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Letter from the Chairman

(GRI 102-14)

Dear Friend,

In my capacity as Chairman of the Board of Directors, I am pleased to present the Elecnor Group's 2019 Integrated Report. This year, we wanted to update its image and format while, as always, taking maximum care in developing all the criteria set out by the global reference body, the International Integrated Reporting Council. 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.

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 2019 to achieve the commitment we make, year after year, to our shareholders and other stakeholders: to generate value and make our business model sustainable. The line of action taken in recent years has been the right one to achieve these objectives.

The COVID-19 pandemic and the ensuing crisis in which we are immersed as we finalise this letter generates a context of global uncertainty to which Elecnor is certainly not immune and which places all our forecasts under review in a weakened global economic context.

Our group has begun to take a whole series of decisions that will enable it to cope with this exceptional and extremely complex situation. Our aim, once we return to normality after the pandemic, is to continue our performance in all areas that today defines us as a benchmark company thanks to some talented and committed professionals.

2019, A GREAT YEAR

Let's look back at last year, one of the best in the Group's 62 year history. Elecnor achieved a consolidated net profit of EUR 126.4 million in 2019, 54% higher than in 2018. This increase is significantly higher than previous years and is based on the consolidation and growth of the contribution of our large businesses, Infrastructures and Concessions, both in the Spanish and international markets. Elecnor has been particularly active in the latter over the past year, embarking on large projects in new geographies, particularly in Europe, and opening the activity to new sectors such as upstream.

One of the major milestones, which has had a significant positive impact on profits and must be highlighted, is the extension of the strategic partnership entered into with the Dutch fund APG to manage Celeo Concesiones e Inversiones together. This agreement will pave the way for development and joint

investment in energy transmission and renewable energy projects, with the exception of wind power. Furthermore, it includes a commitment by both parties to invest EUR 400 million over the next five years in capital for new projects, which will undoubtedly represent a growth lever for both the Concessions business and for the Elecnor Group's Infrastructure

In terms of revenues, the Group reached EUR 2.454 billion, with year-on-year growth of 9%. The portfolio ended with a total of 2.223 billion, after increasing 4.5% on 2018.

In both figures, the international component continues to show its dominant weight, with percentages of 52% of total sales and 75% of the overall portfolio to be executed. As we have been saying for some time, internationalisation is one of the cornerstones of our strategy, along with prudent diversification, improved cash generation, strict debt control and active interaction in pursuit of the maximum operational efficiency of our two major businesses.

We must not forget the domestic market, however, which has also performed notably with an 18.3% growth in sales. Throughout our history, we have strengthened our presence across the territory and along with the diversification of activities we have achieved the

Generating shareholder value and maintaining it over time are at the core of all our strategic pillars

operational excellence that we are exporting to other countries.

Moreover, EBITDA was recorded at EUR 387 million, an increase of 52.3%.

DEBT CONTROL, FINANCING AND INVESTMENT

Another of the keys to our financial strategy is our resolute debt control. The figures confirm the success of the action plan launched in 2016.

Since then, we have managed to reduce debt by 50%. 2019 proved to be another significant year in reducing our corporate net financial debt, standing at EUR 136 million, 33.5% lower than the previous year.





Sustainability has been an essential commitment from the beginning of our history

As for the 2019 ratios, the corresponding corporate net financial debt/EBITDA with recourse ratio was 0.92, compared with 0.95 in 2018, well below the limits set in our financial agreements. The total consolidated net financial debt/net EBITDA of corporate transactions ratio stands at 1.86, down from 2.29 the previous year.

In financing,

Elecnor maintains the strategy of diversifying its sources in the short and medium term, beyond traditional banking, publishing, once again this year, a Promissory Note Programme in the Alternative Fixed-Income Market, allowing it to obtain financing in euro and US dollars, in terms up to 24 months. Optimising working capital financing costs. With the combination of long- and shortterm lines, we ensure the lowest possible cost, in a context of pressure as a result of the current cycle of low interest rates.

Another corporate milestone that should be highlighted, even though its impact on the profits for the year is not significant, is the beginning of the Group's activity in the upstream sector. To do this, Elecnor reached a strategic

agreement with the international engineering and construction company Vincoler, investing in its subsidiary Wayra Energy, to enter the oil and gas business in Ecuador with the aim of jointly developing the projects awarded to that company by the Ecuadorian government.

OUR SHAREHOLDERS, THE CENTRE OF OUR STRATEGY

As you know, generating shareholder value and maintaining it over time are at the core of all our strategic pillars. After a 2018 in which our share price remained stable in an environment of intense decline in the Spanish markets, our share price ended 2019 at EUR 10.95.

The dividend yield was 2.4% in the 2019 calendar year, compared with 2.6% in the previous year.

This downward shift is due to the fact that the payment of the 2018 interim dividend, traditionally paid in January of the following year, was brought forward to December 2018. Three dividends were thus paid to shareholders in 2018 (2017 interim dividend, and 2018 interim dividend), while, in 2019, two dividends were paid (2018

complementary dividend and 2019 interim dividend).

In keeping with our vocation to give our shareholder remuneration policy the greatest possible stability and sustainability, and in view of the 2019 profits, the Board of Directors has decided to propose to the 2020 General Meeting the payment of a complementary dividend of EUR 0.27455644 per share charged to the 2019 profits. If this proposal is approved, the total received from the 2019 profits (including interim dividend distributed in December 2019) will be EUR 0.3187644 per share, equivalent to a notable 8% increase on 2018.

With this payment, the CAGR of the dividends distributed over the last 5 years (2015-2019) will have been 5.7%, with uninterrupted payments year on year and always in cash.

A SUSTAINABLE MODEL

At Elecnor, sustainability has been an unwavering commitment since the beginning of our history. Since then, we have promoted initiatives that promote a social, environmental and governance dividend, always with the aim of generating sustainable value for all our stakeholders.

In 2020, we will continue to make progress in our most important projects. Talento (Talent), the comprehensive human resources management project based on three basic pillars: teamwork, talent and transparency. Excelencia en Seguridad (Excellence in Safety), the aim of which is to promote the culture of safety and occupational health and safety in all our work centres. And Transformación Digital (Digital Transformation), an efficient management model that aligns processes, technologies and people.

We will also continue to focus on innovation as a tool for differentiation and enhanced competitiveness; 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.

recommendations.

All these aspects, as well as our contribution to the fight against climate change, recognition for our effective actions and approach to environmental management for the second consecutive year in the Carbon Disclosure Project initiative, our policies on 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 corporate policies, I must make a special mention of our desire to assume the highest ethical standards by constantly improving the regulatory compliance system. In this field, and as mentioned last year, in 2019, Elecnor obtained certification under the UNE 19601 standard on criminal compliance management systems, the benchmark in Spain in designing and constructing criminal risk prevention systems. This step is an extension of certification under the UNE-ISO 37001 standard on anti-bribery management systems, obtained in 2018, which made our firm one of the first companies at domestic and international level to obtain it, and a benchmark in this area.

Also in this context, we are proud of another noteworthy fact. The Elecnor Foundation and the IE Foundation, with the collaboration of the law firm Eversheds Sutherland Nicea, have signed a collaboration agreement for the creation of the IE-Elecnor Observatory on Sustainable Compliance Cultures. The project promotes the development and implementation of controls in small and medium-sized enterprises to diligently prevent and detect non-compliance or misconduct risks in organisations.

All that remains is for me to invite you to learn the most important points of our activities, businesses and corporate policies during the year through the content of this 2019 Annual Report. The information is complemented by the Annual Financial Statements, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report.

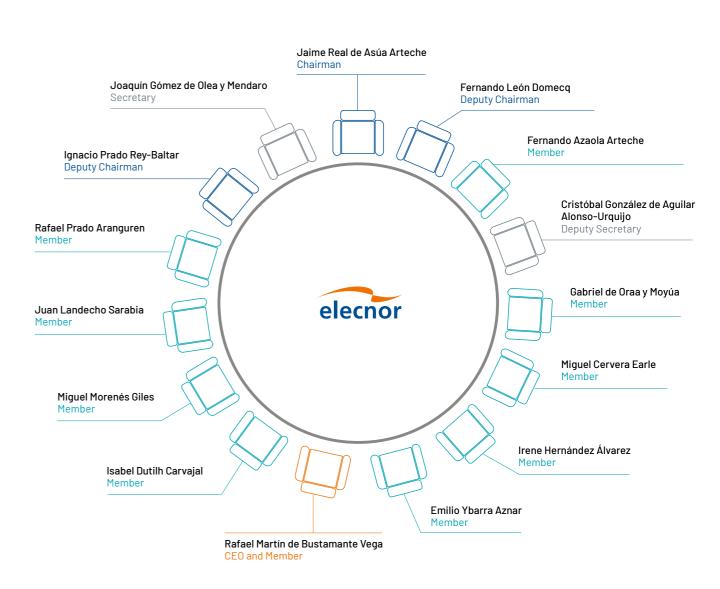
I will sign off with the uncertainty generated by the COVID-19 pandemic worldwide. At this time of hard work, solidarity and reflection in personal and professional life, in addition to passing on our sincere recognition to healthcare professionals and all those keeping us safe, we offer profound thanks to all our staff for their hard work, sacrifice and responsibility. In this regard, I would like to convey to you both my own firmest commitment and that of the other members of the Board of Directors to ensure that Elecnor can maintain the vocation of stability, sustainability, growth and protection of its employees that has characterised it over its 62 year history.

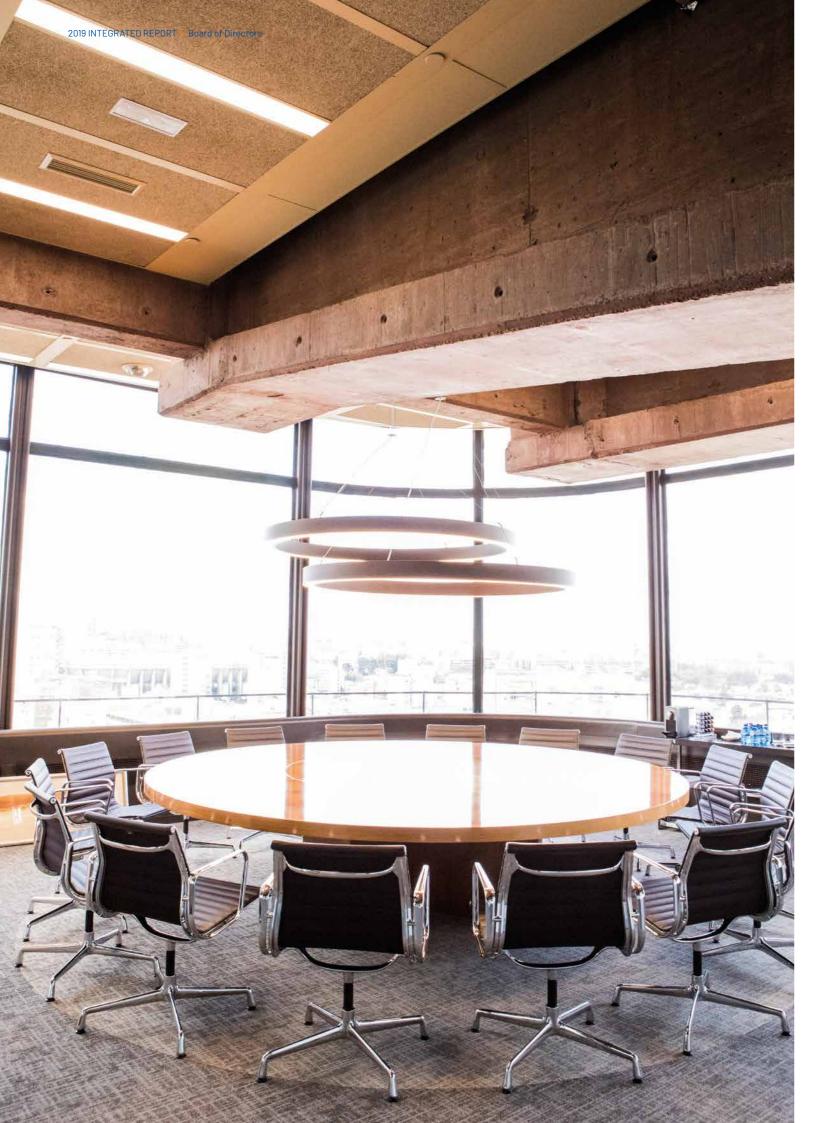
Yours sincerely,

Jaime Real de Asúa CHAIRMAN











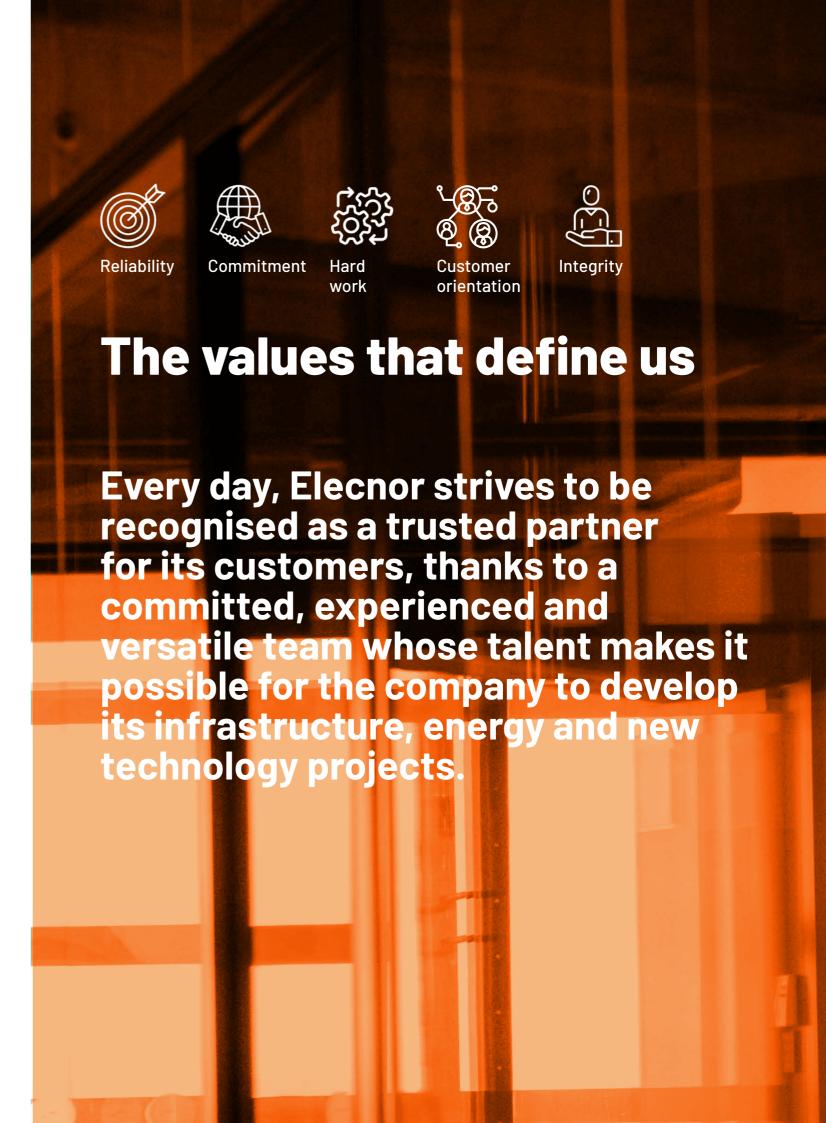
A business model based on a strong corporate culture

Our purpose, our raison d'être

Elecnor is one of the leading global corporations in the development, construction and operation of projects with the aim of promoting people's well-being.

Society needs both major infrastructures and small services that aid economic and technological progress, sustainable development and social welfare.

WE ARE AGENTS OF CHANGE
AND PROGRESS: WE BRING
INFRASTRUCTURE AND ENERGY TO
TERRITORIES THROUGHOUT THE
WORLD SO THAT THEY CAN DEVELOP
THEIR FULL POTENTIAL AND BECOME
INCREASINGLY SUSTAINABLE.







The main areas of this strategic framework are:





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. Its infrastructure, renewable energy, water and environmental projects provide solutions to some current and future challenges such as climate change, reducing inequalities and the energy gap, among others.



elecnor

Two major businesses areas, one single Group

Elecnor is one of the leading global corporations in project development, construction and operation through two major mutually enriching business areas. (GRI 102-2)



Infrastructure

The Elecnor Group has the capabilities needed to manage any project in a comprehensive manner.

It executes all types of engineering, construction and service projects mainly geared towards the electricity, energy generation, telecommunications, systems, installations, gas,

construction, maintenance, environment, water and railway sectors.

Together with several subsidiaries specialised in these segments, Elecnor brings added value and comprehensive service to customers.

The Group's experience in the construction and operation of infrastructure, in addition to its financing capabilities, encourages the development of investment projects related to all its areas of activity.

