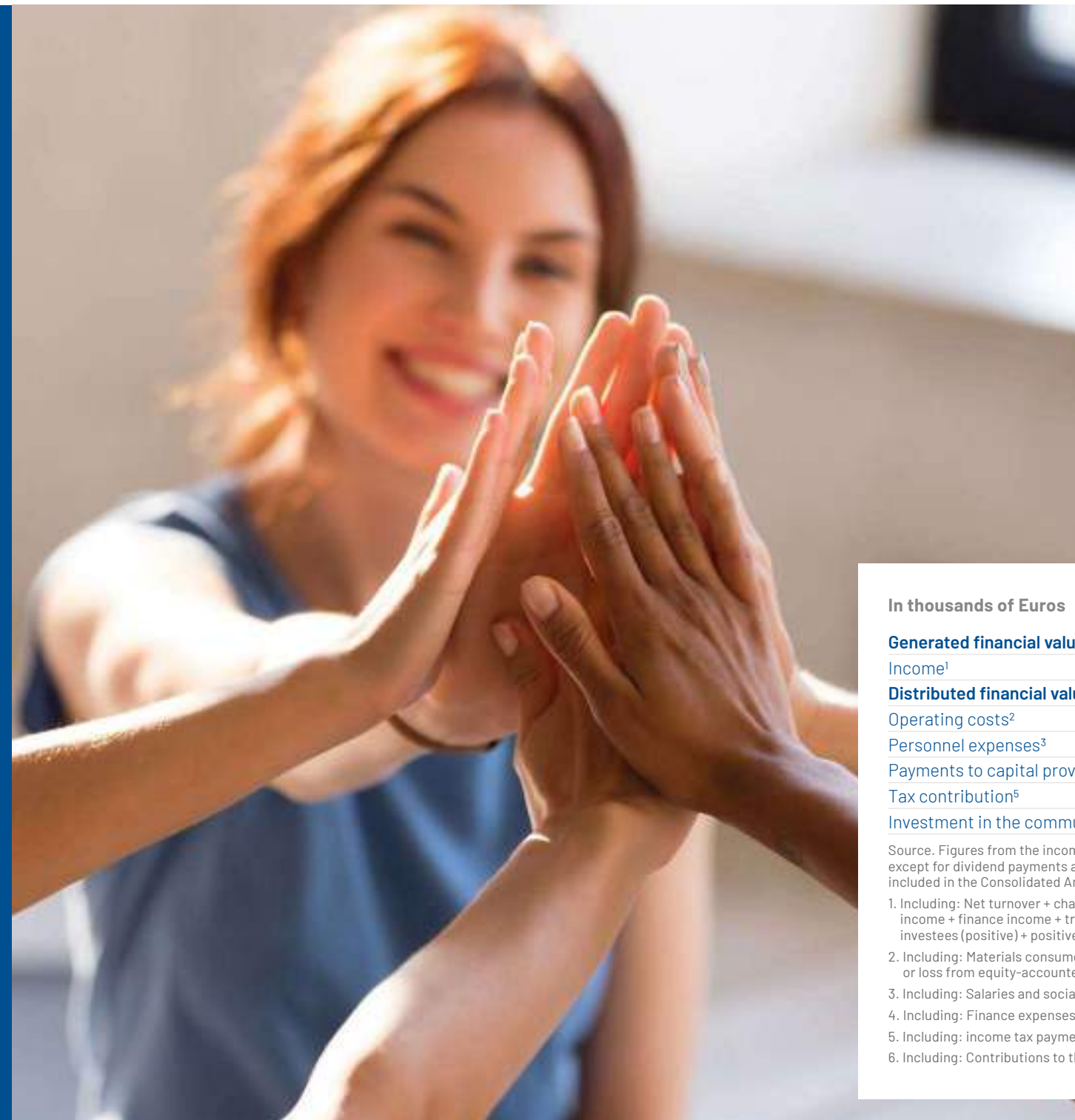
SOCIAL IMPACT

Via its various activities, Elecnor has a direct impact on employment, progress and social well-being in the countries where it operates, while helping to resolve some of the major global challenges: tackling climate change, reducing the energy gap, providing safe access to essential resources like energy or drinking water, etc., which are set forth in the 2030 Agenda and the Sustainable Development Goals (SDGs).

In addition, thanks to sustained growth, the Elecnor Group also distributes direct financial value to its main stakeholders: shareholders, suppliers, employees, governments, etc.

The Elecnor Foundation structures the Group's social commitment through social infrastructure projects in the countries where these are most necessary 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.



Value generation

GRI 102-7, GRI 103-1,
GRI 103-2, GRI 103-3,
GRI 203-2

Direct economic value generated and distributed

GRI 201-1

The information continued in this report concerning the creation and distribution of the financial value shows how the Elecnor Group has generated wealth for its stakeholders.

In thousands of Euros	2019	2020
Generated financial value	2,703,775	2,549,406
Income ¹	2,703,775	2,549,406
Distributed financial value	2,435,948	2,485,778
Operating costs ²	1,630,566	1,683,196
Personnel expenses ³	669,018	708,571
Payments to capital providers ⁴	100,259	70,017
Tax contribution ⁵	35,505	23,394
Investment in the community ⁶	600	600

Source: Figures from the income statement in the Consolidated Annual Accounts for 2020, except for dividend payments and income tax payments shown in the statement of cash flows included in the Consolidated Annual Accounts.

1. Including: Net turnover + change in inventories + self-constructed assets + other operating income + finance income + translation differences + profit or loss from equity-accounted investees (positive) + positive translation differences.

2. Including: Materials consumed + other operating expenses + non-controlling interests + profit or loss from equity-accounted investees (negative).

3. Including: Salaries and social benefits for employees.

4. Including: Finance expenses + dividend payments (statement of cash flows).

5. Including: income tax payments (from the statement of cash flows).

6. Including: Contributions to the Elecnor Foundation.



Job creation

With a team of more than 18,000 people in over 30 countries, Elecnor’s people are its main assets as it executes its activities.

At the end of 2020, the Group’s workforce had increased by 3,348 people (up 22.5% on the previous year).

Workforce	2019	2020	Changes
National	9,336	10,542	12.9%
International	5,519	7,661	38.8%
Total	14,855	18,203	22.5%

Elecnor contributes to the development and well-being of local communities by means of direct job creation by contracting local employees and suppliers.

LOCAL EMPLOYMENT

Location	2019		2020	
	Employees	Local employment	Employees	Local employment
Spain	9,336	95%	10,542	95%
Europe	796	77%	1,033	78%
America	3,725	98%	4,861	97%
Africa	969	90%	1,683	93%
Asia	15	93%	44	82%
Oceania	14	50%	40	58%
Total	14,855	94%	18,203	94%



A TEAM OF MORE THAN

18,000
people in over
50 different countries





Procurements from local suppliers

GRI 204-1

In thousands of Euros	2019		2020	
	Procurements	Local procurements	Procurements	Local procurements
Spain	292,571	100%	652,512	100%
Europe				
Belgium	-	-	20,418	100%
Finland	-	-	2,801	100%
France	442	50%	11	100%
Italy	6,587	100%	18,830	100%
Norway	5,816	50%	5,636	100%
Portugal	7,090	100%	4,941	100%
UK	12,191	50%	11,991	100%
Romania	-31	50%	-225	100%
North America				
El Salvador	120	25%	3,506	42%
United States	55,314	50%	55,376	100%
Mexico	20,121	75%	44,542	100%
Panama	11,312	98%	13,586	100%
Latin America				
Argentina	487	50%	347	100%
Bolivia	104	50%	60	100%
Brazil	113,841	50%	134,367	100%
Chile	25,972	50%	35,733	100%
Ecuador	517	50%	-	-
Guatemala	1	50%	-	-
Honduras	856	65%	3,380	35%
Peru	316	50%	-	-
Dominican Republic	5,963	99%	9,776	92%
Uruguay	3,483	50%	5,006	100%
Venezuela	181	97%	5,509	0%
Africa				
Angola	5,168	65%	26,482	16%
Algeria	1,391	100%	74	1%
Cameroon	9,149	8%	16,208	63%
Congo	6,277	8%	5,468	17%
Ivory Coast	-	-	2	0%
Ghana	7,730	28%	29,515	18%
Guinea	7,921	1%	5,282	11%
Liberia	1,919	0%	184	0%
Morocco	4	50%	3	100%
Mauritania	7,993	50%	3,098	100%
Mozambique			747	100%
Senegal	1,055	29%	3,167	85%
Asia				
Jordan	17,634	45%	1,774	98%
Oman	48	0%	3,577	100%
Oceania				
Australia	16,185	50%	15,798	100%
Total	645,729		1,139,481	

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.