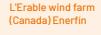
It operates services in energy transport, wind power and solar thermal energy systems, as well as other strategic assets. Enerfin and Celeo are the two major driving forces of this business. Enerfin is geared towards wind power projects, while Celeo has become a leading firm in power transmission networks, renewable energy, gas pipelines and water treatment plants.



Concessions



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









Present in 55 countries

(GRI 102-4)

COUNTRIES GENERATED REVENUES FOR THE GROUP IN 2019

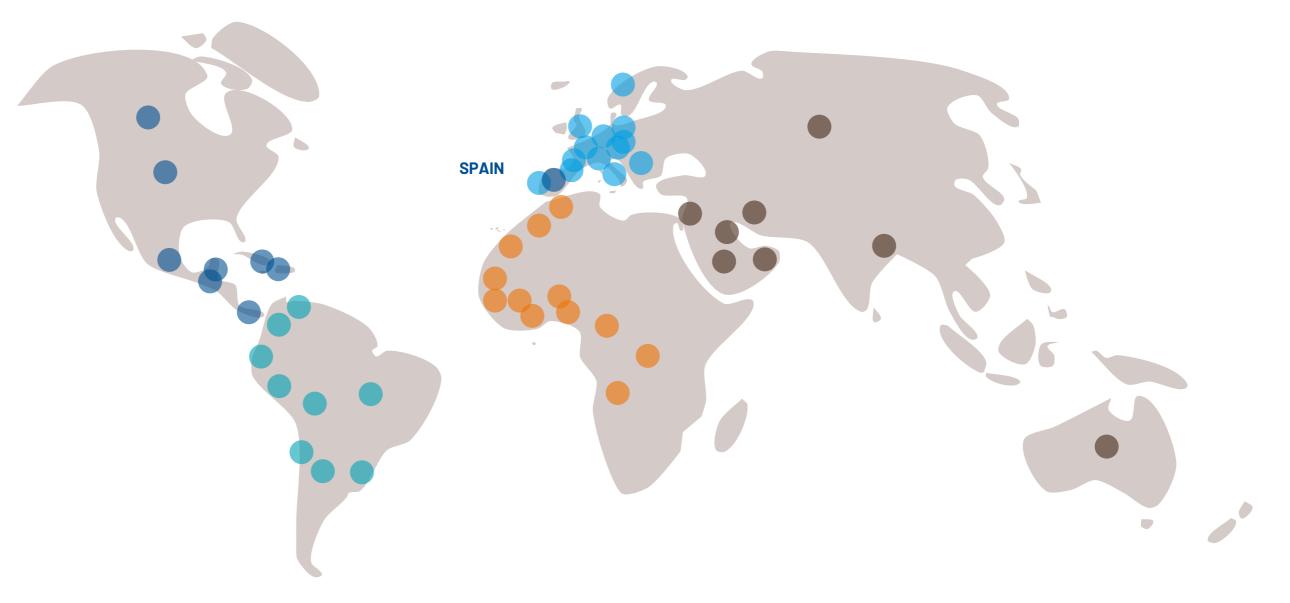
5,519EMPLOYEES ABROAD (37% of total employees)

Internationalisation has been one of Elecnor's strategic lines since its founding in 1958. In the last decade, its international presence has increased significantly, with most of its sales and backlog abroad.

The keys to Elecnor's sustained international expansion are an intense and persistent commercial activity and working together with prestigious partners through strategic alliances. In 2019, Elecnor recorded sales in 55 countries worldwide.

Elecnor's sales on the international market amounted to EUR 1.285 billion. Thus, they became the majority for the seventh consecutive year, with 52% of the total.

With regard to the order book, 75% of its total volume – that being 2.223 billion at the end of the year – also came from the international market, a percentage that is equivalent to EUR 1.667 billion.



NORTH AND CENTRAL AMERICA

Canada/Dominican Republic/ El Salvador/Haiti/Honduras/ Jamaica/Mexico/Panama/ United States/

SOUTH AMERICA

Argentina/Bolivia/Brazil/ Chile/Colombia/Ecuador/ Peru/Uruguay/Venezuela

AFRICA

Algeria/Angola/BurkinaFaso/ Cameroon/DR Congo/Gambia/ Ghana/Guinea/Guinea-Bissau/ Liberia/Mauritania/Morocco/ Senegal

EUROPE

Austria/Belgium/Finland/ France/Germany/Italy/ Luxembourg/Netherlands/ Norway/Poland/Portugal/ Romania/Switzerland/ United Kingdom

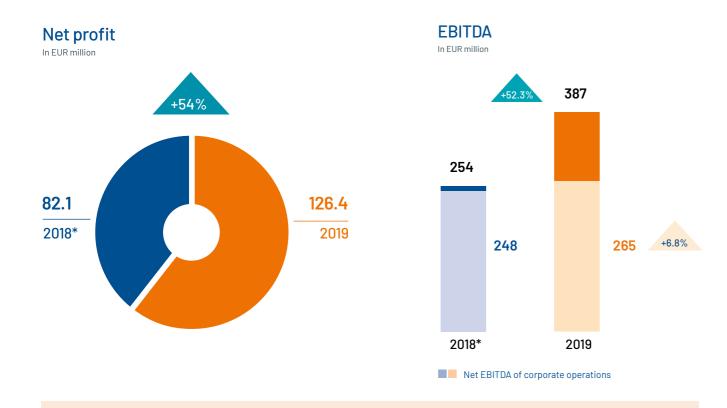
ASIA AND OCEANIA

Australia/Bangladesh/ Iran/Jordan/Kuwait/ Oman/Russia/Saudi Arabia/Vietnam



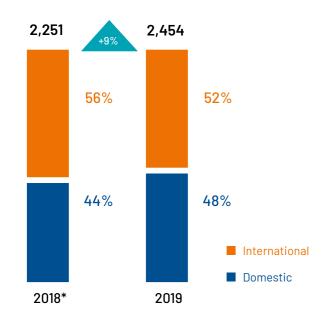
Sustained growth

(GRI 102-7)



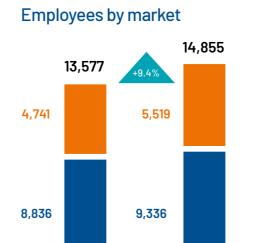
Sales by market





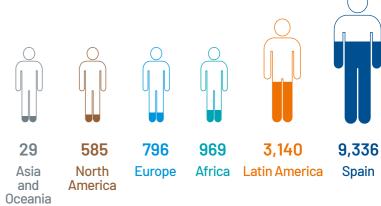
^{*} Restatement in the Annual Financial Statements for the 2019 financial year in accordance with the recommendation of the Spanish National Securities Market Commission (CNMV).

A team of about 15,000 people



■ Domestic ■ International





Net corporate debt has reduced by 33.5%

This reduction is due to the positive evolution of the Group's business in terms of cash flow generation through its operating activities.

2019

Net Financial Debt

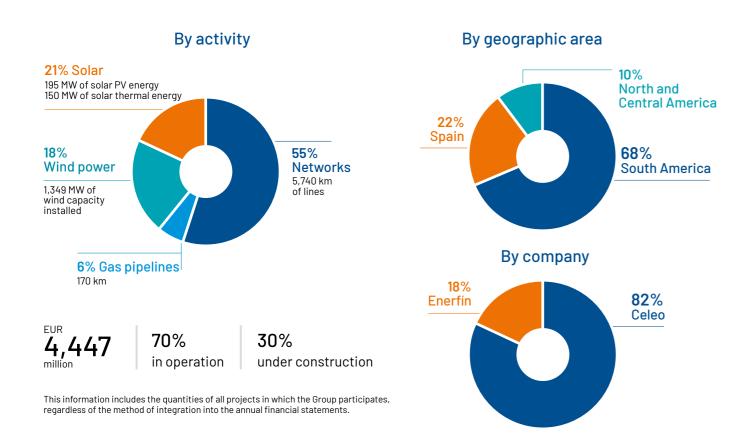
2018*

In EUR million	2018*	2019	
Corporate Net Financial Debt	204	136	-33.5%
Ratio of Debt to EBITDA with recourse + Projects div	0.95	0.92	
Total Net Financial Debt	570	494	-13.4%
Ratio of Net Financial Debt to EBITDA net of corporate operations	2.29	1.86	

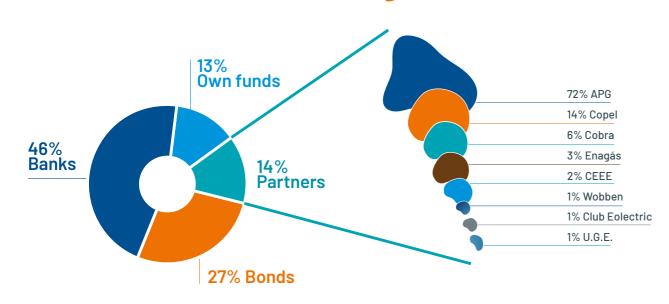
^{*} Restatement in the Annual Financial Statements for the 2019 financial year in accordance with the recommendation of the Spanish National Securities Market Commission (CNMV).



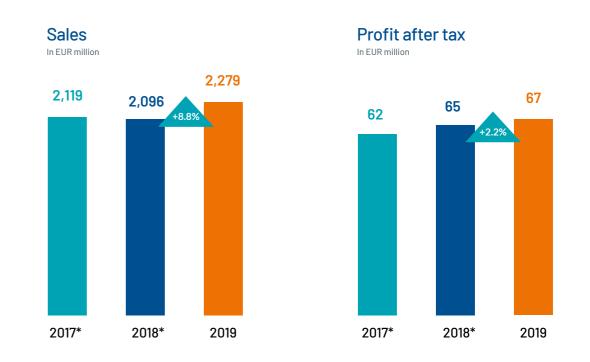
Concession Business. Assets



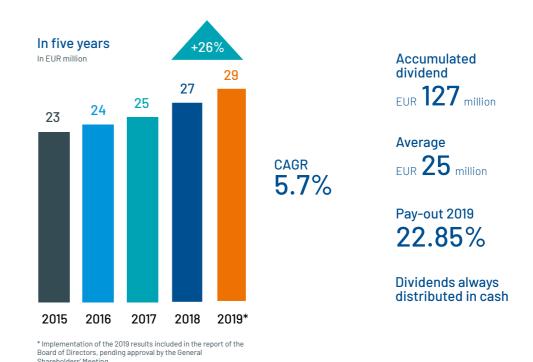
Concession Business. Origin of funds

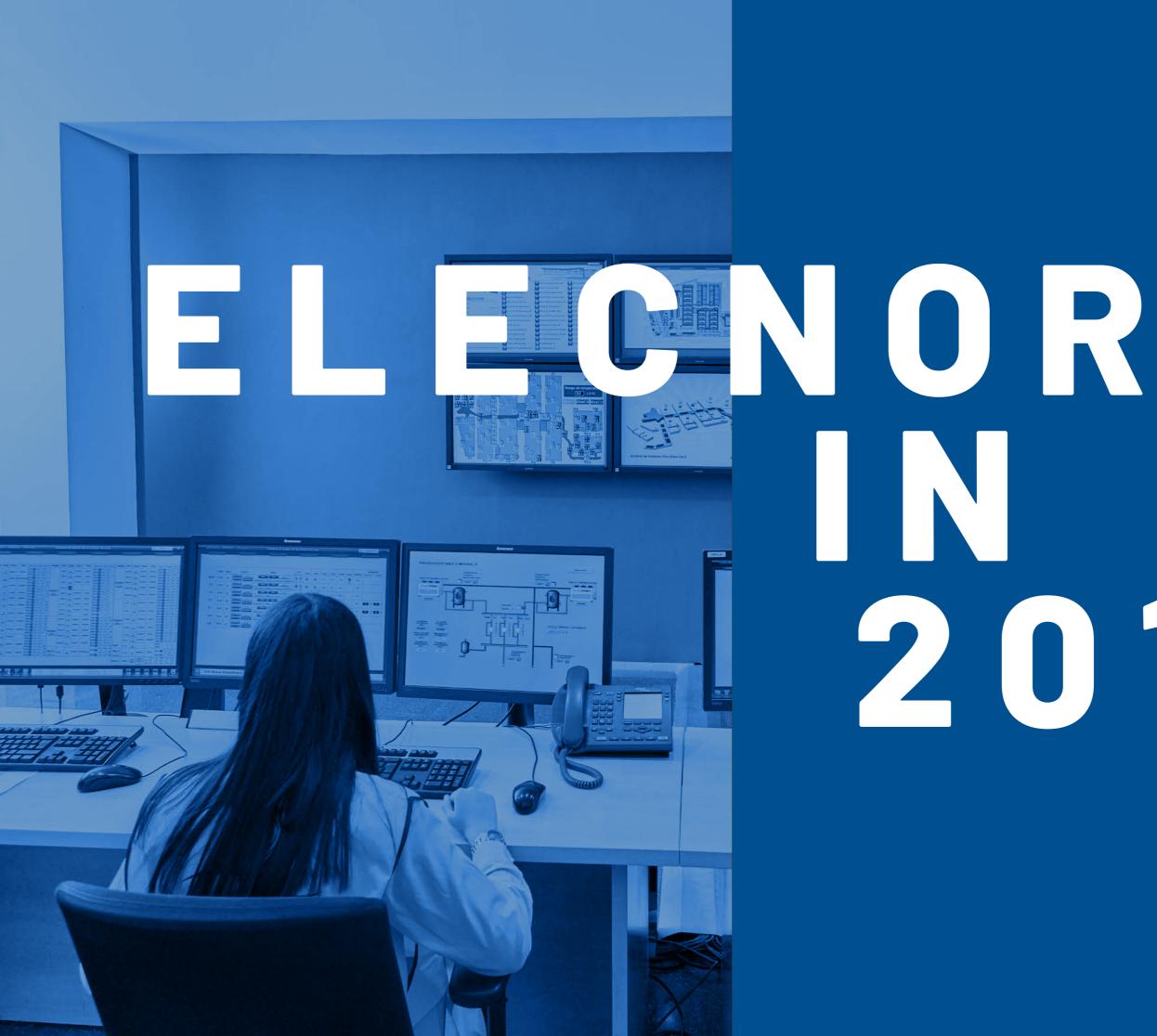


Infrastructure Business



Distributed dividend



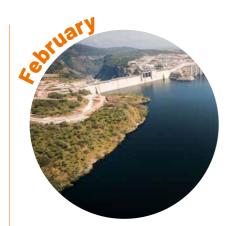




Most significant milestones



Celeo Redes Brasil has been awarded the construction and operation of a transmission line for EUR 254 million and has acquired 100% and 33.3% of the concession companies Cachoeira Paulista Transmissora de Energía and Jaurú Transmissora de Energía, respectively.



Elecnor obtained AENOR certification under UNE standard 19601 on criminal compliance systems; this certificate recognises the implementation of best practices in this area.

In Cameroon, the Group was awarded a contract to develop a 20 MW hydroelectric power plant for EUR 70 million in consortium with General Electric.



Awarding of the CLIME Innovation and Energy Efficiency project of the Federation of Municipalities and Provinces of Castilla-La Mancha for EUR 127 million, with a duration of 10 years.



The Valencian Community announced the construction of the first wind farm since 2012, with an investment of EUR 53 million and a power capacity of 50 MW. It was awarded to Enerfin, Elecnor's wind power subsidiary.



Participation in the
#partnersofSDGs campaign
promoted by the Spanish Global
Compact Network to help spread
the Sustainable Development
Goals driven by the United Nations.

Development of an electric substation in Chile for USD 12 million.



In Ghana, the Group was awarded the construction of two electric substations for USD 45 million, which will increase the power capacity of the region's network to 600 MVA.

Enerfín will expand the São Fernando Wind Power complex in Brazil. There will be four wind farms and 256 MW of power capacity.

Awarding of a new 185 MW wind farm that allows for electrical evacuation in Chile.



Partnership with the Dutch APG fund to develop and invest in renewable energy and energy transmission projects, with an estimated joint investment commitment of EUR 400 million until 2025.

Enerfín placed EUR 73 million in bonds to boost the development of the Group's wind farms in Brazil.

Construction of a new 30 MW wind farm in Mexico for about USD 18 million.



Mexico's Federal Electricity Commission awarded the expansion of six substations with a total capacity of 174 MVAr.

In Zaragoza, Elecnor was awarded the construction of six wind farms with an installed capacity of 231 MW for EUR 47 million.

Entry into the upstream sector of Ecuador following the strategic agreement with Vinccler whereby the Group acquires a 30% share in its subsidiary Wayra Energy.



IQA became the first Spanish company to take part in the major project designed by the UK to bring fibre optics to all homes after signing an agreement with CityFibre to install this connection for EUR 66 million.

Project for the electrification of more than 730 kilometres of railway lines in Lithuania in consortium with Abengoa, valued at more than EUR 350 million.

Elecnor will build a 120 MW solar plant in the Dominican Republic. It will be the largest photovoltaic power plant in the country.