Dividend yield in 2020 was 3.1%, compared to 2.4% the year before.

Stock market indicators	2019	2020
Closing share price (€)	10.95	11.00
Dividend yield	2.4%	3.1%

In 2020, shareholders received two dividends: supplementary dividend against 2019 profit and interim dividend against 2020 profit, in a gross amount of Euros 0.27455644 per share (Euros 0.28208755 per share including pro-rate distribution of treasury shares) and Euros 0.05732 (Euros 0.055889557, including pro-rate distribution of treasury shares), respectively.

Note that Elecnor is not prohibited from paying dividends charged to 2020 pursuant to the provisions of Royal Decree-Law 18/2020 of 12 May, concerning social measures to safeguard employment, as the company previously paid the social security contributions from which it had been exempted as a result of the furlough schemes regulated in art. 1 of the aforementioned Royal Decree-Law.

The Elecnor Group's social action

GRI 103-1, GRI 103-2,
GRI 103-3, GRI 203-1,
GRI 413-1, GRI 413-2

The Group's social action is articulated mainly by means of the Elecnor Foundation.

In 2020, Elecnor donated a total of Euros 607,479 to various associations, foundations and non-profit entities to support a range of social causes (Euros 621,505 in 2019). Of that amount, Elecnor contributed Euros 600,000 to the Elecnor Foundation (the same amount as in 2019).



Elecnor Foundation. Highlighting the human side of engineering

Since its launch, the Foundation's mission has been closely linked to Elecnor'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.

The Foundation continued bringing to the fore the most human aspect of engineering through various projects in its two areas of action:

- ▶ The development of water and energy infrastructure for social purposes to benefit those who most need it as well as the environment.
- ▶ Fostering training and research to nurture the professional development and projection of young people.

Although the Elecnor Foundation has not been unaffected by the health crisis unleashed by COVID-19, in 2020 it continued to collaborate in 4 social infrastructure projects in Mexico, Spain, Ghana and Senegal, and in 7 training and research initiatives.

Since its incorporation, the Foundation has been present in Spain, Honduras, Dominican Republic, Ghana, Chile, Uruguay, Peru, Angola, Nicaragua,

Cameroon, Mexico, Senegal and Republic of Congo. Elecnor has allocated funds amounting to Euros 6.1 million. Moreover, the Foundation has obtained other funds totalling Euros 5.8 million. Accordingly, the Elecnor Foundation has led projects worth a total of Euros 11.9 million.

In 2020, the Foundation invested Euros 442,952 in the various projects.

foundation
elecnor

PROJECTS LED WORTH

11.9
million euro

Social Infrastructure Projects

Reconstruyendo La Nopalera, Mexico

This project consisted of installing solar street lighting in Nopalera, Mexico. This small town with 1,000 inhabitants in the State of Morelos suffered the devastating consequences of the earthquake in 2019.

The aim of this project was to light the entire town with the same quality and intensity as any other developed town, all in accordance with the strictest quality standards. For this purpose, 83 street lamps were installed that operate using photovoltaic solar energy, which is stored in batteries to provide clean energy at night.

The smart street lighting offers people security in urban areas and enhances the quality of life of the inhabitants of La Nopalera.

Nos importa el aire que respiras, Spain

Focusing on the treatment of air inside the Ronald McDonald House in Madrid, this project is aimed at improving the health of the especially vulnerable children living in the home.

Along with its technological partner Aire Limpio, the Group is implementing a project chosen by the CDTI in its call for proposals for "RDI and Investment projects to tackle the health emergence declared as a result of COVID-19".

This innovative project includes smart systems for counting people and taking temperatures and, once executed, it will be scalable for deployment at elderly care homes, hospitals, etc.

The Elecnor Foundation has been a member of the Board of Trustees of the Ronald McDonald House in Madrid since 2013, the year in which Elecnor built this home for 30 families and implemented an energy efficiency project at the facility. Fundación Infantil Ronald McDonald offers a "home away from home" to families who have travelled from their habitual place of residence so that their children can receive medical treatment.

Solar Back-up Systems II, Ghana

In 2013, the Elecnor Foundation, along with the Congregations of Hermanas de la Caridad de Santa Ana and Hermanas Hospitalarias del Sagrado Corazón de Jesús, launched the Solar Back-Up Systems project. This project helped boost the electricity supply at their hospitals and health centres, where there was a high risk of outage.

At present, these institutions have identified the need to implement new photovoltaic systems to improve healthcare in the ICUs of three hospitals, a training centre and a health centre which together cater for more than 200,000 people every year.

The agreements are currently pending signature.

Hospital Saint Jean de Dieu, Senegal

The aim of this project is to improve the hospital's unstable electricity supply which hampers most of the services it offers. Hospital Saint Jean de Dieu de Thiès provides quality care to all social groups of the population and participates in the country's public health service.

The Elecnor Foundation, in partnership with the NGO Manos Unidas, has deployed an energy audit team so as to obtain data on the hospital's energy consumption.

Training and Research Projects

IE-Elecnor Compliance Observatory for medium-sized enterprises

The Elecnor Foundation and Fundación Instituto de Empresa, with the support of Eversheds Sutherland law offices, in 2019 signed a collaboration agreement to create the "IE-Elecnor Observatory on Sustainable Compliance Cultures". This initiative responds to the Elecnor Foundation's commitment to improving organisations' compliance management, with a particular focus on small and medium-sized enterprises. It hopes that the initiative will help boost aspects such as combating corruption in business, safeguarding the right to competition, human rights and employment rights and respect for the environment.

The main goals of the Observatory are to:

- ▶ Harness and develop know-how to understand the challenges facing medium-sized enterprises in the implementation of a culture of compliance.

- ▶ Develop proposals to facilitate the implementation of a culture of compliance at medium-sized enterprises and those with limited resources.
- ▶ Disseminate the know-how generated in order to enhance the development of compliance in the business fabric outside of large corporations and multinationals.
- ▶ Facilitate understanding and a common framework in connection with compliance by tackling collaborative and inter-company initiatives and projects, especially in highly integrated value chains.

In mid-December, the Observatory's website was officially launched at a virtual event involving experts and professionals and focusing on the programme "Compliance in uncertain times. How to foster a culture of compliance in small and medium-sized enterprises?"

For 2021, a study on the current state of compliance at medium-sized enterprises in Spain is due for completion.

Awards and Grants Programme with Escuela Técnica Superior de Industriales (Polytechnic University of Valencia-UPV)

The Elecnor Foundation has been offering grants to students of the Polytechnic University of Valencia (UPV) for 31 years, placing particular emphasis on renewable energies and on developing energy efficiency.

In the 2019-2020 edition, five students received grants for their end-of-Master's theses, on the following topics:

- ▶ Project for developing a smart LED lighting network, citizens information systems and sustainable mobility in a town in Castellón to mitigate the effect of greenhouse gas emissions.
- ▶ Development of low-cost equipment to monitor and detect faults in low-power wind turbine generators.
- ▶ Simulation and experimental verification of voltage dips using a hardware-in-the-loop system and test bench: detection and performance of motors and wind turbine generators.

- ▶ Lighting control system through low-cost micro-controller and DALI bus.
- ▶ Study of the capacity of roofs of Polytechnic University of Valencia for installation of solar PV panels.

Cities Lab chair of excellence, Universidad de Deusto

The Elecnor Foundation is a member of the Board of Trustees of the Cities Lab Katedra, pursuant to an agreement signed with Deusto Business School.

This project is an innovation ecosystem that develops research projects, learning programmes, communication actions and urban laboratories in connection with urban, human and sustainable development, governance models and leadership styles that help or hamper the development of levers for transforming cities.

The aim is to examine integrated solutions for smart cities, cross-checking and analysing information from urban services to adapt public policies to the needs of cities, cutting costs and providing a better service to citizens.

In 2019, an initiative was launched in conjunction with the municipal government of Alcalá de Guadaira (Spain) which is currently in phase 3, a stage consisting of implementing a series of ideas based on the results obtained in the previous two phases. The aim is to make Alcalá de Guadaira into an innovation ecosystem to better integrate sustainable urban development using technological innovation.



Corporate Leadership in Entrepreneurship and Innovation programme, Deusto Business School

Within the framework of the agreement signed with Deusto Business School, the Elecnor Foundation sponsors the Corporate Leadership in Entrepreneurship and Innovation programme to be developed jointly by Deusto Business School and ICADE Business School over the 2020-2021 academic year.

Professionals enrolled in this programme, taught jointly by Deusto Business School and ICADE Business School, will learn about cutting-edge entrepreneurial initiatives by large corporations first-hand from the executives who have led them.

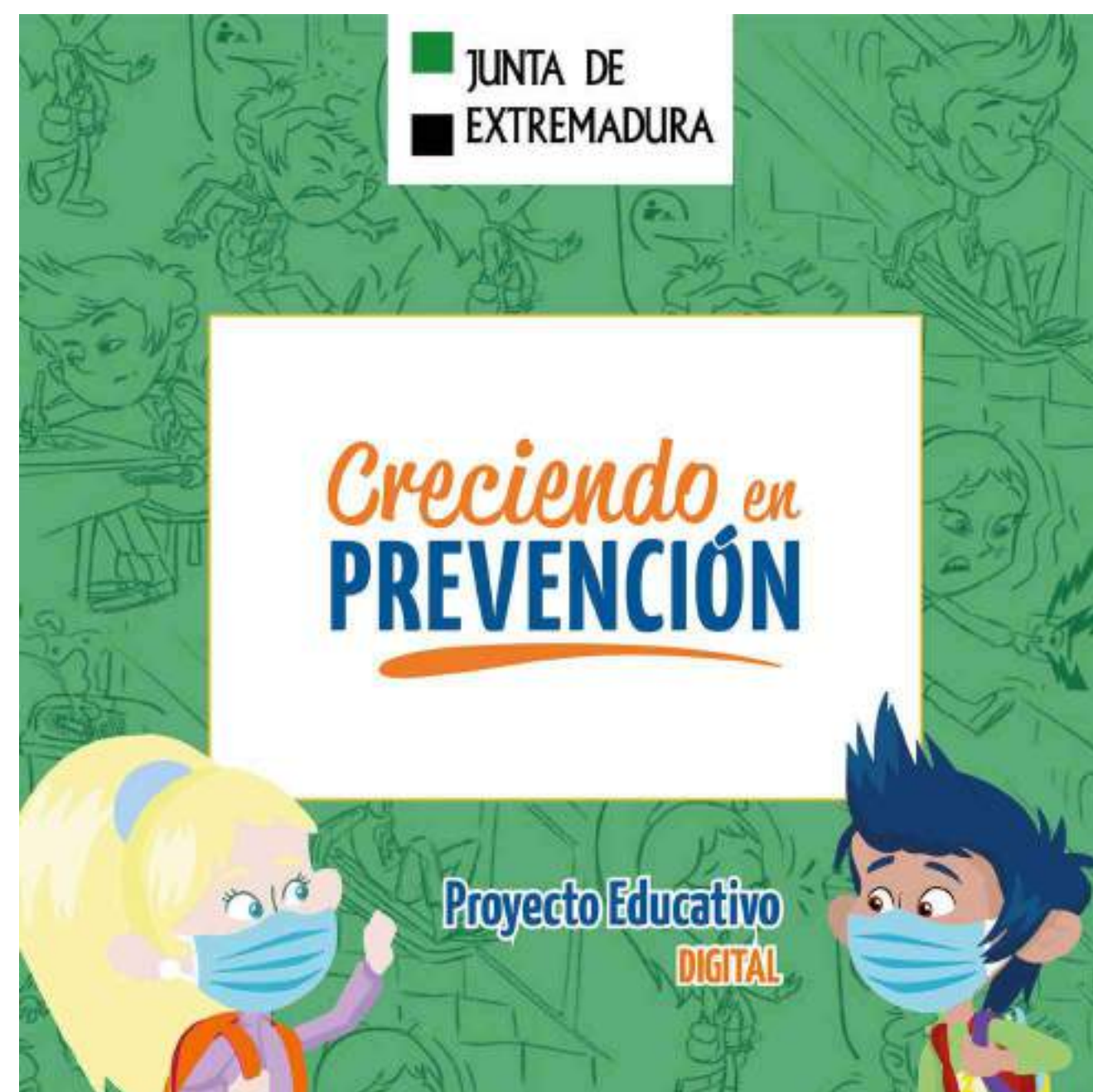
"Growing in Prevention" project in the Madrid region

In keeping with Elecnor's principle of "security as a non-negotiable value", the Elecnor Foundation collaborates with the Madrid region in this project which is aimed at raising children's awareness of the importance of prevention and protection from various hazards, including the current pandemic. The COVID-19 crisis led to a redesign of the project, adapting content for virtual sessions.

Growing in Prevention is aimed at 3rd-, 4th- and 5th-year primary school pupils and their teachers who, using a digital application, can access a learning unit on risk prevention, including aspects associated with COVID-19.

The aim is for children to learn, in a didactic and fun way (games, videos, etc.) to recognise risks to their health around them, especially in this exceptional period.

The training began in the following towns in the Madrid region: Robledo de Chavela, Getafe and Navacerrada. In 2020, the project involved 3,000 children.



Specialist course in medium- and low-voltage electrical installations, imparted by Colegio Salesianos Deusto vocational training

The Group continued to train future professionals within the framework of our cooperation with Colegio Salesianos de Deusto. This year, 131 training hours were provided to 14 students in hybrid format (in-person and online).

In a new development, content has been adapted and broadened to adapt to Elecnor's needs so that students who are recruited are ready to undertake work directly on the project sites.



Vocational Training Course. Distribution, Telecommunications and Maintenance

The project's goal is to attract recent graduates from vocational training, who receive the necessary training to integrate immediately in Elecnor works. Representatives from Elecnor's Central Regional Office identified the minimum content for Distribution, Telecommunications and Maintenance activities, as well as the areas where these profiles are most needed.

At the date of this report, training in electric power distribution had commenced at Colegio Salesianos de Deusto in the province of Vizcaya (Basque Country).

Corporate volunteering

In 2020, annual corporate volunteering was proposed within the framework of the "Reconstruyendo la Nopalera" (Rebuilding La Nopalera) project. In light of the situation unleashed by COVID-19 it had to be cancelled and volunteers from Elecnor México, together with staff from the municipal government of Yauatepec (Morelos) instead travelled to the town to deliver personal protective equipment (PPE) against COVID-19.

More social projects

Elecnor's commitment to the communities where it executes its projects leads it to roll out programmes and initiatives to foster their social, environmental and economic development.

In Honduras, in early November tropical depression ETA caused serious flooding and landslides due to heavy rainfall, leaving thousands of victims in the northern area of the country. Elecnor donated to the Red Cross in Honduras a 60 CV engine for rescue boats to enable them to provide rescue services as well as to take humanitarian aid to the people worst hit by the storm.

In Ghana, in the framework of the construction of an electricity substation in Kaleo, Elecnor refurbished the local school, donated educational materials, repaired the main road into the town and installed solar panels at the police command station to provide access to sustainable electricity.

In Guinea, two taps were connected to the network at the OMVG electricity transmission project to provide drinking water to the neighbouring population and, in addition, a school was refurbished.

Moreover, the concessions subsidiary Enerfin and the co-managed company Celeo were especially active in this regard, as described below.





In 2020, Enerfín commenced construction of the Cofrentes wind farm in **Spain**, including measures to restore, improve and highlight the value of the landscape:

- Environmental and renewable energy awareness and education.

At present, progress is ongoing in producing learning materials for this programme, scheduled for 2021 in the wind farm's facilities and aimed at students. The objective is two-fold: to disseminate information on wind energy and its importance to combat climate change and its effects; and to boost the environmental, landscape and cultural value of the area to attract tourism.