The Elecnor Foundation and IE Foundation signed a collaboration agreement to create a Compliance Observatory that promotes the development of this area in small and medium-sized enterprises.



Elecnor reached a profit of EUR 126.4 million

Elecnor improved its performance in 2019 after achieving a net profit of EUR 126.4 million and sales of EUR 2.453 billion, representing a growth of 9%. Consolidated net profit rose to EUR 126.4 million, up 54% from a year earlier, driven by sustained and organic business growth, and boosted by the positive results from the alliance between Elecnor and APG for the joint management of Celeo concessions.

The portfolio of signed contracts pending execution, which is expected to take place within the next 12 months, amounts to EUR 2.223 billion, a growth of 4.5% compared to the close of 2018. Of this figure, 75% of the portfolio corresponds to the foreign market.

International business accounts for more than 52% of total sales, while domestic business has grown by 18.3%.

• Increased electricity activity in

electricity in the United Kingdom

the United States.

• In Europe, the growth of

awarded in Lithuania.

project in Oman.

telecommunications and

and a major railway contract

• The awarding of an efficient

water transmission and supply

The achievement of these results is essentially due to the good performance of the Group's two business areas.

By segment, the Infrastructure Business has achieved sales of EUR 2.279 billion, with an 8.8% increase from the previous year, while the Concession Business has grown to EUR 190.8 million, up 20.3%.



has improved its numbers through:

- A leading position on the domestic market, mainly in electricity and telecommunications activities.
- Progress in renewable energy on the international market.
- The positive result of transmission line construction projects in Brazil.
- The growth of operations in Africa.



Concessions

Its positive evolution is explained by:

- The increased electricity production by wind farms in Spain, Brazil and Canada.
- The growth of the transmission business supported by new projects awarded last year.
- Activities for the promotion of renewable energy.
- The best income performance of solar thermal plants, which was consolidated using the equity method during the last financial year.

Major milestones of the 2019 financial year

Consolidated net profit

EUR 126.4 million



+54%

EBITDA

EUR 387

+52.3%

EBITDA net of corporate operations

EUR 265

+6.8%

Net corporate debt

EUR 136

-33.5%

Net total debt

EUR 494

-13.4%

Consolidated sales

EUR 2.454



+9%

Internationalisation



52%

Sales in the foreign market



75%

Portfolio in the foreign market

In accordance with the recommendation of the CNMV, the comparative figures for 2018 have been restated in the Annual Financial Statements for the 2019 financial year in order to retroactively reflect the effects that would have occurred in the event that the assets and liabilities of the Celeo Redes subgroup had been consolidated using the equity method from the first agreement with APG.



Balance sheet Cash flow status

Assets

+15.5%

Operating activities

Investment activities

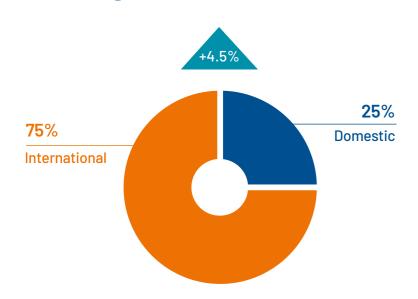
Net equity

+30.4%

Financing activities

million

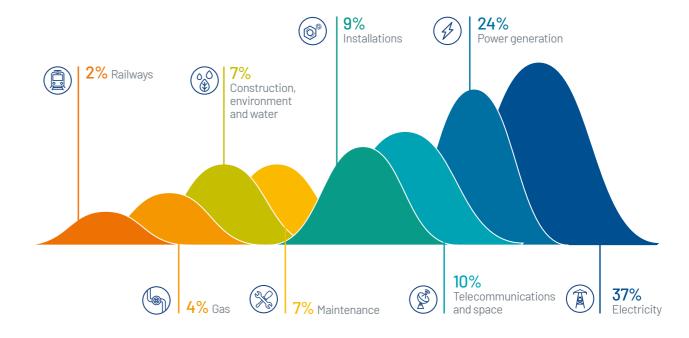
Backlog



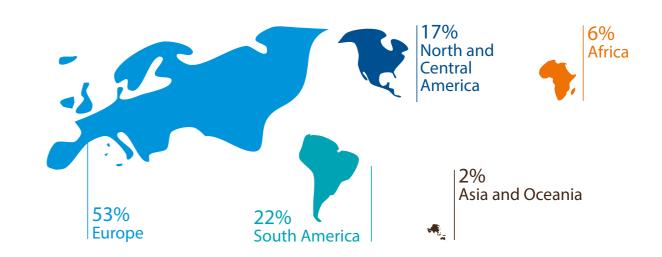


Consolidated sales EUR 2.454 billion

Diversification of activities as our strategy for providing a global service (GRI 102-6)



Sales by geographical area (GRI 102-6)





A sustainable value

People-centred

Occupational Health and Safety at the core of the business Promoting equality and diversity

9.4%

15.7% INCREASE IN FEMALE EMPLOYEES **EXPANSION OF THE**

30%

20%

OF THE ORGANISATION GROWTH OF NEW IS REPRESENTED BY EMPLOYEES WOMEN



ELECNOR TEAM

Protecting the environment

Climate Change Strategy

AENOR CO₂ Environment Certificate, verified in accordance with the ISO 14064-1 standard

Highest score in Climate Change Management in the international CDP ranking

13.6%

27.8%

DECREASE IN THE RATIO OF EMISSIONS **GENERATED PER HOUR WORKED**

REDUCTION OF OUR **CARBON FOOTPRINT IN FIVE YEARS**



SDG allies

Elecnor Foundation

Corporate Volunteer Programme

Communication with local communities

Operational excellence



Good Governance

The highest ethical standards

Zero tolerance for bad practices

Information transparency

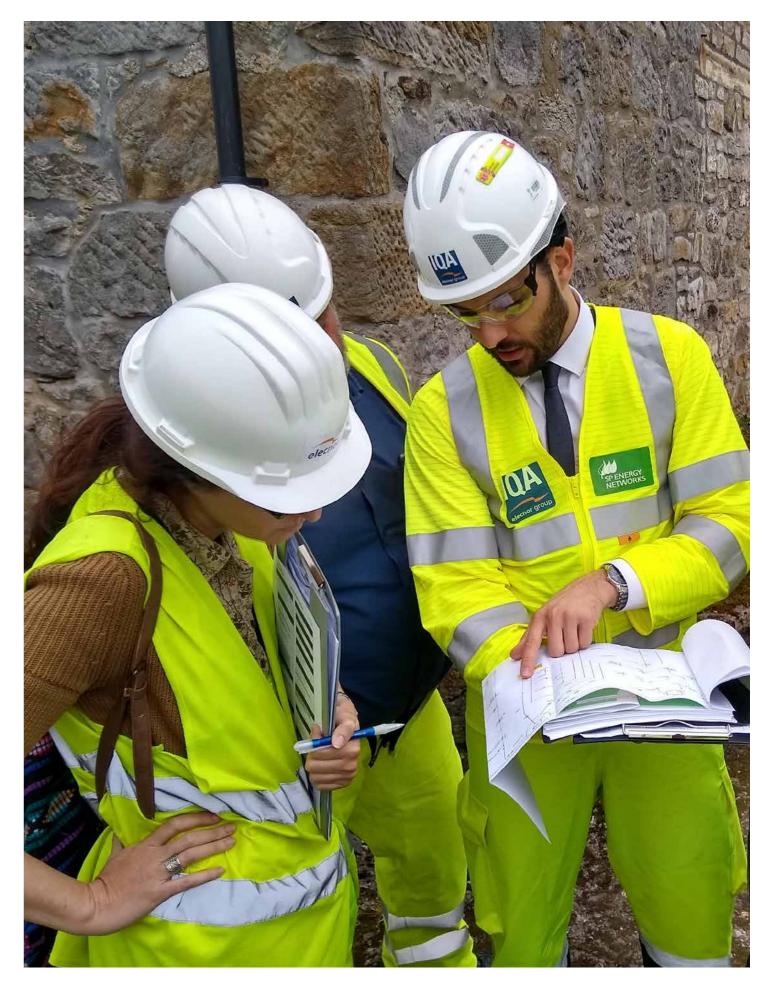
Approval of new Communication and Involvement

with Shareholders, Investors and Other Stakeholders Policy



UNE-ISO 37001 ANTI-BRIBERY MANAGEMENT SYSTEMS

UNE 19601 CRIMINAL COMPLIANCE MANAGEMENT SYSTEMS







Economic environment. Elecnor environment

Europe

United Kingdom

- Growth stabilises at 1.5%.
- Brexit paints a picture of uncertainty for the British economy, damaging confidence, postponing investment decisions and generating strong financial volatility.
- In the medium term, financial volatility could have more serious consequences for the real economy, as tougher financial conditions and falling confidence impact activity.

The British subsidiary IQA has continued to work on consolidating improvement processes for both occupational health and safety and results, maintaining the strategy of diversifying clients and activities. All this without losing sight of Brexit and its possible consequences. IQA was awarded the fibre optic network roll-out in Newcastle. This contract award provides a boost to the positioning of this subsidiary in the United Kingdom's emerging activity, which expects a strong roll-out over the next 5-10 years.

Spain

- GDP has decreased by four tenths: 2%.
- Recession scenario with GDP stabilisation.
- More than 500,000 jobs created.
- Inflation growth due to the expansion of monetary policy.
- Upwards pressure on prices due to increased labour costs.
- Doubts about the budgetary consolidation process.

Elecnor maintains its position as a leader in the domestic services market for major operators mainly in electricity and telecommunications. In addition, the construction of six wind farms in Zaragoza with a total installed capacity of 231 MW promoted by Forestalia; and of a 50 MW wind farm in Cofrentes (Valencian Community) promoted by Enerfín, the wind power development subsidiary of the Group, have contributed to the growth of the company's activity in the domestic renewable sector.

Italy

- Stagnation of the economy due to different factors, including the uncertainty of the political situation and the slowdown in the Eurozone.
- The IMF's forecast is that growth will reach only 0.5% in 2020, in a context of low domestic demand and a weak labour market.
- Public debt remains one of the highest in the world, and is expected to grow slightly in the coming years, due to weak nominal GDP growth and a deteriorating primary balance.

In the last three years, Elecnor has almost tripled its revenues in Italy. This has been possible thanks to an integration and training campaign for both management and field personnel, which has allowed the number of employees to almost quadruple. Today in Italy, Elecnor is the benchmark company in both electricity distribution and telecommunications in Piedmont, and has begun to extend its activity to other regions such as Veneto and Emilia.



Economic environment. Elecnor environment

The Americas

Canada

- Up to a 1.5% contraction in the GDP, which draws a downwards curve in the growth of the last three years.
- Slowdown due to the extension of tariffs on metal exports to the United States, the global trade conflict and low oil prices.
- The labour market is currently very strong, with an unemployment rate below 5.4%.

Elecnor, through its wind power subsidiary Enerfín, continues with its strategy of boosting its renewable energy activity in this country. As in previous years, Enerfín's activity has focused on the provinces of Saskatchewan and Alberta. It also continues to manage the operation of its 100 MW L'Erable project, located in Quebec and in operation since 2014.

Mexico

- Reduced growth prospects for the 2020-2021 period, due to weak investment.
- GDP growth is below the 2% of last year.
- Economy in full review of its competitive systems to boost productivity and growth.

In the first year of President
Andrés Manuel López Obrador's
government, activity in the
energy sector has slowed down
greatly, but it is considered one
of the strategic levers to drive
the economic development of
the country. In this context,
Elecnor was awarded two new
wind power projects, which
consolidate wind power activity
in Mexico, and three bids for CFE
(Federal Electricity Commission)
energy transmission and
transformation projects.

Brazil

- Slight decline in GDP of 1% as a result of the slowdown in activity experienced by the country in 2019.
- Brazil has seen three consecutive years of economic growth following its historic recession in 2015 and 2016, with a 7% reduction in GDP.

Elecnor has continued to diversify clients, in addition to continuing the Group's investment projects promoted by Celeo and Enerfín. In addition, it has made progress in the growth of other activities, such as small hydroelectric power plants, railways, gas pipelines and airports. Important order intakes have been secured in the wind farm and photovoltaic business, initiating a relationship with Neoenergia, a company from the Iberdrola Group.

United States

- Decrease in GDP of 2.3% with a downwards curve for 2021.
- Inflation closes at 2.5%, above the Fed's 2% target.
- New possibility of Fed rate reduction.

Both Elecnor Hawkeye and Elecnor Belco have managed to increase their revenues. Elecnor Hawkeye's 5% growth has been due to a 16% increase in gas activity. Elecnor Belco, for its part, recorded 64% growth, driven largely by private sector growth and major public investments in Los Angeles County. Due to new environmental policies against climate change, especially in the north-eastern states, there has been a significant increase in the number of opportunities in wind power, photovoltaic power and energy storage projects.

Chil

- A sharp reduction in GDP, of around 1%, due to the social tension experienced by the country last year.
- A sharp drop in investment in 2019 and especially in early 2020, with a 4% decline.
- Interest rates remained at 1.75% despite a sharp decline in GDP.

While the situation in the country has been socially complicated, the direct involvement of Elecnor Chile's business has been relatively small. The good performance of the company together with risk management has led it to position itself positively against competitors. In 2019, Elecnor Chile was awarded the Cerro Tigre wind farm, with a power capacity of 185 MW. Another major milestone has been the completion of the project for the Empresa Nacional del Petróleo (National Petroleum Company, or ENAP), the 10 MW

Cabo Negro wind farm.



Economic environment. Elecnor environment

Oceania

Africa

Cameroon

- GDP growth was 3.27%, down from 2018.
- Inflation rate of 2%.
- Limitation in the development of new projects in light of difficulties in implementing the domestic budget and the threshold of external commercial financing.
- The social situation in the country is complex due to the internal conflict affecting the Anglophone regions bordering Nigeria.

Consolidation of the activities in Cameroon, with the creation of a subsidiary, and strong growth in the local organisation, which already has more than 100 people. In terms of projects, the key milestones were the start of activities at the Nachtigal hydroelectric power plant and the continuation of the Yaoundé high-voltage network strengthening

Australia

- GDP drops by 2.25%, half a tenth below 2018 due to severe drought and the fires afflicting the country,
- Surplus of AUD 5 billion due to the affordable price of coal.
- The debt level of private economies and the complex environment of the real estate world continues.

The Australian energy market continues to experience a process of transformation and transition from fossil fuels to renewable energy. This has led to unprecedented growth in wind and solar power in recent years. In 2019, the construction of the 137 MW Phase 2 Bungala Solar Farm was completed, which, together with Phase 1, gives a total of 275 MW of photovoltaic power; this is the largest solar plant in Australia. Transgrid, the largest utility company in the country, has selected Elecnor to participate in the engineering and development of the 900 km interconnection between the states of New South Wales and South

Angola

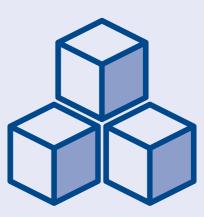
- GDP growth of 1.2%, cutting three years of economic recession.
- Its dependence on oil production continues to affect its economy, causing growth to fall below the average of the rest of the African continent.
- Advances in macroeconomic stabilisation to attract private investment.

Elecnor has been developing projects that promote financing, which has been reduced in the past year due to the debt constraints set by the IMF. The 2019 financial year has allowed the Group to establish itself in water projects, successfully completing the Lubango project, with the main network spanning 160 km, and to get involved in similar new projects.









Infrastructure

Electricity

Power generation

Telecommunications

Gas

Railways

Installations

Maintenance

Construction

Environment and water

Space





Electricity





Elecnor is a leader in distribution networks, transport lines and transformation substations in Spain. As well as positioning itself as a reference company for the main electrical operators, it has achieved sustained and continuous growth as well as increasing internationalisation.

Activities

Power transmission

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

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 of any type
- Live working
- Preventive and corrective maintenance
- Network operation tasks
- Self-consumption
- Electric vehicle charging









Environment 2019

In general, the Spanish electricity sector is seeing an uptick in activity, with clear signs of increased investment due to the regulator's new remuneration system. This investment cycle is predicted to last at least until 2020.

In the distribution segment, the energy transition to achieve the EU's environmental targets by 2030 will require network investments of between EUR 29 and EUR 34 billion in Spain up to that year, in accordance with specialist studies. This investment effort should address the need to replace aged installations, allow for significant penetration of the distributed generation, selfconsumption and electric vehicles, and develop other services, including demand management.

With regard to developing renewable plants, a considerable increase in civil engineering projects associated with parks, substations and evacuation lines is expected.

Lower solar panel costs encourage investors (especially utilities) to promote projects without the need for subsidies, which will extend activity beyond 2020.

Based on the latest studies carried out, in 2030, 60% of the power mix will be generated by renewable sources, entailing a strong development of the associated infrastructure.

SPAIN

Endesa

- Award of the MT/BT and TET Multiservice framework contract.
- Renewal of the framework contract referred to as Minor Work comprising small civil engineering projects in company facilities.