- Adaptation and improvement to Camino de la Señorita.

This initiative has led to a notable improvement in the conditions for accessibility to hikers, owners and intervention teams, since the trail is located in an area of urgent fire-prevention action.



Cofrentes wind farm in Valencia (Spain)

- Signposting of routes and/or places of interest for tourism.

A collaboration agreement was signed with the Cofrentes municipal government in order to finance the signposting of routes and/or places of interest for tourism around the "Cerro de Agrás", a location of geological interest in the municipality.

In **Brazil**, the Group's wind subsidiary continued to collaborate on various social projects, approved by the Brazilian government and in accordance with tax incentive legislation, to foster culture, sports and social investment. Some of the most notable are:

- Visitors' centre at the Osorio wind complex.

Visits are organised every year, mainly for school children, and content divulged regarding wind power and sustainability at the wind complex, and information is disseminated regarding the main tourist attractions in the municipality of Osorio. In 2020, 1,387 people were able to visit the facility despite the COVID-19 restrictions.

► **Projeto Virada Sustentável POA 2020.**

This is a very popular event in Porto Alegre, especially among young people, which tackles topics relating to conservation and environmental sustainability. The fifth edition of Festival Virada Sostenible Porto Alegre 2020 consisted of visual art actions and urban art interventions, concerts and musical shows, and a number of theatrical and artistic-literary representations.

► **Annual 2020 activities schedule - Fundação Iberê Camargo.**

This foundation is a highly representative cultural institution in Porto Alegre. The project is aimed at maintaining the Foundation, preserving its collection, promoting the study and dissemination of its works, and staging temporary exhibitions of modern and contemporary art, as well as a permanent parallel programme for debating topics and issues arising from the exhibitions.

In **Canada**, Enerfin performed the following actions:

- **Guided visits to the L'Érable wind farm**, organised in conjunction with the local tourism office, until the health restrictions triggered by COVID-19 prevented them.
- **Providing support to community organisations and events in the municipalities of Saint Ferdinand, Saint-Pierre-Baptiste and Sainte-Sophie-d'Halifax.**

Enerfin collaborated in the construction of a centre for elderly dependants, the adaptation of a rest area for hikers and cyclists in the Sainte-Sophie-d'Halifax town centre, and other initiatives.



In **Brasil**, Celeo is involved in two social projects within the framework of the commitments undertaken with Brazilian Development Bank BNDES in financing the Cantareira project (CANTE):

► **Let's save the Planet.**

Construction of a waste separation and sorting that will create 20 jobs and improve waste management in the Monte Santo de Minas region (Minas Gerais). With the onset of COVID-19, Celeo also helped distribute food and hygiene products.

► **Live well in Caetetuba.**

Refurbishment and construction of an annex at the Caetetuba train station (São Paulo) and installation of a social centre (CRAS). This project will benefit around 20,000 residents. As a result of COVID-19, food and hygiene and cleaning kits were purchased and distributed to 1,164 residents of the district.

In **Chile**, Celeo joined the "Canasta Local" initiative, led by Fundación Proyecto Propio. This project has a dual

objective: to deliver basic goods to the people who need them most and to reactivate the economy in the area by purchasing those goods in the local market. 135 families in the Corel and Colbun communities received help thanks to this initiative.

In addition, the social projects at the schools in Corel and Charrúa continued in 2020. In Charrúa, Celeo is looking into how to provide support to 119 students who do not have an adequate internet connection in their homes.



Social actions as a result of COVID-19

The Elecnor Group has responded to the health and social emergency triggered by COVID-19 with multiple actions to minimise the impact of the crisis, especially among people in the countries where it operates.

The company has continued to conduct its activities with all due prevention measures and has managed to provide essential and critical services in the energy, telecommunications, water, gas and transport sectors, and to maintain infrastructure in operation for the entire population.

Throughout the pandemic, the subsidiary Audeca, which specialises in the conservation of the natural environment and maintaining road infrastructure, conducted essential activities in water management (waste and drinking), road maintenance, waste collection and street cleaning. The aim was to ensure the proper operation of these services, for both citizens and emergency centres: maintaining road safety,

accident response, municipal waste collection, street cleaning, container and urban furniture cleaning, and street disinfection.

Elecnor Deimos, the technological subsidiary, developed, in a single weekend, an application for calculating the distance and duration of walks during the lockdown prior to the summer. This new application calculated where families could go on their walks, which were allowed as from 26 April but were limited to a radius of one km around the home. It also enabled users to calculate the duration of their walks (which were limited to one hour) in a simple manner, all integrated in a single app.

Teams at Elecnor's US subsidiary Elecnor Hawkeye have worked ceaselessly over the last few months to maintain and improve public service infrastructure in various communities in the United States. Emergency electricity was restored, multiple fibre-optic connections were installed and electrical overhead transmission was maintained.

Moreover, at the height of the pandemic, when hospitals were stretched to the limit, Elecnor Hawkeye donated 3,000 disposable protective suits to Stony Brook Hospital in

New York. In November, a team joined the Truckers for Turkey campaign, lending 7 trucks to the NGO Harvest Food Bank to distribute food for Thanksgiving to families in need.

In El Salvador, Elecnor has donated a total of 1,000 food kits each containing some 8kg of basic foods, which were delivered by volunteers from the Salvadoran subsidiary to nine communities in the departments of Sonsonate and Ahuachapán. The food was

delivered to families with very few resources or who have lost their livelihoods during the COVID-19 pandemic. To manage delivery of the kits in an efficient way, Elecnor was supported by El Salvador's Civil Protection and Disaster Prevention and Mitigation agencies, the Spanish Embassy in San Salvador and representatives of local departments.

In Mexico, the wind subsidiary Enerfin donated 4,000 face

masks and 60 litres of sanitisers to local governments and indigenous communities in the catchment areas of its projects. In Colombia, Enerfin supplied food and water to 75 indigenous communities whose livelihoods were hampered as a result of the pandemic.

Celeo, the company co-managed by the Group, collaborated in the following social projects in Brazil to help mitigate the effects of COVID-19:



► Donation of basic products and hygiene and cleaning kits in Piauí state. Celeo donated 10,000 basic food baskets, 15,000 surgical masks, 15,000 disposable masks for 2,000 people in each of the 5 chosen municipalities: Pedro II, Piracuruca, Capiato de Campos, Domingos Mourao and Lagoa de São Francisco.

► Municipal Health Fund – São João do Piauí. Acquisition of hospital equipment and accessories for the installation of a recovery room and personal protection equipment (PPE) adjacent to the maternity ward of Mae Elisa Hospital.

► Match-funding life-saving campaign. BNDES released 7 million in a campaign to support the largest philanthropic hospital network in Brazil using the match funding modality

(for every dollar donated by civil society and the private sector, BNDES doubled the donation). Celeo took part with a donation of BRL 100 thousand to the São Marcos de Teresina Hospital, in the capital of Piauí.

► Municipal decree for donations for the municipality of Parintins AM. Donation in response to the request from the Parintins municipal government. This consisted of the acquisition of equipment and accessories to add 10 ICU beds in two hospitals.

► Fundação Cultural Palmares (FCP). At the request of FCP, Celeo donated food baskets and PPE to the Quilombo communities of Marfim and Onca (in the IMTE project catchment area) and to indigenous communities in Gamelas (the ENTE project catchment area).



Dialogue with local communities

Dialogue, respect and proper management of impact on local communities are essential to maintain social legitimacy and ensure the success of the Group's projects.

Along these lines, within the framework of the environmental assessment of projects, preliminary approaches are made to stakeholders in a process known as Advanced Citizen Engagement (ACE). The aim is to outline the main characteristics of projects, their design and planning to communities that might be affected. Queries from local residents and authorities are also fielded and their comments taken on board so as to minimise the projects' impact on their territory. The

ACE process includes meetings and interviews with municipal authorities and civil servants, leaders of social and territorial organisations and local residents.

Enerfin, Elecnor's wind subsidiary, within the framework of its development activity in Mozambique, Zimbabwe and Kenya, conducted various consultations with local communities and leaders which, in some cases, concluded with agreements with the community and letters of support for the development of certain projects. In Mexico, and specifically in the five Mayan communities located within the catchment areas of projects in Yucatan, despite the restrictions imposed as a result of the pandemic it was possible to hold five informative meetings with the Agreement Monitoring Committees (set up after the rounds of consultations with indigenous peoples in 2019).

Integration and respect for the environment

Elecnor sometimes 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.

In Brazil, legislation governing environmental permits requires that special attention be paid to traditional communities (indigenous, quilombola, etc.). When a project affects these communities it is necessary to conduct a Indigenous Component Study (ICS) or Quilombola Component Study (QCS), to gauge the specific impacts of the project on these communities. Subsequently, the Basic Indigenous Environmental Plan (BIEP) or Basic Quilombola Environmental Plan (BQEP) must be devised, presenting measures to control and mitigate each identified impact.

In the third quarter of 2020, Celeo completed the review of the Indigenous Component Study of Caiuá. The BIEP is currently under review.

In Canada, the First Nation Power Authority (FNPA), an association of which Enerfín is a member, promotes the

involvement of aboriginal communities in renewable energy projects, advocating the inclusion of minimum quotas of aboriginal participation in provincial tenders and nurturing dialogue and partnerships between these communities and private promoters.

In 2020, Enerfín completed the initial development phase of the Moose Mountain project in Saskatchewan with a view to taking part in the call for bids by provincial electric utility SaskPower. During the stakeholder consultation period, various meetings were held with the Ocean Man First Nation community, which owns the land and the reservation adjacent to the project area.

During the process, mutual interest emerged in working together on the project, eventually including the Nation as landowner and investing partner. To make their involvement in the project as landowner and investor official, the Nation held informative meetings with its members. The land which Ocean Man will make available to the project covers some 2,400 acres and has the potential to house a significant portion of the project.

In Colombia, since 2018 Enerfín has secured agreements in 52 preliminary consultation processes with indigenous



communities in the areas where its projects are located (El Ahumado, Musichi, Trupillo, Dividivi and Brisas del Caribe wind farms). In 2020, it conducted seven consultation processes with the Wayuu indigenous community for the "Dividivi wind farm" through multiple meetings which also involved several State bodies.

All the activities being conducted in ethnic territory in the early stages of COVID-19 were suspended, and were resumed later having been authorised and consented to by the communities, following all the biosafety protocols and the UN recommendations in connection with indigenous peoples during the pandemic.

Work is also ongoing in 37 consultation processes for the Trupillo and Brisas del Caribe wind farms. An agreement is expected to be reached soon with 13 of the 37 communities with whom the company is working in connection with the Trupillo wind farm. Preliminary consultations began in March, but were halted because of the pandemic, and resumed in October.

Those communities whose impact has not been certified by the Interior Ministry were consulted by means of differential agreements. Agreements have been reached with five communities: two with Wayuu rancherías in the area surrounding the 110 kV El Ahumado SS-Riohacha SS transmission line, and three with Wayuu rancherías in the area surrounding the wind farm. This evidences Enerfín's determination to "Going beyond mere compliance" when it comes to its commitment to local communities.

Furthermore, Enerfín's subsidiary Guajira Eólica I SAS was involved in a construction and entrepreneurship training programme in which more than 30 young Wayuu took part. This programme, which encompassed 430 theoretical and practical training hours, took place by means of a multi-sector alliance with the National Learning Service (SENA), an entity that fosters integrated training processes to boost community development.

Elecnor, committed to the SDGs

GRI 102-12

The mission, the actions of the Group and its Foundation, are very much aligned with the challenges presented in the Sustainable Development Goals of the 2030 Agenda.

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, the energy gap, and others.



Contribution to SDGs deriving from the main businesses



Contribution to the SDGs deriving from the Elecnor Foundation's social action



Some projects and initiatives by the Elecnor Group and Elecnor Foundation



Enerfin

- Social projects (Canada, Brazil, Colombia)

Celeo

- Energy transportation projects
- Social projects (Chile and Brazil)

Elecnor Foundation

- Social infrastructure projects



Elecnor Foundation

- Social infrastructure projects



Elecnor Group

- Collaboration with universities and vocational training centres
- Training itineraries

Enerfin

- Construction and entrepreneurship training programme involving young Wayuu people (indigenous community in Colombia)

Celeo

- Initiatives with children from rural schools in Chile

Elecnor Foundation

- Training and research projects



Elecnor Group

- Safety Excellence project
- OHSAS 18001 certification
- Awareness campaigns
- Health and safety training plan

Elecnor Foundation

- Social infrastructure projects



Elecnor Group

- Equality plan



Elecnor Group

- Services specialising in water infrastructure

Atersa

- Water pumping projects in developing countries

Audeca

- Water and waste water treatment projects

Hidroambiente

- Water treatment solutions
- Sinergia (Synergy) project, Chile



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

- Renewable energy generation projects
- Promotion of renewable energy
- Energy efficiency projects and initiatives

Atersa

- Development, production and distribution of solar photovoltaic products

Enerfin

- Wind farms

Celeo

- Energy transportation projects
- Solar PV farms
- Solar thermal plants

Elecnor Foundation

- Social infrastructure projects



Elecnor Group

- Infrastructure development
- Initiatives involving startups
- Innova calls for proposals
- Innovation projects
- Digital Transformation Plan



Elecnor

- Equality plan

Enerfin

- Social projects

Celeo

- Energy transportation projects

- Social projects

Elecnor Foundation

- Social infrastructure projects
- Training and research projects



Elecnor

- Energy efficiency projects
- Smart Cities Projects
- Managing street lighting

Audeca

- Urban waste collection projects



Elecnor Group

- Renewable energy projects: wind, solar PV, hydroelectric and biomass
- Climate change strategy
- Calculation and verification of the carbon footprint
- Emission reduction plan



Elecnor

- Energy efficiency projects
- Smart Cities Projects
- Managing street lighting

Audeca

- Urban waste collection projects

Enerfin

- Wind farms

Celeo

- Energy transportation projects
- Solar PV farms



Audeca

- Water and waste water treatment projects
- Projects to preserve natural spaces

Hidroambiente

- Water treatment solutions



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

- Initiatives to foster biodiversity

Audeca

- Projects to preserve natural spaces

Enerfin

- Plan to monitor bird life in wind projects

Celeo

- Compensatory measures
- Environmental initiatives



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
GRI 102-40

Dialogue with stakeholders

Elecnor 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.

In 2020, within the framework of the Sustainability Committee, the list of the Group's stakeholders was updated so as to continue enhancing management of relations with these groups.

The main stakeholders and communication channels with them are outlined below:

Stakeholder group	Communication channel
Shareholders and investors	<ul style="list-style-type: none">• General Shareholders' Meeting• Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.• Meetings with investors• Corporate websites• Shareholder services channel• Shareholder forum
Customers	<ul style="list-style-type: none">• Periodic visits• Periodic communications• Individual and consolidated annual and half-yearly accounts• Trade fairs• Satisfaction surveys• Comprehensive report• Elecnor Foundation report• Corporate websites• Social media
Employees	<ul style="list-style-type: none">• Periodic meetings• Work groups• Comprehensive report• Elecnor Foundation report• Communication campaigns• Training sessions and courses• Corporate websites• Social media• Intranet• eTalent• Ethical Code whistleblower channels• E-mail igualdad@elecnor.com
Public Entities and regulatory bodies	<ul style="list-style-type: none">• Official filings• Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.• Corporate websites• Social media

Stakeholder group	Communication channel
Suppliers	<ul style="list-style-type: none">• Meetings and work groups• Conventions, fairs and congresses• Audits• Comprehensive report• Corporate websites• Social media
Social environment	<ul style="list-style-type: none">• Social projects• Comprehensive report• Elecnor Foundation report• Sponsorships and patronage• Corporate websites• Social media• Specific project websites
Opinion leaders	<ul style="list-style-type: none">• Press releases• Information briefings• Individual and consolidated annual and half-yearly accounts• Comprehensive report• Elecnor Foundation report• Corporate websites• Social media
Partners	<ul style="list-style-type: none">• Collaboration agreements• Forums, fairs and congresses• Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, Elecnor Foundation Report, etc.• Corporate websites• Social media
Unions	<ul style="list-style-type: none">• Information briefings• Comprehensive report• Corporate websites• Ethical Code whistleblower channel
Lenders/Insurers	<ul style="list-style-type: none">• Meetings• Corporate and financial reporting: Corporate Governance Report, Annual Accounts, NFIS, Integrated Report, etc.• Corporate websites