Enel

- Renewal of the MT/BT Inspection Framework Contract and/or execution of its Section II works.
- Renewal of the Framework Contract for Electrical Maintenance Services in MT/BT.
- Award of Electric Vehicle Recharge Points Installation framework contract.

Iberdrola

- Award of Electric Vehicle Recharge Points Installation framework contract in the Canary Islands.
- Increase in share of the CRD framework contract by expanding the scope in different areas.

EDP

 Award of the Overhead and Underground Network and Civil Engineering framework contracts in various parts of Asturias. Project CLIME by the Federación de Municipios y Provincias de Castilla-La Mancha (Federation of municipalities and provinces in Castilla-La Mancha).

Elecnor has been selected for the improvement of lighting in 58 municipalities of this Autonomous Community with the change to LED technology over the next 10 years. Elecnor is an energy service company.

The scope of the project envisages the maintenance of 83,398 lights, 1,250 street lighting control centres and 983 buildings.

The project represents a saving of 82.36% on street lighting, 61.79% on interior building lighting, and 10.21% on heating and air conditioning.

In 2019,

76,635

NEW LIGHT POINTS
WERE ADDED TO
THE PORTFOLIO OF
ENERGY EFFICIENCY
IN PUBLIC LIGHTING
CONTRACTS

• Award of the MT/BT framework contract for EDP in Levante and Madrid.

EUROPE

UNITED KINGDOM

- Achieved the first contract with Northern Powergrid, one of the country's leading power distribution companies.
- Boosting the installation and connection of electric vehicle chargers in Scotland and England.

ITALY

 Start of activity in areas outside Piedmont with the award of several power distribution contracts: Veneto and Emilia.

FINLAND

 Award from FINGRID, operator of the power transmission grid, for the construction of a 60 km stretch of the line at 400 kV known as Forest Line.

PORTUGAL

 Order intake and execution for REN (national power grid) of the replacement of drivers at different entry points to substations in the central zone of the country.







AMERICA

UNITED STATES

- Order intake and construction of a 69 kV substation and three power transmission lines for a new substation on Long Island.
- Award for construction of a substation, EPC model, in New Jersey.
- Renewal of the electrical framework contract with Orange&Rockland.

MEXICO

- Expansion of six 161 and 115 kV substations with a total capacity of 174 MVAr in the states of Baja California and Guanajuato.
- High-voltage line at 115 kV in the state of Guanajuato.
- Electric BOP project and 56 MW interconnection at Corumuel wind farm.

EL SALVADOR

 Awarded the transmission system for the evacuation of the energy generated by the new 378 MW natural gas generation plant being built in the country. The project comprises 230 kV dual-circuit transmission lines spanning 45 km, 2 km of which are underground vigaduct lines, 230 kV and 115 kV substations, two new ones with GIS technology and an extension of another existing substation.

PANAMA

• Re-powering and energising two circuits of the Mata de Nance-Veladero 230 kV line.

BRAZIL

- Completion of the Tapajós transmission project.
 Construction of 420 km of 230 kV transmission lines and construction of the new 230/138 kV Tapajós substation.
- Award of the Gilbués Barreiras transmission project, consisting of the construction of a 500 kV transmission line spanning 312 km.

ARGENTINA

- Order intake and construction of MT substations in Neuquén and Mendoza.
- Development of the MT and TA line maintenance framework contract through live working for YPF, in the provinces of Neuquén, Río Negro and Mendoza.

CHILE

 Award of the construction of a new electricity substation in Antofagasta and the construction and sectioning of the Mejillones-Antofagasta-Esmeralda-La Portada line.

URUGUAY

• Expansion of the 150 kV Aguas Corrientes and Colonia Sánchez substations.

AFRICA

CAMEROON

• Start of work on the project to strengthen the high-voltage network of Yaoundé, the country's capital, which involves the construction of two new substations, the expansion of another four, and the construction of 90 kV and 225 kV urban lines.

GHANA

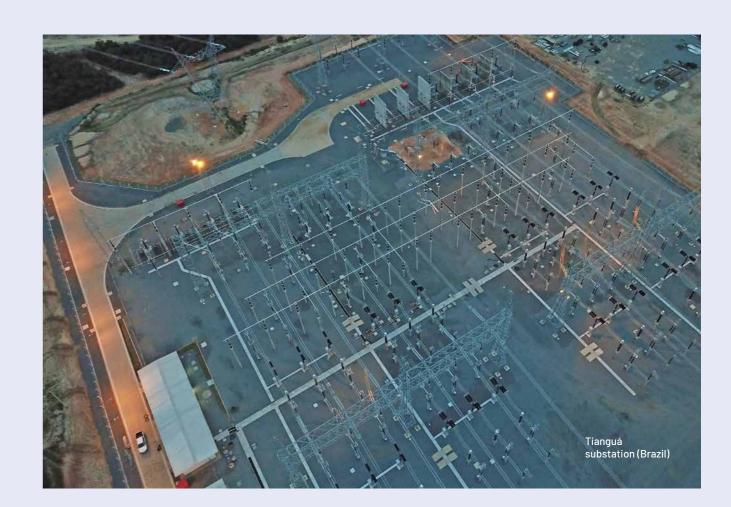
• New project for the design, supply, construction, installation and start-up of a new 330/34.5 kV outdoor substation and a 33/11 kV indoor substation. The aim of the project is to increase and improve the quality and reliability of the electricity network in the region around the capital city, Accra.

AUSTRALIA

• Elecnor has been officially selected by Transgrid, the country's largest utility company, to participate in the engineering and development of the 900 km interconnection between the states of New South Wales and South Australia.

Elecnor currently manages as an Energy Services Company

283,190
LIGHT POINTS IN 92
SPANISH MUNICIPALITIES







Substations in Pokuase (Ghana)



- USD 45 million contract.
- Design, construction and start-up of a new 330/34.5 kV outdoor substation and a 33/11 kV indoor substation.
- The network will have a power capacity of 600 MVA that will be distributed in the urban centres near the substation, increasing and improving the quality and reliability of the electricity grid in this area, in which the capital, Accra, is located.
- Located in Pokuase, in the Greater Accra region, in the south-east of the country.
- Over 200 direct jobs will be created, of which almost 100% will be performed by Ghanaian citizens.
- 24 month implementation









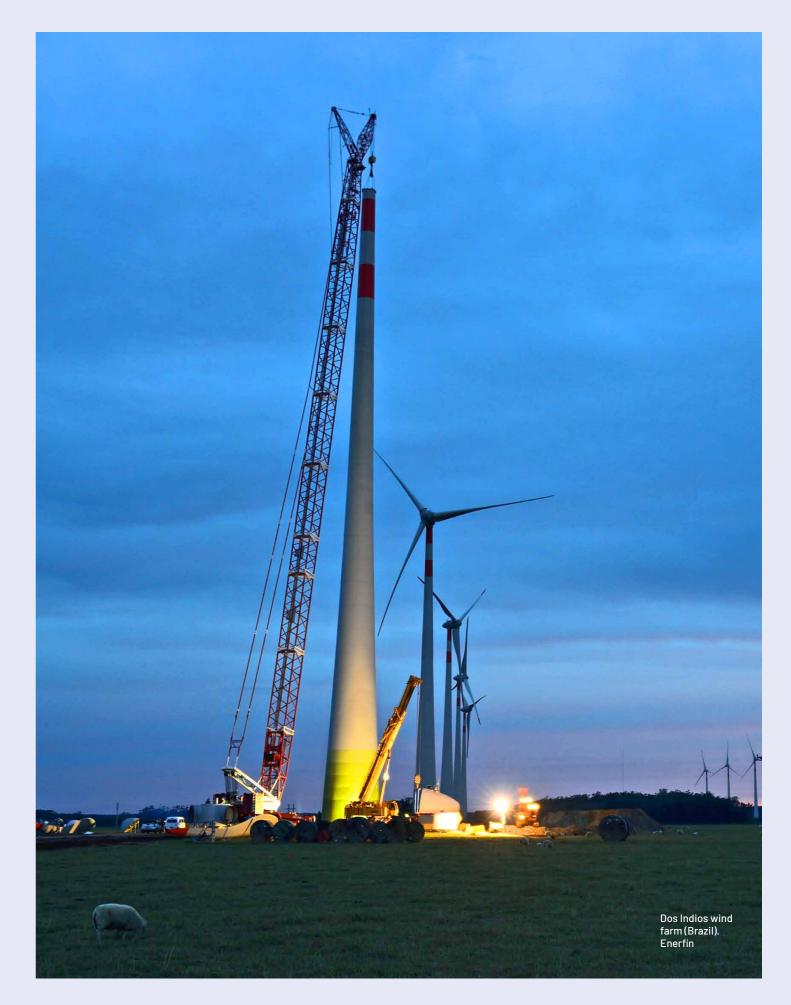
Power generation



Over time, Elecnor has positioned itself as 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 5 continents. In addition to implementing turnkey projects for third parties, it also acts as a promoter of its own projects, as explained in the section on Energy Generation within the concessional Business of this Integrated Report.

Activities

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







Wind power

Environment 2019

The sector 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.

Spain, a key market for the Elecnor Group, is once again one of the most attractive markets in Europe, with over 2.2 GW of new installed power in 2019, and there are expectations of maintaining market figures until 2030.

Wind power represents one of the main vectors for the achievement of the objectives defined 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. This will involve over 2 GW of new wind power capacity per year.

As a challenge for the future, we are working on hybridisation technologies with other technologies (photovoltaic, hydroelectric, storage), with the aim of being able to work on production management in an environment mixing generation with strong penetration of renewable technologies.

SPAIN

- Award of the 231 MW Monlora wind farms project in Aragon. The project involves the construction of six parks, three 132/30 kV substations and two 132 kV evacuation lines. The six parks are part of the Phoenix project, which involves the participation of Engie, the French fund Mirova and Forestalia.
- EPC project for the 46.5 MW Miñon and Ourol wind farms in Galicia. These parks are the first of the Eolo 1 complex, whose second phase will be built during 2020.

BRAZIL

- Construction for Enerfin, the Group's wind subsidiary, of the 150 MW São Fernando 1 and 2 wind farms in the state of Rio Grande do Norte.
- Order intake of the 174.9 MW
 Ventos da Bahia III wind power project. Contract with EDF Brasil for complete EPC of 230/34.5 kV
 2x120 MVA substations and 230 kV transmission line.

CHILE

• 185 MW Cerro Tigre wind power project. The project's scope is the installation of 44 wind turbines, civil works, mediumvoltage network, a 220 kV booster substation and a 220 kV high-voltage line. • Completion of the 10 MW Cabo Negro wind farm for Empresa Nacional del Petróleo (ENAP) in EPC mode.

MEXICO

- Development of the 30.4 MW San Matías wind farm. This is a BOP project with interconnection.
- Award of the 168 MW Las Fenicias wind farm interconnection project. It comprises the engineering, supply and construction of a new substation, a transmission line and the expansion of an existing substation.
- 56 MW Coromuel wind farm.

 Located in the desert, the project will consist of twenty 2.8 MW wind turbines, 20 km of roads, 10 km of medium-voltage underground network and 10 km of overhead network, two 115 kV power substations, a connection to the existing line and 120 km of OPWG routing.

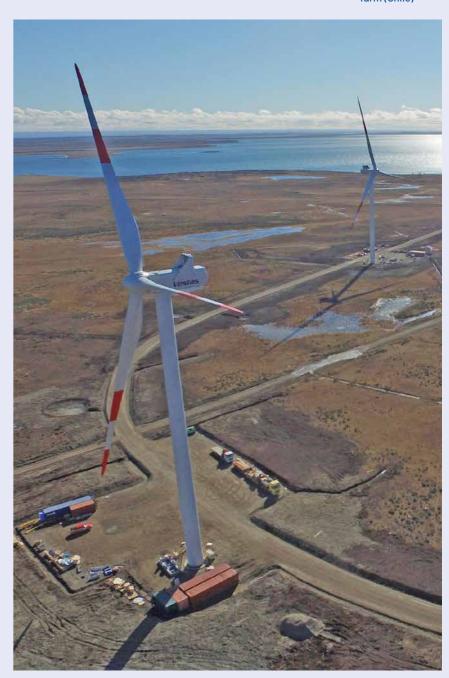
PANAMA

 Continuity of the 66 MW Toabré wind farm construction project, where further progress has been made in the development of substations for the interconnection of the wind farm.

SPAIN AND LATIN AMERICA

ARE THE REGIONS
WITH HIGHEST GROWTH
IN WIND POWER

Cabo Negro wind farm (Chile)







Monlora and La Sardá wind farms (Spain)



- EUR 47 million contract.
- Construction of 6 wind farms (preliminary studies and works, civil works, electrical works and construction of 3 substations and two evacuation lines).
- Total installed power of 231 MW (61 generators with a unit power of 3.83 MW).
- The electrical energy generated by the wind turbines will be transported through a 30 kV underground network to the substations, which will increase the generated power capacity from 30 kV to 132 kV.
- The 6 wind farms (Monlora I, Monlora II, Monlora III, Monlora IV, Monlora V and La Sardá) are located in the municipalities of Sierra de Luna, Luna, Las Pedrosas and Castejón de Valdejasa (Zaragoza).



231_{MW}





Solar PV

Environment 2019

2019 has continued with the general growth trend of the photovoltaic sector worldwide. The new installed power figure remained slightly above 120 GW, bringing the total accumulated installed power at year-end to over 623 GW, an increase of almost 20% on the previous year.

In Spain, photovoltaic energy remains the third largest source in the renewable mix. In 2019, the Spanish market was the largest in Europe. In the second half of the year, 4.7 GW of photovoltaic projects won from the 2017 auctions were connected. The

start-up of these projects is a clear break from the stagnation of the sector, serving as a way out for the developments necessary to achieve the 2030 objectives.

With regard to self-consumption, it is expected that the new regulatory framework will lead to the installation of 300-400 MW a year. It must be stressed in any case that the capacity of the new framework for channelling investments will depend on the consumer price signal (consisting of the cost of energy and the variable terms of tolls and charges).

AMERICA

UNITED STATES

 Award for the construction of the 29 MW NextEra-owned photovoltaic park, as well as the substation and associated evacuation line.

BRAZIL

• Progress in the construction of six photovoltaic plants, totalling 179.8 MW, in the State of Piauí for the National Electric Energy Agency. The project includes an evacuation substation and a 500 kV connection line. In 2019, 80% of the construction of the first photovoltaic plant was completed.

PANAMA

 Award of 4 photovoltaic plants of 10 MW each. They will be the first plants in Central America with bifacial technology.

DOMINICAN REPUBLIC

- Award of the Girasol solar power plant, which will be the largest photovoltaic generation plant in the country. The scope envisages the installation of approximately 300,000 solar PV modules, a 150 MVA substation and a 10 km
 138 kV transmission line.
- Completion of the EPC contract for the construction of the 25 MW Canoa photovoltaic



- Completion of the construction of the 9 MW CEPM solar PV park.
- EPC contract for the development of the 50 MW Esperanza photovoltaic park.

AUSTRALIA

Completion of the construction of the 137 MW Bungala Solar Farm phase 2, which, together with phase 1, in commercial operation since September 2018, totals 275 MW of built photovoltaic capacity, constituting the largest solar park in the country.



Photovoltaic energy has increased by

20%

WORLDWIDE IN 2019

CAMEROON

- Photovoltaic hybridisation project of the Djoum thermal plant, in phase 2. The project has been completed with the installation of 125 kW with accumulation for ENEO.
- Installation of a 62 kWp photovoltaic system (180 panels of 345 W) for an Elecnor Foundation project in the Don Bosco Salesian Congregation in Ebolowa. They provide up to 63% of the energy demanded and 12 hours of autonomy.





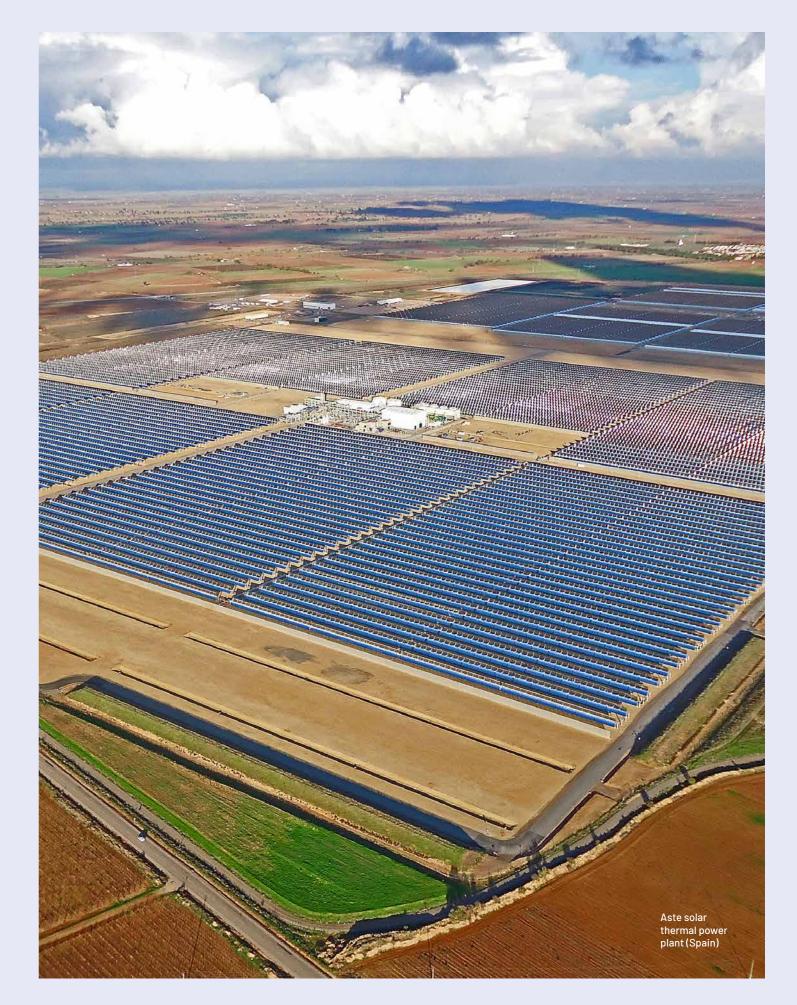
Solar thermal

Environment 2019

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 2019, 5,166 GWh were generated. The importance of this industry is also measured by its contribution to GDP (EUR 1.456 billion per year) and the labour market (5,226 workers).

Spain remains number one in the world in installed power and continues as the world leader in technological capacity. In fact, the 2021-2030 comprehensive National Energy and Climate Plan, which the current government sent to Brussels in 2019, envisages the construction of 5 GW by 2030.

Concentrated solar thermal energy had a total installed capacity of 6,451 MW in 2019. The United States follows Spain with 1,740 MW. Interest is also notable in North Africa and the Middle East, as well as in India, South Africa, Chile and China. Initially, the global market is dominated by parabolic channel plants, which account for 90% of installed solar thermal power plants.









Combined cycles

Environment 2019

The combined cycles are the main players in the power market in 2019. Based on data from Red Eléctrica de España (REE), the production of electric power with combined cycles has again broken the production record for the last decade. It has contributed 21.9% of the total energy produced.

The combined cycles have taken advantage of the price of CO_2 remaining around EUR 25 per tonne. This price has completely displaced coal and has led it to a very complex situation. The emission factor of the combined cycles is much lower and, therefore, it benefits from the fact that coal has to pay much more for its pollution.

Hydroelectric

Environment 2019

Hydropower is the world's largest source of renewable power generation. The latest data collected by the International Hydropower Association in its Hydropower Status Report 2019 show that, in 2018, approximately 21.8 GW of hydropower capacity, including nearly 2 GW of pumped storage, entered operation. This brings the world's total installed capacity to 1,292 GW.

In Spain, hydraulic production in 2019 was 25.9 TWh, 0.9% higher than the historical average and 30.6% lower than in 2018. The hydroelectric reserves of all reservoirs ended 2019 with a fill level of 51% of their total capacity.

During 2019, clean installed power has grown by 10% with the entry into operation of nearly 5,000 new "green" MW. Renewable energy thus already accounts for 49.3% of the generation capacity in Spain, which has over 108,000 MW.

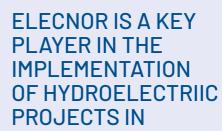
AFRICA

CAMEROON

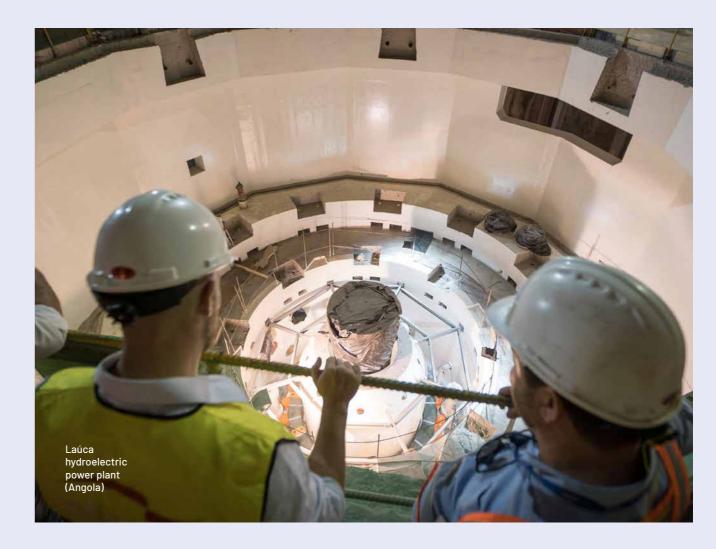
 Nachtigal project, the largest hydroelectric plant in the country. The scope includes electromechanical installation of seven 60 MW generator groups, an evacuation substation and auxiliary systems.

ANGOLA

• Entry into force of the contract for the rehabilitation of the 45 MW Matala hydroelectric power plant, a 220 kV substation and the medium-voltage distribution. With this project and Elecnor's experience in this field, the company is positioned as Angola's benchmark in this regard.



AFRICA







Hydroelectric plant in Nachtigal (Cameroon)



- EUR 70 million contract.
- Installation and start-up of the seven 60 MW generator groups, the evacuation substation and the auxiliary systems (BOP).
- 57 month implementation.
- Located in Nachtigal, 65 km from the capital, Yaoundé, and on the Sanaga River.
- Through the development of this project, the central African country will increase its installed capacity by 30%.

Cameroon's largest hydroelectric power plant

420 mw







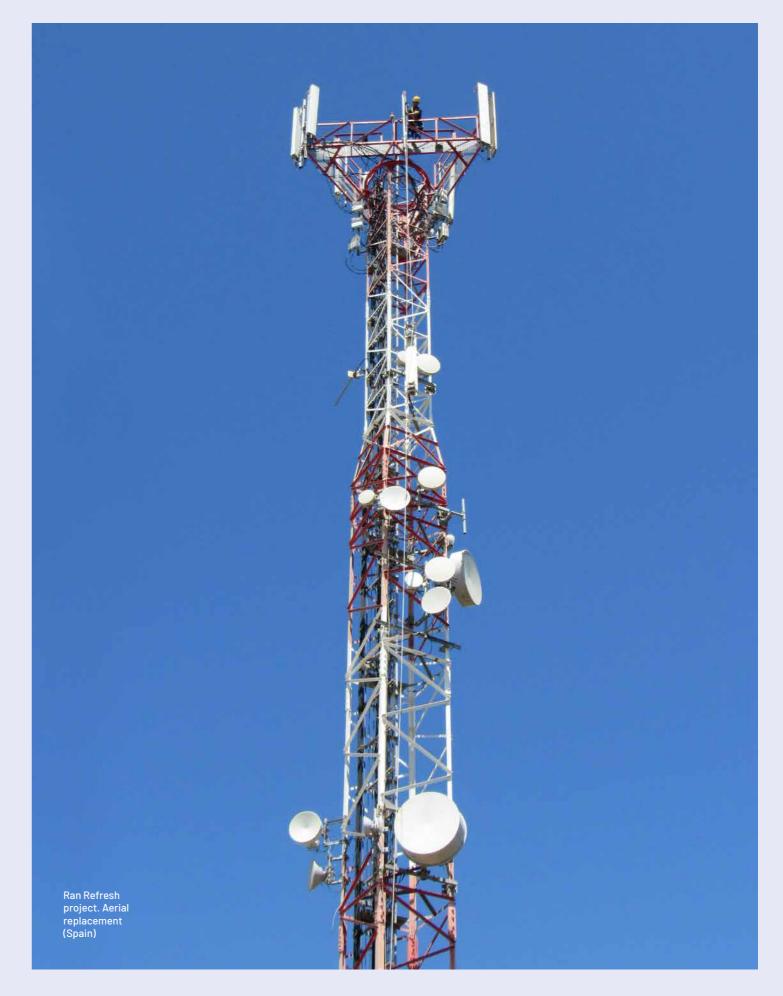
Telecommunications



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.

Activities

- Engineering
- Construction
- Installation of equipment
- Customer registrations







Environment 2019

During 2019, 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 mobile networks. Based on data published by the Spanish National Markets and Competition Commission for the third quarter of 2019, the total number of NGAs or next generation access networks installed reached 61.6 million, 14.4% more than a year ago.

In the deployment of fibre to the home (FTTH), Spain is also well ahead of large European countries such as Germany, the United Kingdom, Italy or France. In fact, Spain is the third-leading OECD country in deployment of this technology, only behind Japan and South Korea. This network already reaches 80% of Spanish households.

Over the next few years we will see the emergence of neutral fibre operators that will deploy fibre in less populated areas to share that network with the other operators.

With regard to 4G deployment, Spain remains at the top and has started deploying 5G networks, although by 2020 it is not expected that the market will grow until the 700 MHz auction is held.

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.

Construction and maintenance of fixed access networks

- 1,000,000 FTTH property units of fibre optic network built for Telefonica, Orange, Masmovil and Lyntia.
- Maintenance of the fixed network infrastructure of Telefonica,
 Orange, Vodafone, Masmobile,
 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 telephone mobile access network maintenance contract.
- Over 9,000 4G nodes maintained.

Installation and maintenance of fixed and mobile network equipment

- Ran & Quality Factory SSPP Contract with Orange for installation of 4G/5G radio equipment.
- Renewal and extension of the contract with Telefonica for the maintenance of the internal plant equipment of its access network.
- Renewal of the contract with Huawei and Nokia for the installation of the network equipment that the different operators assign to them.

Installation and maintenance of customer registrations

- Provision of FTTH customer registration service to Telefonica, Orange, Euskaltel Group and Masmovil in Biscay.
- 500,000 customer registrations.

Telecommunications infrastructure sharing services to operators

 Increased construction activity of new sites, adaptation of existing sites and reinforcement of the Cellnex and Telxius infrastructure towers.

ITALY

 Order intake for fibre deployment in 70% of cities in the Piedmont region planned for the next
 5 years with Open Fiber.

UNITED KINGDOM

• IQA, the Group's subsidiary in this country, has been awarded the deployment of FTTH by CityFiber. It a fibre to home engineering and construction project in the city of Newcastle, with the aim of having 100,000 households connected with this technology in four years.

URUGUAY

- Renovation and construction of FTTH fibre optic lines in the departments of Montevideo, Maldonado and Lavalleja.
- Construction of the enterprise fibre optic lines in the departments of Cerro Largo and Tacuarembó for the public company Antel.

ELENCOR IS A LEADING TELECOMMUNICATIONS OPERATOR IN SPAIN, ITALY AND THE UNITED KINGDOM





Fibre Optic Network (UK)



- EUR 66 million contract.
- IQA, a subsidiary of Elecnor, has become the first Spanish company to enter into the British government's broad plan to deploy the fibre optic network in all homes in the British isles.
- Fibre to home network engineering and construction project in Newcastle.
- Duration: 4 years.



100,000 households





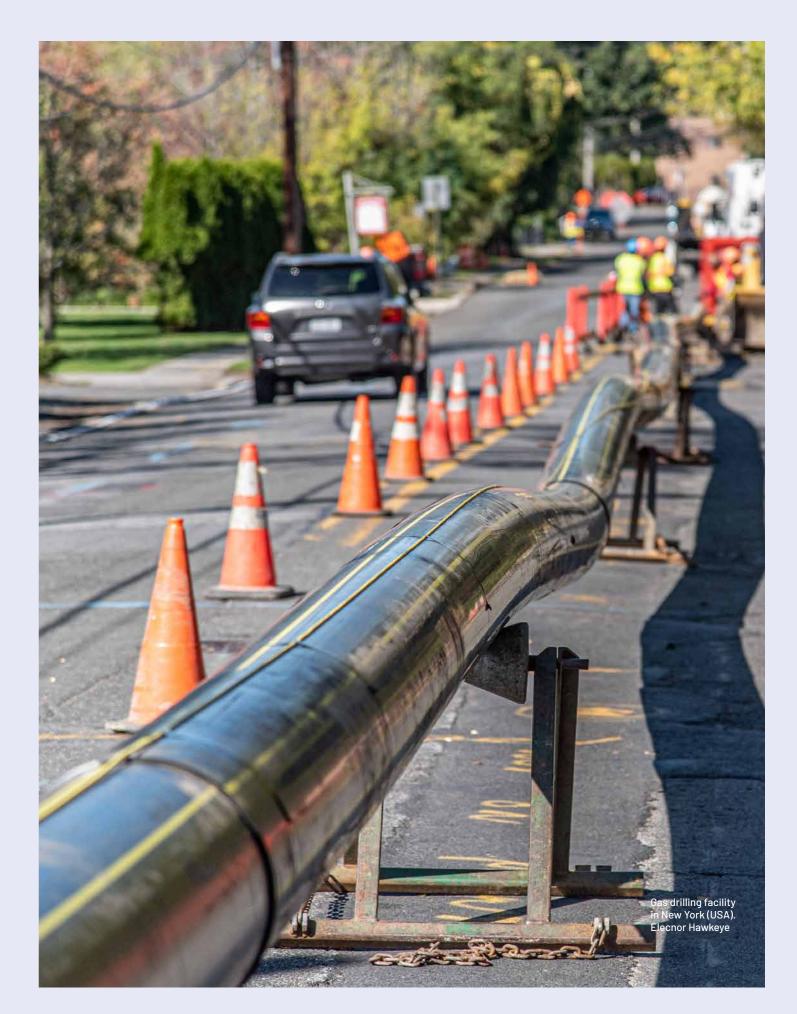
Gas



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.

Activities

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







Environment 2019

The conventional demand for natural gas in Spain, which encompasses consumption in households, businesses, industries and cogeneration, grew in 2019 compared with the previous year. Its value is at its highest since 2004 due to lower temperatures and the growth of the industrial sector.

Consumption has grown in virtually all industrial sectors. Today, the industry accounts for 60% of the total domestic demand for natural gas, a vital energy source for many industrial sectors because of their competitiveness, versatility and high calorific power.

The evolution of domestic-commercial consumption has been positive throughout the year, recording the highest value of the last decade for a specific month. In addition to the colder temperatures, growth was due to the addition of new customers.

The participation of natural gas in the transition energy mix is fundamental to achieving a low-carbon economy, allowing continued introduction of renewables into the energy system and displacing the most polluting fossil fuels quickly and efficiently.

SPAIN

Nedgia

- Continuity of the main network expansion and maintenance activities associated with the construction of new trenches.
- Consolidation of the development of the complete gas service.
- Dismantling of LPG plants.

Enagás

 Implementation of the domestic contract for the maintenance of LE and CT of the basic gas pipeline network.

Madrileña Red de Gas

- Construction of new trenches, connections and execution of new gas receiving facilities.
- Distribution networks and associated elements maintenance service.

Redexis Gas

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

The inclusion of natural gas in the energy mix is fundamental to achieve a low-carbon economy

ELECNOR HAS CONSOLIDATED ITS ACTIVITY IN THE UNITED STATES, WITH GROWTH OF

40%

Gas Extremadura

 Continuity of main network expansion and maintenance activities.

Nortegas

- Network expansion and maintenance associated with the construction of new trenches and the execution of new common and/or individual gas receiving facilities.
- Complete gas service.
- Construction of LPG plants.

UNITED STATES

- Consolidation of activity with 40% growth.
- Renewal of the Long Island managed drilling framework contract.

UNITED KINGDOM

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





MOROCCO

• Elecnor, together with Enagás and Fomento, has participated in the development of a FEED (Front-End Engineering Design) project for the construction and operation of a gas treatment plant in Morocco for Sound Energy, which has been appointed by the Moroccan Ministry of Energy to produce the Tendrara natural gas concession. The project includes, in addition to the treatment of gas from wells, the construction of a 120 km gas pipeline to connect the plant with the Maghreb-Europe gas pipeline.

The entry into a new sector: The upstream

Elecnor has reached a strategic agreement with the international engineering and construction company Vincoler that will see it break into the Ecuadorian oil and gas industry. Elecnor has thus acquired a 30% stake in Wayra Energy S.A, the subsidiary of Vincoler in that country. This agreement marks Elecnor's first foray, either domestically or internationally, into the upstream sector.

The objective of the operation is to jointly carry out projects awarded to Wayra Energy by the Ecuadorian government by means of contracts entered into with the Ecuadorian stateowned company Petroamazonas EP.

The Paka Norte field was awarded to Wayra Energy following the "Campos Minores 2017" tender round organised by Petroamazonas EP in the Republic of Ecuador. The "Oil & Gas 2018" tender round was also held in 2018, with Wayra Energy winning two new mature fields: "Oso" and "Yuralpa".

The target is a 30.7-million barrel increase in the oil yield from the fields awarded to Wayra Energy—a company in which Elecnor holds a stake—within the 10 year term of the service contract, to be achieved by drilling or reactivating 52 producing wells. To this end, USD 332 million (approximately EUR 276 million) will be invested for the reconditioning or start-up of these wells.