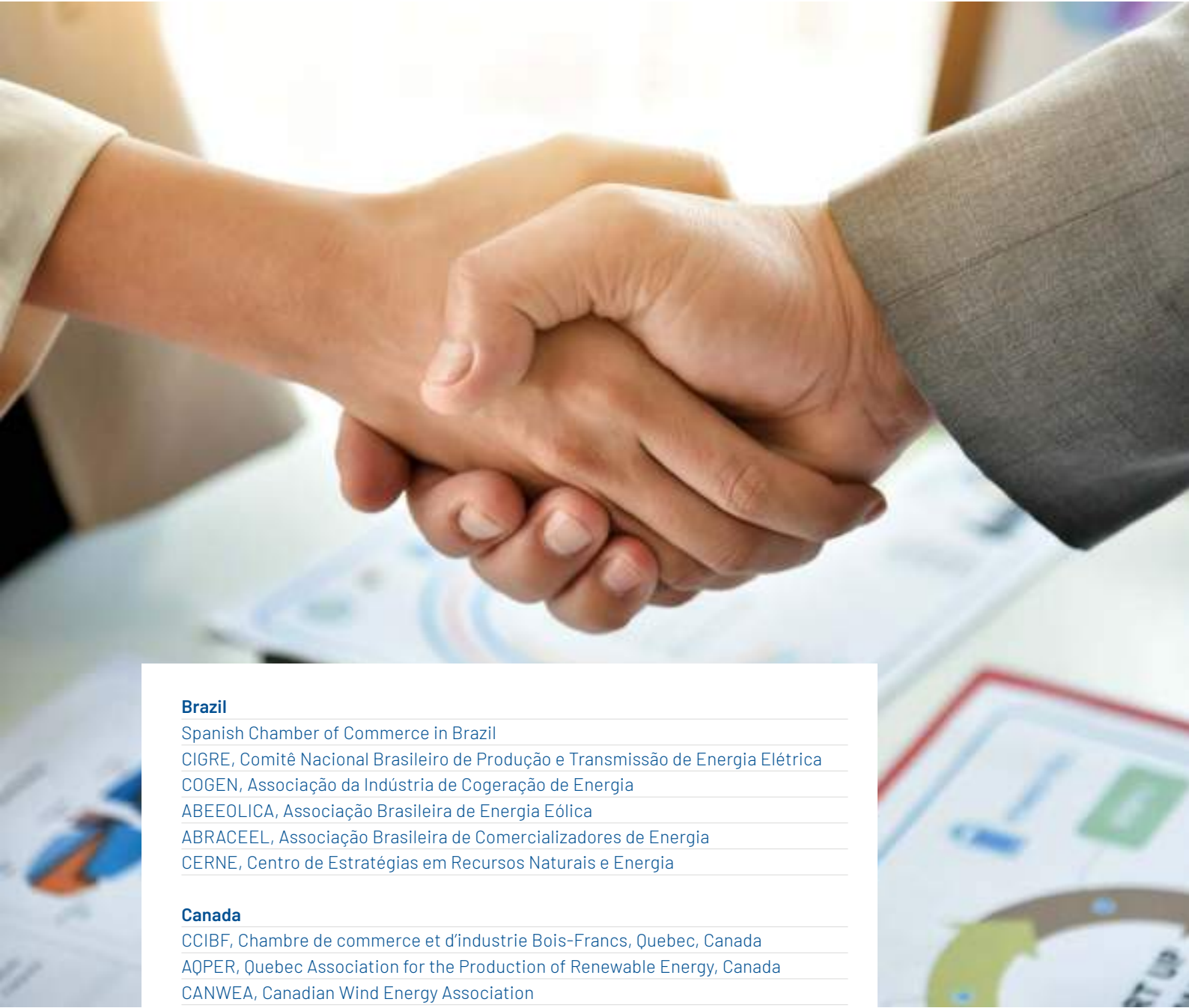
Involvement in associations and forums

GRI 102-13

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
- Asociación del Hidrógeno
- AEDYR, Asociación de Desalación y Reutilización del Agua
- AEE, Asociación Empresarial Eólica
- AEFYMA, Asociación de Empresas Forestales y del Medio Ambiente de Castilla y León
- AELEC, Asociación de Empresas de Energía Eléctrica
- AEN, Asociación de Industria de Navarra
- AESPLA, Asociación Española de Servicios de Prevención Laboral
- ANCI, Asociación Nacional de Constructores Independientes
- ANESE, Asociación Nacional de Empresas de Servicios Energéticos
- APECYL, Asociación de Promotores de Energía Eólica de Castilla y León
- APPA Renovables - Asociación de Empresas de Energías Renovables
- ASAGUA, Asociación Española de Empresas de Tecnologías del Agua
- ASEJA, Asociación Española de Empresas de Jardinería
- ASERPYMA, Asociación de Empresas Restauradoras del Paisaje y Medio Ambiente
- ATC, Asociación Técnica de Carreteras y Asociación Mundial de Carreteras*
- CEOE, Confederación Española de Organizaciones Empresariales
- CONFEMETAL, Confederación Española de Organizaciones Empresariales del Metal
- EGA, Asociación Eólica de Galicia
- Enercluster (Clúster Eólico de Navarra)
- Plataforma enerTIC
- FEEF, Federación Española de Asociaciones de Empresas Forestales y del Medio Natural
- FEMEVAL, Federación Metalúrgica Valenciana
- ITE, Instituto Tecnológico de la Energía
- PROTERMOSOLAR, Asociación Española para la Promoción de la Industria Termosolar
- SERCOBE, Asociación Nacional de Fabricantes de Bienes de Equipo
- SERFOGA, Asociación de Empresas de Servicios Forestales de Galicia
- UNEF, Unión Española Fotovoltaica



Brazil

- Spanish Chamber of Commerce in Brazil
- CIGRE, Comitê Nacional Brasileiro de Produção e Transmissão de Energia Elétrica
- COGEN, Associação da Indústria de Cogeração de Energia
- ABEOLICA, Associação Brasileira de Energia Eólica
- ABRACEEL, Associação Brasileira de Comercializadores de Energia
- CERNE, Centro de Estratégias em Recursos Naturais e Energia

Canada

- CCIBF, Chambre de commerce et d'industrie Bois-Francs, Quebec, Canada
- AQPER, Quebec Association for the Production of Renewable Energy, Canada
- CANWEA, Canadian Wind Energy Association
- FNPA, First Nation Power Authority, Saskatchewan

Colombia

- Ser Colombia Asociación Energías Renovables

Mexico

- AMDEE, Asociación Mexicana de Energía Eólica
- APER, Agrupación Peninsular de Energías Renovables
- Energy Commission — Spanish Chamber of Commerce in Mexico

Portugal

- ALER, Associação Lusófona de Energias Renováveis



Elecnor also took part in various significant events and fora:

► **Monographic workshop on Industry 4.0 and RDI**

Elecnor organised this monographic workshop along with the technology company SAS. The workshop outlined various priority topics in the digital world and the process of transforming businesses.

► **Corporate Innovation Forum**

The forum entitled "Innovación corporativa: empresas capaces de transformar sus sectores de actividad" was held in Bilbao and focused on showcasing innovation processes to transform business sectors.

► **2020 Genera Fair**

With the slogan "We integrate energies for a sustainable future", the Genera Fair proposes three fundamental strategic axes: sustainability, innovation and business. The Group's solar energy subsidiary Atersa took part in this commercial platform for the energy and environment sector to report on its activities generating solar photovoltaic and solar thermal energy. New product ranges specific to the photovoltaic activity were presented at this Fair (solar panels, inverters, structures, pumps, etc.).

► **EnerTIC Forum**

Elecnor attended this Forum as an expert in developing information and communications technology in the sphere of energy efficiency in Spain.