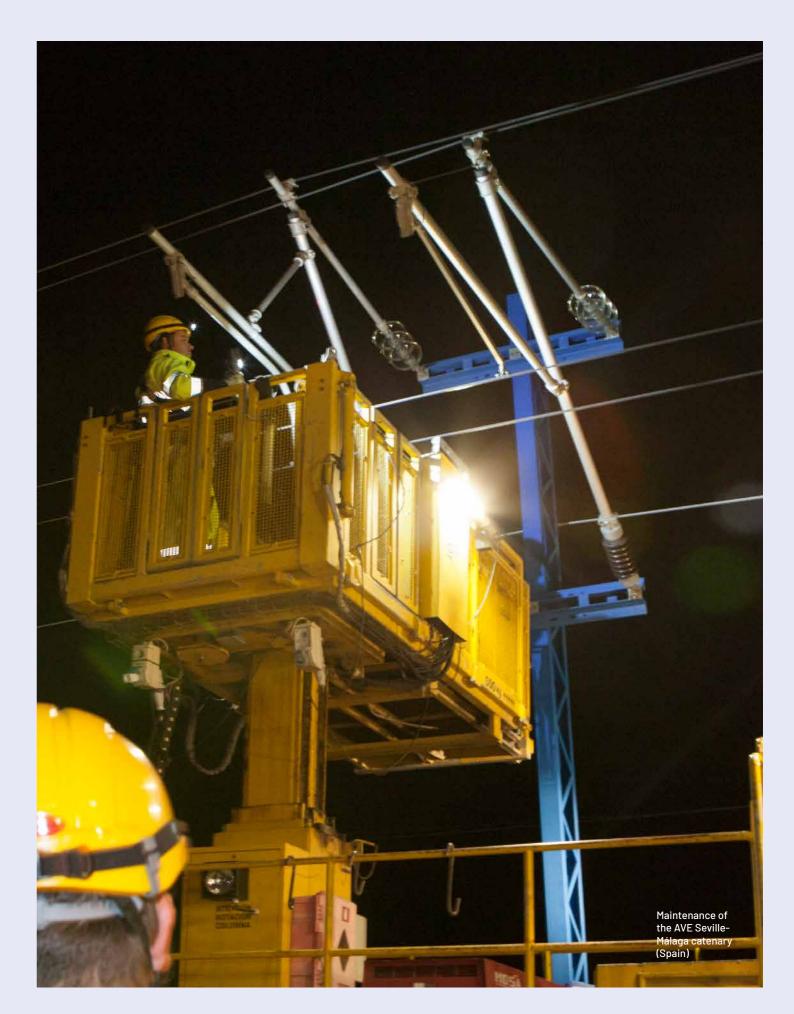
Railways



Elecnor has been in the railway market for over 35 years and is now one of the main players in the sector, actively participating in all relevant projects and contributing to the deployment of modern infrastructure, particularly high speed.

Activities

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







Environment 2019

Elecnor has been present in the main projects in the Spanish market's railway sector since the beginning of its activities in this field, particularly in high speed.

2019 has been marked by the reactivation of tenders seeking improvements and maintenance of existing railway lines. The forthcoming entry of private operators into the conventional and high-speed lines can be expected to present challenges and opportunities to the sector, as it will require strong investment to maintain existing facilities.

In parallel, Elecnor continues internationalisation as an essential pillar of activity, working on opportunities in particularly dynamic markets, such as northern and eastern Europe and others. It also aims to position itself in large, developing projects around the world such as California's high-speed railway, the high-speed railway in the UK and the electrification of the commuter train lines in Toronto, Canada.

SPAIN

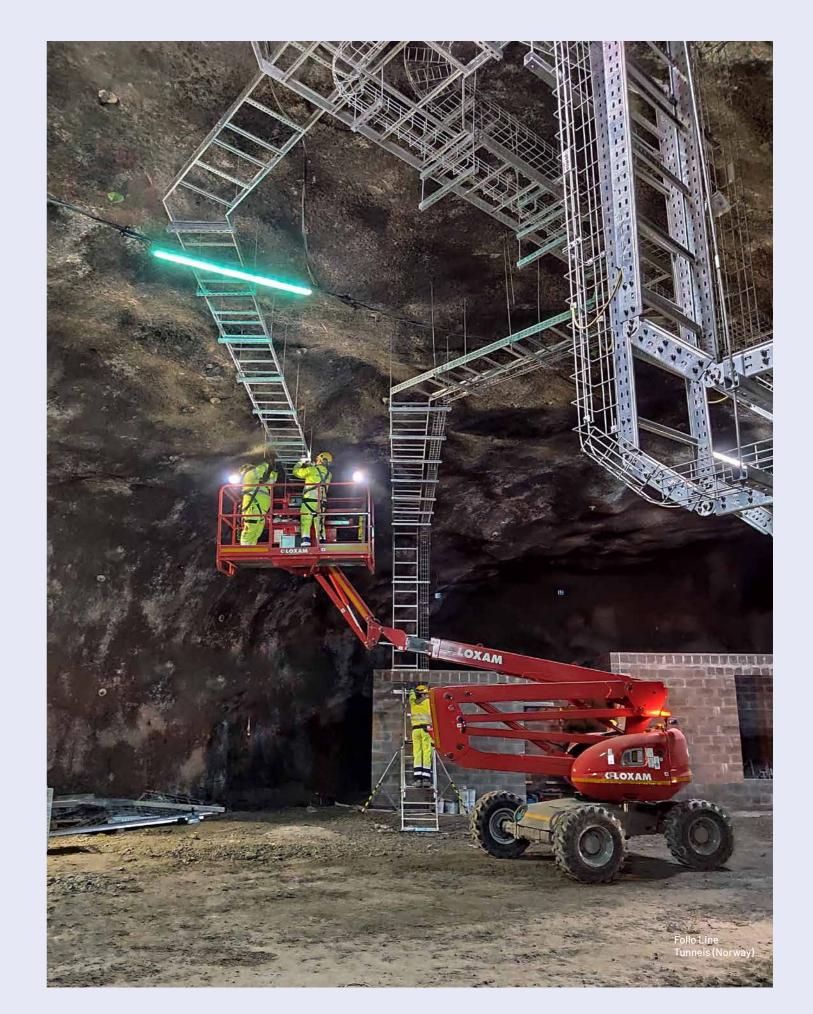
- Development of construction on the AVE Madrid-Galicia line.
- Integral renovation of the electrification of the Recoletos tunnel in Madrid, 7.5 km. The complete renovation of the platform, sleepers, tracks and other facilities has also been carried out.
- Order intake for the integral renovation of the electrification of Metro line 4 in Madrid.

NORWAY

• Equator of the construction of the Follo Line project, for the circulation of trains of the highspeed line that will link the cities of Oslo and Ski.

LITHUANIA

• Consortium award 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.







Vilnius-Klaiped railway electrification (Lithuania)



- EUR 350 million contract in consortium at 50%.
- Electrification of over 730 km of railway lines on the orbital line around Vilnius (34 km) and from Kaišiadorys to Klaipėda (320 km), crossing the country from east to west.
- Construction of eight new traction substations and the modification of two existing ones, the connection of all of these substations to the national electricity 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.
- It will complete the electrification of Corridor IX-B, which will allow electric trains to travel from the Belarusian border to the port of Klaipeda.
- 4 year execution.



730 km





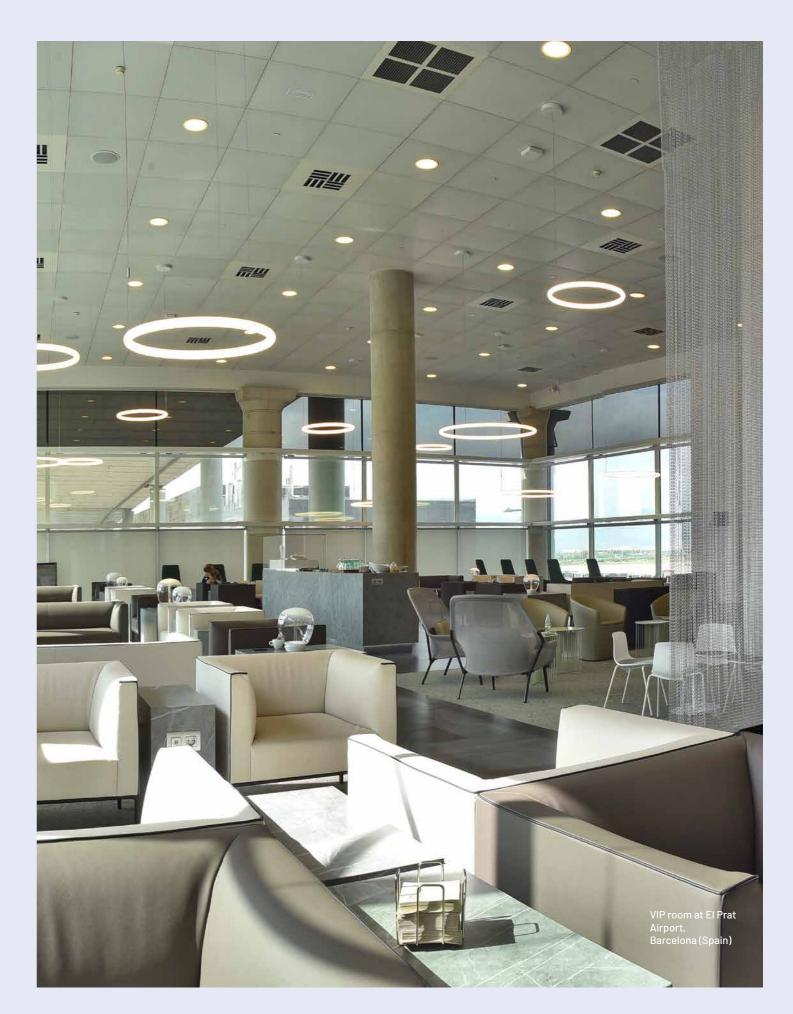
Installations



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.

Activities

- Electricity
- Climate control
- Fire protection
- Ventilation
- Energy efficiency
- Automation and control
- Management systems
- Security
- Public address and sound
- Telecommunications
- Plumbing and sanitation







Environment 2019

The situation in the construction sector has a direct influence on Facilities' activities. In this regard, it is worth noting that it has been one of the productive sectors where the indications of exhaustion have taken longer to appear, which is normal in a market with great inertia and that also joined the recovery later. As is often the case in times of change, the signs that difficulties lie ahead (employment figure, confidence index) coexist with others that are key to continuation (cement consumption, wholesale real estate investment).

Non-residential construction shows signs of a different indicator: new-surface developers show a seemingly higher level of caution to property investors, among whom the euphoria of previous years has not yet been dispelled despite the drop in returns.

Airport sector

- Provision of the main maintenance services for the high-voltage and lowvoltage energy production and distribution network within the Adolfo Suárez Madrid Barajas airport.
- Construction of the facilities for a new data centre of the central services in terminal T4 of the Adolfo Suárez Madrid Barajas airport.
- Facilities maintenance, improvement and adaptation service at El Prat-Barcelona Airport.
- Refurbishment and construction in the car park at Asturias Airport.
- Supply and installation of mega towers for platform lighting at Tenerife North Airport.

Rehabilitation

- Rehabilitation of thermal installations and hydraulic connections for a building of the Ministry of Foreign Affairs, European Union and Cooperation in Madrid.
- Refurbishment of Endesa's headquarters in Campo de las Nations (Madrid) with a GLA of 54,960 m².
- Refurbishment of the speech therapy and external

consultations unit at San Juan de Dios hospital in Madrid.

Non-residential

- Construction of the new thermomechanical facilities for Iberdrola Inmobiliaria.
- Torre Village shopping centre in Zaragoza, owned by Kiros Ibérica.

Industry and logistical warehouses

• Expansion of the Thales warehouse in Tres Cantos. This is a unique facility in Spain of over 20 metres in height and with an additional 600 m ² surface area for testing large space systems.

Electrical and mechanical installations

• Construction and execution of low- and medium-voltage installations, fire detection and alarm and public address, air conditioning, ventilation, management and control system, fire suppression, plumbing and sanitation of the new office buildings called Torre 1 and Torre 2 in the Porta Firal complex of Barcelona, for Iberdrola.

The progress of the Systems activity

2019 has proved highly significant for the Systems activity, which has grown strongly, mainly in critical infrastructure sector and industry. Elecnor's strategic approach is to be a technological partner that fosters long-term relationships with its customers by always focusing on quality and technological innovation.

The main areas on which this activity is based are:

- Automation of processes in both conventional and industry 4.0 where big data, simulation, cloud computing, Internet of things and augmented reality are becoming increasingly important.
- Automation of critical infrastructure and plants.
- Integration of security systems, through the subsidiary Elecnor Seguridad.
- Information and operation-assistance systems.

Transport sector

- Prominent role in Aena's national framework agreements with the public information system, shared use and integrated access control system.
- Benchmark integrator in the automation and control of energy and airport terminals in the Aena airport network of Madrid, Barcelona, Palma de Mallorca, Menorca, Bilbao and Girona.
- Single-Agent project with Renfe at domestic level and framework agreement for the adaptation of the stations of the commuter train hubs of the Basque Country, Asturias, Catalonia, Madrid and Andalusia.
- Maintenance contract for video surveillance systems with Transports Metropolitans Barcelona.

 Modernisation of CCTV infrastructure in Metro Bilbao, which has migrated to digital cameras and infra-red cameras have been installed to improve security and intrusion of power facilities.

Infrastructure sector

- Implementation of Smart city multi-service platform on the Clime Project for the remote management of public lighting and energy efficiency of municipal buildings throughout the network of municipalities in the autonomous community of Castilla-La Mancha.
- Some of the most important clients in this sector are the Isabel II Canal, Aguas de Barcelona, the Bilbao Bizkaia Water Consortium, Fira de Barcelona and the Port of Barcelona Logistics Zone.

Control centres

 Awarding of very significant contracts with Adif, Renfe, Viesgo, Aguas de Barcelona and the Zarautz City Council.

Banking sector

• Order intake for the 2019-2024 period for the maintenance of the Bank of Spain's security installations and systems.

Industrial sector

• Services for Acerinox, Petronor, Luzibrol and Befesa, among others.





Smart cities. The future is here.

Cities are advancing and growing, generating a large volume of information that needs to be processed to meet present and future challenges.

The use of information and communication technologies with solutions and services that promote innovation and achieve more efficient and sustainable cities, increase people's quality of life and the effectiveness of available resources.

Efficient management is one of the aspects on which the Elecnor Group has focused its high capacity for innovation to contribute to making cities and companies more efficient, promoting savings and reducing consumption.

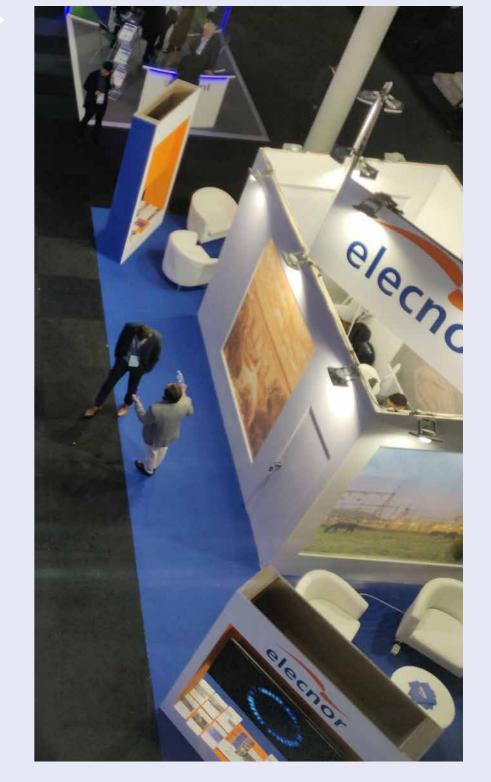
The Elecnor Group is a globalminded local partner in smart cities, smart territories or industry 4.0. The Group is a benchmark in technology and innovation and

has the capabilities and resources

to deliver excellence in all areas driving intelligent development. Comprehensive management of public lighting and railway information, smart lighting/ energy/fieldwork/gardens/water or new passenger information systems are some of the solutions the Group can provide to achieve the highest efficiency and effectiveness in resource management.



INSTALLATIONS ACTIVITY HAS GROWN BY **IN SALES** IN 2019







Maintenance



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, reforms, refurbishments, self-consumption, industrial cooling and installations. It is a comprehensive service with flexible, global coverage.

Activities

- Legal/technical
- Conductive
- Corrective
- Predictive
- 24 hour service
- Reforms and refurbishments
- Self-consumption

- Energy efficiency
- Industrial Cooling
- Air conditioning, heating
- Plumbing
- Electricity and lighting
- Fire protection and detection







Environment 2019

The maintenance market showed moderate growth in line with previous years, in a favourable economic context that sustains the increase in demand.