► **ICEX - Africa Energy Forum**

Africa Energy Forum organised the virtual platform AEF 2.0 sponsored by Spain's Institute of Foreign Trade (ICEX), in which Elecnor took part in a discussion panel on how the current crisis might affect the development of renewable energies and the digitalisation of public services in Africa.

► **Induforum trade fair**

In order to foster the quest for talent, the Group's Human Resources team took part in this online jobs fair organised by students from Madrid's Industrial Engineering Faculty (Escuela Técnica Superior de Ingenieros Industriales de Madrid) as an opportunity for students to meet cutting-edge companies.

► **Infojobs virtual fair**

Elecnor took part in this fair in which more than 1,000 vacancies were posted. The schedule included webinars, talks and workshops focusing on new opportunities and improving the employment situation, and given by experts from Infojobs and human resources professionals.

Enerfin was involved in numerous fairs and events in Spain relating to renewable energies (wind, hydrogen and storage and hybridisation), most of which were held remotely as a result of the restrictions due to COVID-19. We highlight the presence of Enerfin at the 5th Spanish Wind Energy Congress.

On the international stage, the wind subsidiary has also been very active. In Brazil, note its participation in two large-scale events: ENASE - Encontro Nacional de Agentes do Setor Elétrico, and BWP - Brazilian Wind Power; in Mexico it took part in the Mexico Wind Power



2020 congress; in Colombia it served on the panel on bilateral green energy PPPs in Colombia at Colombia Wind Power Virtual 2020; and in Canada it took part in webinars and training sessions on the electricity system in Alberta province offered by the Alberta Electric System Operator (AESO) and the Alberta Utilities Commission (AUC).

Some recognitions

- Celeo Brasil and Celeo Chile were ranked second and tenth, respectively by GRESB in the electricity transmission infrastructure segment.
- Audeca won the ACEX award for Safety in road conservation
- Audeca was also recognised by the Santa Margalida municipal government in Mallorca for its collaboration in cleaning endeavours to combat COVID-19.

APPENDICES



ABOUT THIS REPORT

GRI 102-1, GRI 102-5, GRI 102-45

This is the fourth Integrated Report prepared by Elecnor which conveys a global and interconnected view of economic, social, environmental and social, environmental and governance information of the Group. The current Report corresponds to the financial year 2020.

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 2020. As Appendix I, "Table of Contents of Law 11/2018, of 28 December, concerning non-financial information and diversity" shows, in the preparation process the selected Global Reporting Initiative (GRI) standards were used as a reference, considering the requirements identified as being material for the business.

The scope of information contained in this Report encompasses the whole Elecnor Group (Elecnor, S.A. and subsidiaries), unless otherwise indicated. With regard to the environmental information, its scope is confined to those countries in which the organisation has a permanent presence. Social information concerning the Elecnor Group and the Elecnor Foundation is included.

The information set forth in this Integrated Report and shown in the tables entitled 'Content index of Law 11/2018 of 28 December on non-financial information and diversity' and 'GRI content index', appearing in the Elecnor Group's Annual Financial Statements Management Report, has been verified by an independent auditor.

GRI 102-56



APPENDIX I

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	13	GRI 102-2 GRI 102-7
Markets where it operates	Material	35	GRI 102-3 GRI 102-4 GRI 102-6
The organisation's goals and strategies	Material	13	GRI 102-14
The main factors and trends potentially affecting future performance	Material	320-323	GRI 102-14 GRI 102-15
Reporting framework used	Material	382	GRI 102-54
Principle of Materiality	Material	22-26	GRI 102-46 GRI 102-47
Environmental issues			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	254, 255	GRI 102-15 GRI 103-2
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	254	GRI 102-15
Procedures for environmental assessment or certification	Material	254	GRI 103-2
Resources allocated to preventing environmental risks	Material	254	GRI 103-2
Application of the precautionary principle	Material	254	GRI 102-11
Amount of provisions and guarantees for environmental risks	Material	254	GRI 103-2
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.	No material	No material	

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)
Circular economy and waste prevention and management			
Prevention, recycling, re-use, other methods of waste recovery and elimination	Material	275	GRI 103-2 GRI 306-2
Actions for combating food wastage	No material	No material	
Sustainable use of resources			
Water consumption and water supply in accordance with local constraints	Material	273	GRI 303-5 (2018)
Consumption of raw materials and measures implemented to boost efficiency in their usage	Material	274	GRI 103-2
Direct and indirect energy consumption	Material	267	GRI 302-1
Measures taken to boost energy efficiency	Material	268, 269	GRI 103-2
Renewable energy use	Material	271	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	261-263	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures implemented to adapt to the consequences of climate change	Material	256-258	GRI 103-2 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	256-258	GRI 305-5
Safeguarding biodiversity			
Measures implemented to preserve or restore biodiversity	Material	276-281	GRI 304-3
Impacts of the activities or operations on protected areas	Material	276	GRI 304-2
Social matters and issues concerning staff			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	180-183	GRI 102-15 GRI 103-2
Employment			
Total number of employees and breakdown by country, gender, age and professional category	Material	186-194	GRI 102-8 GRI 405-1
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	190-195	GRI 102-8
Number of layoffs by gender, age and professional category	Material	202	GRI 103-2 GRI 401-1
Average remuneration and evolution thereof by gender, age and professional category or equal value	Material	211-214	GRI 103-2 GRI 405-2
Wage gap, remuneration of equal jobs or company average	Material	214, 215	GRI 103-2 GRI 405-2

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)
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	312-314	GRI 103-2 GRI 405-2
Policies to facilitate disconnection from work	Material	216	GRI 103-2
Number of disabled employees	Material	222	GRI 405-1 b.
Organisation of work			
Organisation of work time	Material	216	GRI 103-2
Number of hours of absenteeism	Material	195	GRI 103-2
Measures aimed at facilitating work-life balance and fostering a mutually responsible approach thereto by both parents	Material	216, 217	GRI 103-2 GRI 401-3 a., b.
Health and Safety			
Occupational Health and Safety conditions	Material	228-236	GRI 103-2 GRI 403-1(2018) GRI 403-2(2018) GRI 403-3(2018) GRI 403-7(2018)
Workplace accidents, in particular their frequency and severity, as well as occupational illnesses; broken down by gender	Material	237-241	GRI 403-9 a., d., e. (2018) GRI 403-10 a. (2018)
Social relations			
Organisation of social dialogue, including procedures to inform and consult employees and to negotiate with them	Material	226	GRI 103-2
Percentage of employees covered by collective bargaining agreements by country	Material	226	GRI 102-4l
Balance of collective bargaining agreements, especially in connection with occupational health and safety	Material	226	GRI 403-4 (2018)
Training			
Training policies implemented	Material	203, 204	GRI 103-2 GRI 404-2
Total number of training hours by professional category	Material	205-208	GRI 404-1
Universal access			
Universal access for disabled people	Material	222	GRI 103-2
Equality			
Measures implemented to promote equal treatment and equal opportunities for women and men	Material	219	GRI 103-2
Equality plans, measures adopted to promote employment, protocols against sexual harassment and gender-based harassment	Material	219	GRI 103-2
Policy against any kind of discrimination and, in the event, for managing diversity	Material	219-222, 310	GRI 103-2

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)
Respect for Human Rights			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	334, 335	GRI 102-15 GRI 103-2
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	334, 335	GRI 102-16 GRI 102-17
Complaints regarding human rights breaches	Material	335	GRI 103-2 GRI 406-1
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	334, 335	GRI 103-2
Combating bribery and corruption			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	332, 333	GRI 102-15 GRI 103-2
Measures implemented to prevent bribery and corruption	Material	332, 333	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-3
Anti-money laundering measures	Material	332, 333	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-3
Contributions to foundations and non-profit organisations	Material	330, 346	GRI 102-13
Company information			
Management approach: description and results of policies concerning these issues and the main risks relating thereto in connection with the Group's activities.	Material	340	GRI 102-15 GRI 103-2
The company's commitment to sustainable development			
Impact of the business on society, with regard to jobs and local development	Material	340-345	GRI 103-2 GRI 203-2
The impact of the business on local communities and territory	Material	340-345	GRI 204-1 GRI 102-43



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)
Relations with the stakeholders in local communities and modalities of dialogue with them	Material	374,375	GRI 102-43
Association or sponsorship actions	Material	289, 346-361, 376, 377	GRI 103-2 GRI 201-1
Subcontracting and suppliers			
Inclusion in procurements policy of social issues, equality and environmental considerations	Material	249-250	GRI 103-2
Consideration, in relations with suppliers and sub-contractors, of their social and environmental responsibility	Material	249-251	GRI 102-9 GRI 308-1 GRI 414-1
Supervisory system and audits, and findings thereof	Material	249-251	GRI 102-9
Consumers			
Measures to ensure consumer health and safety	Material	247	GRI 103-2
Complaints systems, complaints received and resolution thereof	Material	249	GRI 103-2
Tax information			
Profits obtained by country	Material	337	GRI 103-2
Income tax paid	Material	338	GRI 103-2
Public grants received	Material	339	GRI 201-4

APPENDIX II

Appendix II

GRI 102-55



For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. The service was performed on the Spanish version of the report.