The Elecnor Group has increased its turnover in the Maintenance activity by 4% with respect to 2018.

A slight increase in the sector's profitability for 2020 is expected in a sales growth framework. The activity in the area of maintenance of energy facilities will continue to be driven by the construction of new renewable energy facilities. On the other hand, services linked to energy efficiency will continue to show great dynamism, assisted by the new regulations adopted and the expansion of government programmes to help finance projects.

Automotive and auxiliary sector

 Work is being carried out with the main automotive and auxiliary brands in Spain and Portugal, such as Nissan-Renault, Volkswagen Group, PSA, Iveco, Ford, Gestamp, Bosch, Fenice and Kamax Teka.

Pharmaceutical and healthcare sector

• Service is provided to groups such as Chiron (technical-legal and legionella maintenance of all its hospital centres), Clínica de Navarra, Bayer, Rovi, Disalfarm, Teva Pharma, Fies Farma and Cofares.

Food sector

 Siro, Damm, Griffith Foods, COBEGA, Campofrío, Crown Food and Quesos García Baquero are some of the main clients in this area.

Logistics sector

 Services for Amazon, Kuehne & Nagel, FM Logistic, among others.

Renewable sector and self-consumption

• Operation and maintenance of PV, wind power and solar thermal plants for Solarpark, Vicasol, Expertise, Photon, Aries Termosolar, Power Support, Dioxipe, General Electric, Galicia Vento, Enerfín, Alstom, Iberdrola and Vestas.

Generation plants

 Maintenance and operation of generation plants. Hunosa, Iberdrola combined cycle, Almaraz Nuclear Power Plant, Biomasa de Huerta el Rey and Biomasas de Sergas.

Chemical and petrochemical sector

 Maintenance, construction and installation at Repsol, Cepsa, Air Liquid, Kao Chemical, BP, CLH, Galp, Petronor, Enagas, Gas Natural, Valcarce, Iqoxe and Spontex.

Industrial sector

 Maintenance in the main Spanish industrial plants: SAICA, ArcelorMittal, Saint Gobain, Porcelanosa, Celsa, BA Glass, Cemex, International Paper, MAXAM, Sidenor, Ence, Navantia, Airbus and Acerinox.

Telecommunications sector

- Multi-service contract in Telefonica buildings and property work, which is carried out at the request of that operator throughout the domestic territory.
- Services to Orange, Másmóvil, Vodafone, Ericsson and Nokia.
- Maintenance and operation of DPC.

Airport and port sector

 Maintenance, operation and construction at the main Spanish airports and ports, Aena, State ports, MSC, APM Terminals, Iberia and GKN.

Banking and insurance

 BBVA, Santander, Liberbank, La Caixa, Kutxabank, Sabadell, Caja Mar, Unicaja, Abanja and Bankia are prominent clients.

Hotel and real estate sector

- Maintenance of 26,000 assets of Sareb. Also working for Servihabitat, Haya, Altamira, Blackstone and Divariam.
- NH, Meliá, Hotusa, Barceló, Metrovacesa, Unibail Rodamco, Iberdrola Inmobiliaria, Pontegadea, JLL, CBRE, Vocento and Colonial.

Local shops and hypermarkets sector

 The multipoint type stands out: C&A, Day, Consum, Makro, Mercadona, Gadisa, Aldi and Lidl.

Urban mobility

- Málaga Metro, EMT, TMB, Madrid Metro and Bilbao Metro.
- Replacement of 2,000 parking meters in Barcelona.

Industrial sector

Maintenance activity has grown strongly in 2019 in the industrial sector, driven by the provision of a comprehensive, global and flexible service.

Here are some of the most relevant projects awarded in the year:

Teva Pharmaceutical

Integral maintenance, refurbishments and adaptations of three plants in Zaragoza and offices in Madrid, the factory, the logistics centre and the warehouse of this international pharmaceutical company.

Maintenance of thermal installations, medium-voltage electricity and fire prevention, among other services, are carried out.

Kao Chemicals

Kao Chemicals is one of the largest manufacturers of personal care products, detergents, renowned cosmetics and their respective basic chemical components.

Elecnor is responsible for the integral maintenance of the Olesa de Montserrat plant in Barcelona. Electrical services are provided, as well as on rotating, stationary and instrumentation equipment.





Construction



Elecnor develops its construction, residential and non-residential construction projects, with a management and complete cycle approach, both in civil engineering and in building and refurbishment. With a growing presence in the foreign market, the Group also maintains a solid projection in Spain, with multiple projects in sectors such as the hospitality, logistics, hospital and tertiary.

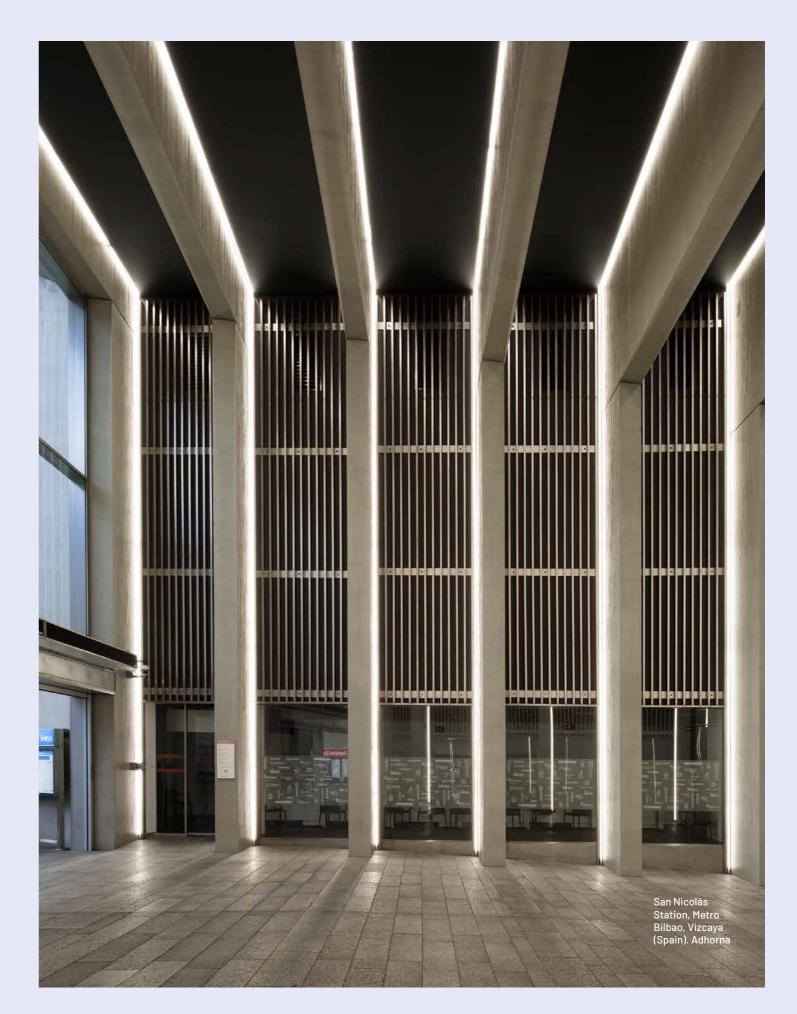
Activities

Services

- Building
- Civil engineering
- Refurbishment
- Hydraulic
- Industrial

Solutions

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







Environment 2019

In Spain, construction has been one of the production sectors where signs of burnout have taken longer to appear. The forecast envisages growth in excess of GDP, particularly in 2020 (3.1%) and 2021 (2.0%).

Non-residential construction emits signs of a different sign: new-surface developers show a seemingly higher level of caution to property investors, among whom the euphoria of previous years has not yet been dispelled despite the drop in returns. There is a sufficient combination of liquidity and portfolio of projects to dispel any growth fears in 2020.

Civil engineering continues to suffer from a lack of investment with the delay in the approval of State budgets. For 2020, administrative standardisation is expected, but it will probably not be a big boost to the national economy. The forecast (2.5% for 2020 and 5.4% for 2021) places civil engineering as the most expansive subsector in the medium term.

SPAIN

- Preliminary work on the future new stadium of FC Barcelona (the Nou Camp Nou).
- Refurbishment work and adaptation of an industrial building for new offices of Criteo, in Barcelona.
- Construction of the 1st phase of the Torre Village Commercial and Leisure Centre in Zaragoza in the old grounds of the former Pikolin factory.
- Development of the project and construction of the new office building of Renta Corporación in Barcelona.
- Finishes and adaptation to the ITT of the Glorias tunnel in Barcelona.

PANAMA

- Completion of the construction of the new Dr Roberto Ramírez de Diego polyclinic, in Chitre, Herrera Province.
- Continuation of the Hospital de David project, with capacity for 600 beds.
- Progress in the new areas of external consultation, A&E and parking facilities at Chepo Regional Hospital.

GROWTH IN THE CONSTRUCTION SECTOR IN SPAIN IS FORECAST TO BE HIGHER THAN GDP IN 2020 AND 2021







Environment and Water



The Environment and Water activity is developed by Elecnor itself and the subsidiaries Audeca and Hidroambiente. Their main market is Spain, although they have a remarkable presence abroad, where they participate in a growing number of projects.

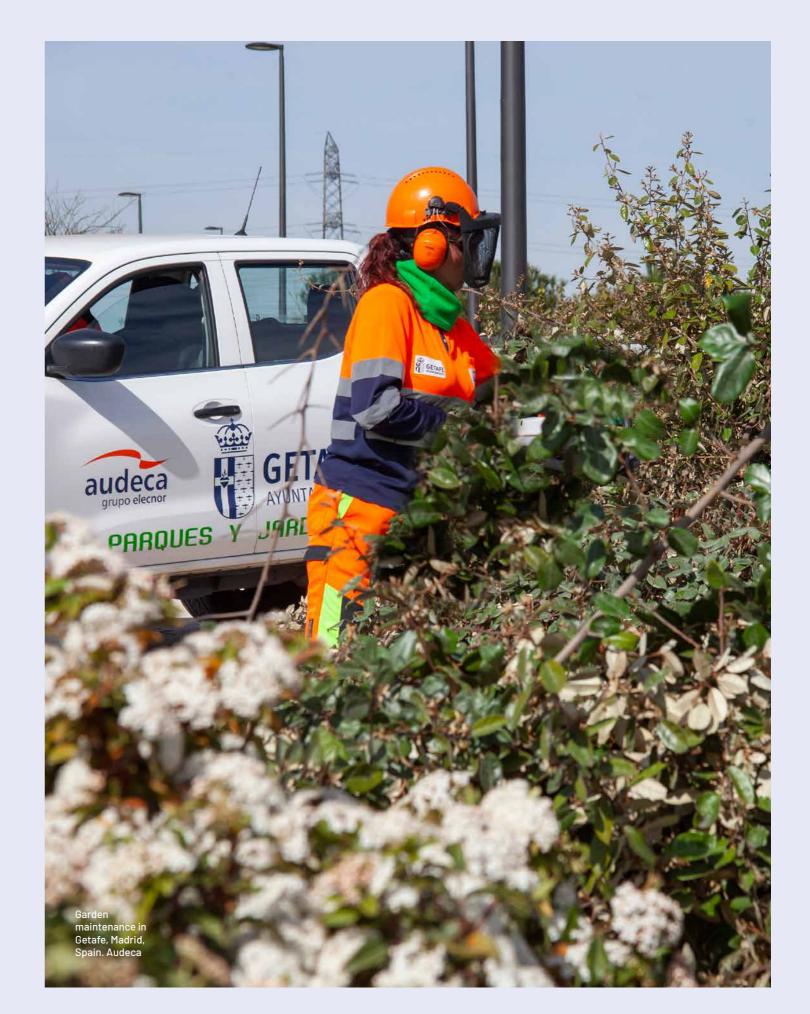
Activities

Water

- Construction and operation of water treatment plants: DWTPs, WWTPs and desalination plants.
- Transport and distribution networks.
- Energy: plants for refrigeration systems and specialised services in the nuclear power, coal, combined cycles and solar thermal segments.
- Industry: plants to treat spills, redesign of discharge processes, elimination of odours or tertiary treatments for water reuse.
- Hydrological planning.

Environment

- Environmental services: waste collection, road cleaning and maintenance of green areas, among others.
- Forestry: fire prevention and extinction, plantations, execution of tracks and paths, etc.
- Channelling, cleaning and restoration of rivers and streams.
- Construction, operation and closure of landfills.
- Construction, treatment and operation of waste plants: classification, RCD, gasification and leachates.







Environment 2019

In 2019, as a result of the political situation, with two general election processes plus the autonomous community and municipal elections, in view of the absence of new budgets with investment capacity, some of the usual bodies of the Central Government and Autonomous Communities, have significantly, even totally, reduced public tenders in environmental matters.

Within the Environment, Water and Waste, the operation and maintenance activity has continued with the usual investment guidelines of the public administrations. The activity of construction of treatment plants has increased its investment slightly from the national agencies but particularly from some autonomous community bodies, such as Canal de Isabel II, the Aragon Institute of Water and the Junta of Andalusia, among others. The application of EU sanctions to Spain for failure to comply with European Directive 91/271 has led to prioritising wastewater treatment infrastructure ahead of other hydraulic infrastructure.

SPAIN

- Remodelling of the Seville la Nueva WWTP for Canal de Isabel II.
- Waste treatment at the Ayora biowaste treatment plant for the Waste Management Consortium in Valencia zone 2.
- Purification of the Húmera WWTP, in Madrid.
- Supply service for Campana de Oropesa and Gévalo, in Toledo.
- Maintenance service, conservation of green areas and embellishment of various neighbourhoods in the city of Getafe, in Madrid.
- Water plants for the Cepsa and Acerinox refineries in Algeciras and Megasider in Zaragoza.
- Modification of the effluent treatment plant at the Repsol refinery in Tarragona.
- Reverse osmosis plant in the Fertiberia factory in Sagunto.

ANGOLA

- Successful completion of the Lubango project, with a range of 160 km of main network and 20,000 residential ligations.
- Start of the 140 km main network
 Dundo water project and of the
 160 km Uige project.

HONDURAS

 Completion of the Comayagua water treatment plant, built with Spanish cooperation funds (AECID).

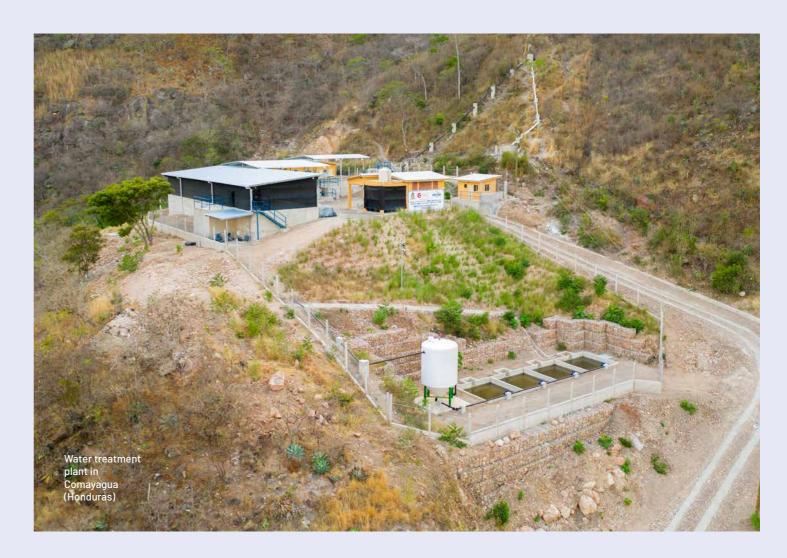
OMAN

 Award of the project to build a water transport network of 144 km, one of the major developments for the efficient transmission and supply of water in the country.

PORTUGAL

 Development of water plants for the Viseu and Fundão biomass plants.

Elecnor has over 25 years of experience in providing a comprehensive environmental conservation and water management service







Drinking water network in Al Batinah (Oman)



- EUR 192 million contract.
- Reinforcement of the current water transportation and distribution network from desalination plants located in Barka and Sohar (north of the country) to the drinking water network.
- Five pumping stations, some equipped only for a first phase (2030) and others equipped for the final phase (2040), as well as the completion of five new tanks, with varying capacities between 5,000 and 50,000 m³. In all cases, the civil engineering is planned for the final phase.
- 36 month execution.