General contents

GRI standard	Contents	Page of the report featuring response	Omissions
GRI 101: Foundation 2016			
GRI 102: General disclosures 2016			
Organisational disclosures			
102-1	Name of the organisation	382	
102-2	Activities, brands, products and/or services	13	
102-3	Location of headquarters	Paseo de la Castellana, 81 - Planta 20 28046 - Madrid Spain	
102-4	Number of countries where the organisation operates	46	
102-5	Nature of ownership and legal form	382	
102-6	Markets served	34	
102-7	Scale of the organisation	34, 341	
102-8	Information on employees	184	
102-9	Supply chain	249	
102-10	Significant changes in the organisation and its supply chain	There have not been any significant changes	
102-11	Precautionary principle or approach	246	
102-12	Support for external initiatives	335, 368	
102-13	Membership of associations	299, 376	
Strategy			
102-14	Statement from senior decision-maker	4	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	324	
Governance			
102-18	The organisation's governance structure	302, 317	
Stakeholder engagement			
102-40	List of stakeholder groups	374	
102-41	Collective bargaining agreements	226	
102-42	Identifying and selecting stakeholders	22	
102-43	Approach to stakeholder engagement	22	
102-44	Key topics and concerns raised	22	

GRI standard	Contents	Page of the report featuring response	Omissions
Reporting practices			
102-45	Entities included in the consolidated financial statements	382	
102-46	Defining report content and topic boundaries	22	
102-47	List of material topics	22	
102-48	Restatement of information	Not applicable	
102-49	Changes in reporting	There have not been any significant changes	
102-50	Reporting period	2020	
102-51	Date of most recent report	2019	
102-52	Reporting cycle	Anual	
102-53	Contact point for questions regarding the report	elecnor@elecnor.com	
102-54	Claims of reporting in accordance with GRI Standards	This report was prepared in accordance with the Essential option of GRI Standards	
102-55	GRI content index	389-394	
102-56	External assurance	383	

Material topics

GRI standard	Contents	Page of the report featuring response	Omissions
Economic performance			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	257, 341	
103-2	The management approach and its components	257, 341	
103-3	Evaluation of the management approach	257, 341	
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	341	
201-2	Financial implications and other risks and opportunities due to climate change	257, 270	
201-4	Financial assistance received from government	339	
Indirect economic impacts			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	341, 346	
103-2	The management approach and its components	341, 346	
103-3	Evaluation of the management approach	341, 346	
GRI 203: Indirect economic impacts 2016			
203-1	Infrastructure investments and services supported	346	
203-2	Significant indirect economic impacts	341	
Acquisition practices			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	249	
103-2	The management approach and its components	249	
103-3	Evaluation of the management approach	249	
GRI 204: Procurement practices 2016			
204-1	Proportion of spending on local suppliers	344	
Anti-Corruption			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	324	
103-2	The management approach and its compo-nents	324	
103-3	Evaluation of the management approach	324	
GRI 205: Anti-Corruption 2016			
205-1	Operations assessed for risks related to corruption	320	
205-2	Communication and training about anti-corruption policies and procedures	328	
205-3	Confirmed incidents of corruption and actions taken	332	
Energy			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	254, 267	
103-2	The management approach and its compo-nents	254, 267	
103-3	Evaluation of the management approach	254, 267	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	267	
302-4	Reduction of energy consumption	258	

GRI standard	Contents	Page of the report featuring response	Omissions
Water and effluents			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	272	
103-2	The management approach and its components	272	
103-3	Evaluation of the management approach	272	
GRI 303: Water and effluents 2018			
303-1	Interactions with water as a shared resource	272	
303 2	Management of water discharge-related impacts	272	
303-3	Water withdrawal	273	
303-5	Water consumption	273	
Biodiversity			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	276	
103-2	The management approach and its compo-nents	276	
103-3	Evaluation of the management approach	276	
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	276	
304-2	Significant impacts of activities, products, and services on biodiversity	276	
304-3	Habitats protected or restored	276	
Emissions			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	256	
103-2	The management approach and its compo-nents	256	
103-3	Evaluation of the management approach	256	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	260, 261	
305-2	Energy indirect (Scope 2) GHG emissions	260, 261	
305-3	Other indirect (Scope 3) GHG emissions	260, 261	
305-4	GHG emissions intensity	260, 263	
305-5	Reduction of GHG emissions	263	
Effluents and waste			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	275	
103-2	The management approach and its components	275	
103-3	Evaluation of the management approach	275	
GRI 306: Effluents and waste 2016			
306-2	Waste by type and disposal method	275	Nota ¹ , 392
Environmental compliance			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	254	
103-2	The management approach and its components	254	
103-3	Evaluation of the management approach	254	
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Nota ² , 392	

¹ The Group is working to provide a breakdown of waste by type and disposal method in 2021. **GRI 306-2**
² No noteworthy incidents or aspects are known. **GRI 307-1**

GRI standard	Contents	Page of the report featuring response	Omissions
Supplier Environmental Assessment			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	249	
103-2	The management approach and its components	249	
103-3	Evaluation of the management approach	249	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	249	
Employment			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	180	
103-2	The management approach and its components	180	
103-3	Evaluation of the management approach	180	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	196, 199	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	209	
Occupational Health and Safety			
GRI 403: Management approach 2016			
103-1	Explanation of the material topic and its boundary	272	
103-2	The management approach and its components	272	
103-3	Evaluation of the management approach	272	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	229	
403-2	Hazard identification, risk assessment and incident investigation	229	
403-3	Occupational health services	229, 235	
403-4	Worker participation, consultation and communication on occupational health and safety	232	
403-5	Worker training on occupational health and safety	233	
403-6	Promotion of worker health	241	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	236	
403-8	Workers covered by an occupational health and safety management system	232	
403-9	Work-related injuries	237	
403-10	Work-related ill health	237, 241	
Training and education			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	180	
103-2	The management approach and its components	180	
103-3	Evaluation of the management approach	180	

GRI standard	Contents	Page of the report featuring response	Omissions
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per em-ployee	180	
404-2	Programs for upgrading employee skills and transition assistance programs	203	
404-3	Percentage of employees receiving regular performance and career development reviews	183	
Diversity and Equal Opportunity			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	219	
103-2	The management approach and its components	219	
103-3	Evaluation of the management approach	219	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	184, 221, 310	
405-2	Ratio of basic salary and remuneration of women to men	210, 214	
Non-discrimination			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	219	
103-2	The management approach and its components	219	
103-3	Evaluation of the management approach	219	
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	335	
Human Rights Assessment			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	334	
103-2	The management approach and its components	334	
103-3	Evaluation of the management approach	334	
GRI 412: Human Rights Assessment 2016			
412-2	Employee training on human rights policies or procedures	334	
Local communities			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	346	
103-2	The management approach and its components	346	
103-3	Evaluation of the management approach	346	
GRI 413: Local communities 2016			
413-1	Operations with local community engagement, impact assessments, and development pro-grams	346	
413-2	Operaciones con impactos negativos significativos – reales y potenciales– en las comunidades locales	346	
Supplier Social Assessment			
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary	249	
103-2	The management approach and its components	249	
103-3	Evaluation of the management approach	249	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	249	



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