144 km of pipes





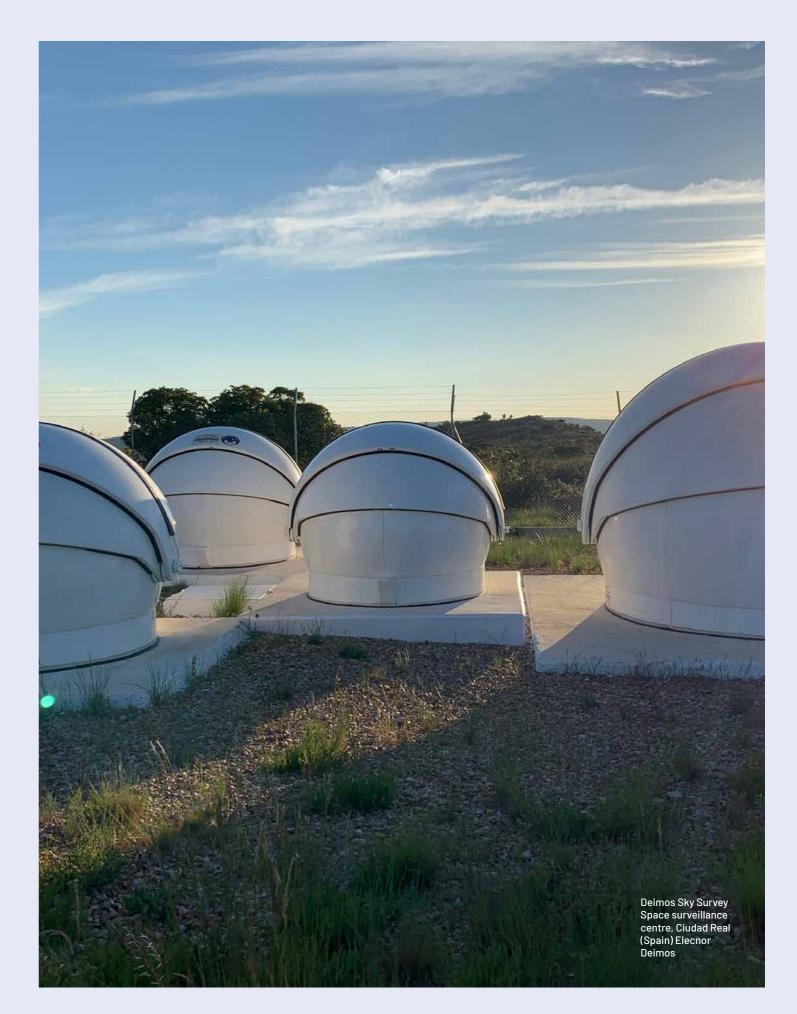
Space



Elecnor's technology area,
Elecnor 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, the United Kingdom,
Portugal, Romania and Italy.

Activities

- Space
- Aeronautical and maritime
- Information and communications systems and technology







Environment 2019

For most of 2019, the Spanish space sector has followed the trend of previous years, increasing public investments that had fallen to all-time lows during the crisis.

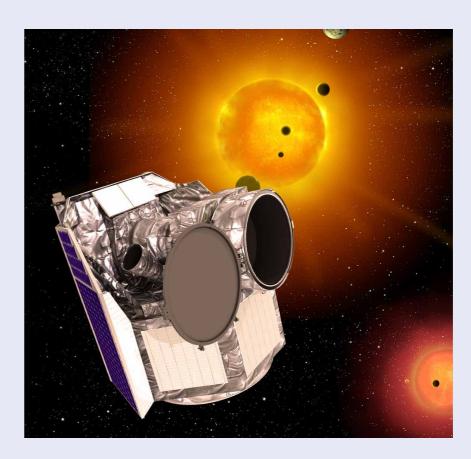
In November 2019, the Ministerial Council of the European Space Agency met, closing with the greatest investment in that Agency in history and an increase of almost 600 million Spain's contribution compared with the previous commitment. This government effort ensures the growth of the sector in the coming years and the presence of Spanish companies in most major programmes and projects.

In addition, the European Union continues to consolidate itself as an important player by funding major space programmes such as Galileo, Copernicus, Horizon 2020 and the SST programme. It is also expected that the new Horizon Europe programme, which will take over from Horizon 2020, will be published by the end of next year with special emphasis on Earth observation and climate change missions.

In this context, Elecnor
Deimos has consolidated its
participation in all strategic lines
of the European Space Agency;
it has signed its first commercial
contracts with American
companies; and it has concluded
agreements with intermediaries
for marketing in areas linked to
satellite Earth observation and
satellite navigation applications,
such as precision satellite farming
and automotive navigation
systems.

Space

- Award of the ground segment contract for a very high-resolution Earth observation satellite, developed by European company OHB-Italy. For the first time, Elecnor Deimos is taking charge of a complete land segment based on the development carried out for Deimos-2.
- Renewal of the agreement to provide direct services to EUMETSAT, the European meteorological satellite operator, for another year.
- Elecnor Deimos is part of the core team on the ESA's Mars Sample Return mission.
- Development of the various subsystems in all ESA Earth observation satellites (Sentinel 1, Sentinel 2, Sentinel 3, SMOS, OENJOY, Aeolus, Flex,...), EUMETSAT (Meteosat) and Spain (Ingenio and Paz).
- Development of two of the most important components of the scientific centre for the launch of the Cheops satellite.



Artistic impression of

Cheops, the satellite for the characterisation of

exoplanets, with a system

of exoplanets at the bottom.

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ELECNOR
DEIMOS HAS
CONSOLIDATED
ITS INVOLVEMENT
IN ALL STRATEGIC
LINES OF THE
EUROPEAN SPACE
AGENCY

Aeronautical and maritime

- Continuation with the exclusive representation in Spain of the company SELEX, which supplies air navigation equipment.
- First installation for ASECNA, the body that manages air traffic in French-speaking Africa.
- Development of the project for the maintenance of the Spanish coastal surveillance system SIVE, with the Civil Guard.

Information and communications technology

- New technology contracts for the railway sector, mainly for Adif and Renfe.
- Active participation in the Elecnor Group's strategy in smart cities.
- Consolidation of activities for Aena, Securitas Direct, Correos or Santillana.







Concessions

ENERGY INFRASTRUCTURES

Electricity

Gas

POWER GENERATION

Wind power

Solar PV

Solar thermal

ENVIRONMENT



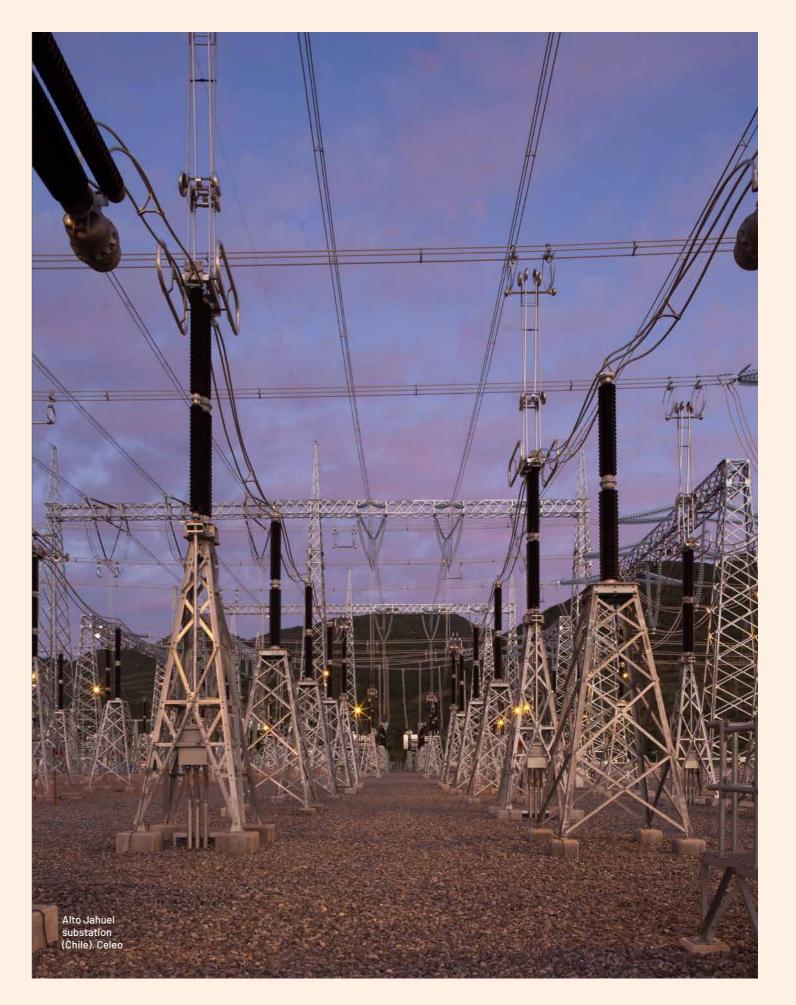


ENERGY INFRASTRUCTURE

Electricity



Elecnor, through its partner company
Celeo Concesiones e Inversiones, is one
of the major players in the development,
on a concessionary basis, of the power
transmission systems in Brazil and Chile. In
the first of these countries, it closed 2019 with
a total of 4,134 km of transmission lines in
operation through 13 concession companies.
Additionally, there are two concessions under
construction totalling 606 km in lines. On the
other hand, in Chile, it currently operates
and maintains 506 km of transmission lines,
which, with the last two awards already under
construction, amount to five projects owned
in the Andean country.







Environment 2019

In 2019, Elecnor expanded the strategy that it had already employed in Celeo Redes with the Dutch group APG, manager of the second largest pension fund in the world, for the development of and joint investment in power transmission and renewable energy projects, not including wind power projects. Through this agreement, APG acquires a 49% stake in Celeo Concesiones e Inversiones, a company which until now was 100% owned by the Elecnor Group. In this way, Celeo Concesiones e Inversiones is jointly managed by Elecnor and APG.

As for the Chilean market, the energy sector has led investments in recent years, even though investment in the generation sector is expected to slow down starting in 2020 due to a slower pace in demand growth and the social situation in the country.

In Brazil, investment forecasts have been maintained for the next few years in the expansion of the Brazilian power transmission network, which has attracted the interest of the largest global players in the sector.

BRAZIL

- Construction of the 240 kmm, 230 kV Oriximiná – Paritins double-circuit transmission line and three substations with a total power transformation capacity of 900 MVA. Elecnor is the company in charge of executing the project under the Engineering, Procurement and Construction (EPC) arrangement.
- Through the Brazilian partner company Celeo Redes Transmissão de Energia, an issuance of project bonds worth BRL 565 million has been agreed upon for its transmission lines in Brazil.

CHILE

- Commissioning of the Illapa Cumbre transmission line in the municipality of Diego de Almagro, in the Atacama region. The project started operations almost a year before the deadlines agreed upon with the authorities. It consists of a 220 kV double-circuit transmission line extending over 52 km in length, with a transmission capacity of 600 MVA per circuit and two substations, Illapa and Cumbre.
- Publication of the decree awarding the Mataquito Transmisora de Energía y Casablanca Transmisora de Energía projects, where

In 2019, Elecnor expanded its strategy with Dutch group APG for the development and joint investment in renewable energy and energy transmission projects, not including wind power projects

the Rights of Operation and Execution of the New Zonal Works are established.

• Issuance of bonds for the financing of transmission line projects in Chile, amounting to USD 365 million. Specifically, they will be used for the Diego Almagro, Casablanca and Mataquito projects. These bonds have been negotiated under private placement and New York law. They will be fully paid off over the next 30 years.







Oriximiná-Paritins Line (Brazil)



- EUR 254 million contract.
- 240 km, 230 kV double-circuit transmission line and three substations totalling 900 MVA.
- Elecnor will be responsible for executing the project under the EPC arrangement.
- The facilities, located in the states of Pará and Amazonas, have the constructive challenge of crossing 3.8 km of the Amazon River and 4.5 km of the Parintins canals.
- Execution in 60 months.



240 km



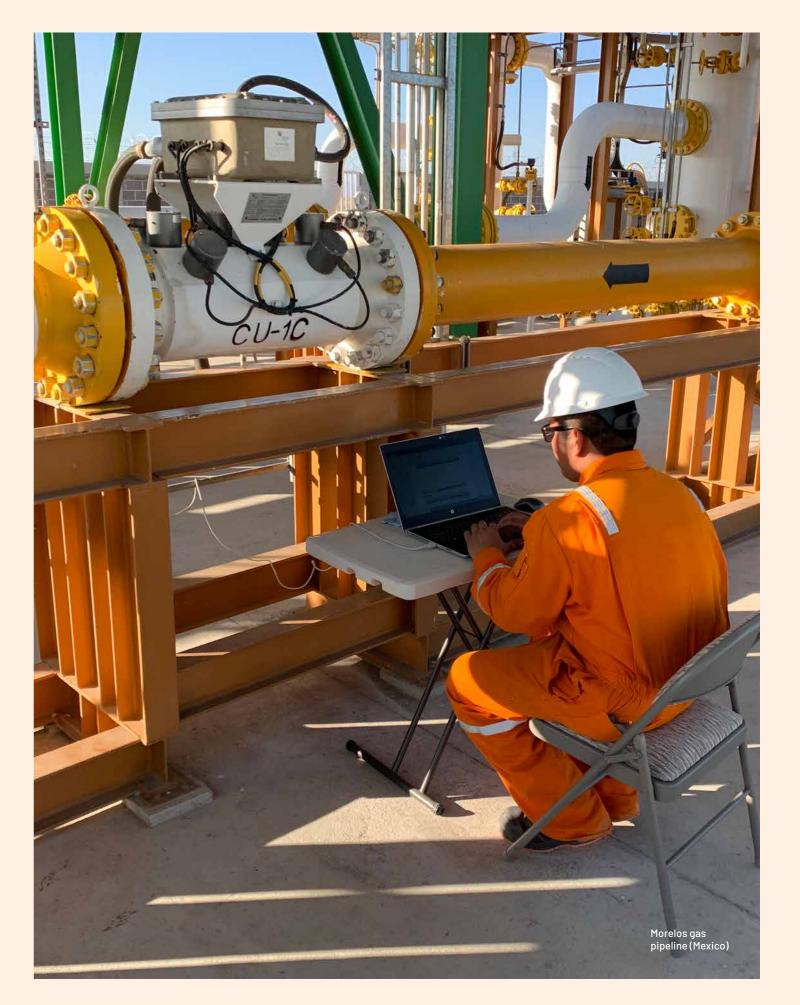


ENERGY INFRASTRUCTURE

Gas



Elecnor completed the commissioning of its first gas pipeline in Mexico, the ownership of which it shares with Enagás through the company Gasoducto de Morelos (GdM). It is an infrastructure that provides natural gas transport services to the Comisión Federal de Electricidad (Federal Electricity Commission - CFE) for an initial period of 25 years, as well as to other natural gas consumers.







Environment 2019

In the first year of President
Andrés Manuel López Obrador's
government, activity in the energy
sector has slowed down greatly.
The new policies established will
give priority to strengthening the
State's productive enterprises,
to the domestic refining and
petrochemical system, regulatory
certainty and the training of
human capital, mainly.

Mexico is one of the world's leading gas producers. However, in recent years, the country's position has weakened due to the decline in domestic gas production and increased imports.

Even so, this hydrocarbon continues to gain importance within the energy mix and shows great growth potential in both the industrial and vehicle sectors. However, this growth will depend largely on the existence of a favourable regulatory framework, therefore the role of the public sector will be fundamental to the development of the transport and distribution infrastructure needed to have a significant impact on the Mexican economy.

Morelos gas pipeline, Mexico

- The service provision contract was tendered by CFE and awarded to Elecnor in 2011.
- Following the signing of the service provision contract, Elecnor incorporated Enagás as a project partner.
- The project included the design, financing, construction, commissioning and operation of the pipeline, which, at over 170 km long, runs through the states of Tlaxcala, Puebla and Morelos.
- In Morelos, gas supplies the CFE's Central Combined Cycle Plant, which has an installed power of 640 MW.
- In October 2016, a natural gas transport contract was signed with the local company Gas Natural del Noroeste (GNN).
- For the proper operation of the gas pipeline, GdM signed commercial and technical consultancy contracts with Enagás and pipeline operation and maintenance contracts with Elecnor, S.A. de C.V.
- Currently, the operation and maintenance of the gas pipeline (Morelos 0&M) is ongoing.

The Morelos gas pipeline stretches 170 km, feeding the 640 MW CFE Central Combined Cycle Plant



More than

30 years

OF EXPERIENCE IN GAS TRANSPORT AND DISTRIBUTION





POWER GENERATION

Wind power



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), it also acts as an end-to-end project manager through its subsidiary Enerfín, involving itself in all phases of a wind power project, from its development and construction to its operation.







Environment 2019

In 2019, Enerfín has continued to develop its activity as an end-to-end manager of wind power projects (promotion, construction supervision, operation and energy management), having consolidated a portfolio of more than 4,000 MW, of which 1,220 MW are already in operation or under construction, with the rest in different stages of development.

It is also important to highlight the momentum of its energy management activity this financial year: it has contracted private PPAs both in direct bilateral negotiations, in Spain and Colombia, and through invitations to tender issued outside the regulated environment (Brazil). This has been made possible by

the increasing knowledge of the electrical markets in which Enerfin is present. For this reason, it has also decided to undertake its very first fully outsourced project in Brazil.

The need for governments to meet their renewable energy objectives and the growing commitment of companies to meet their demand with clean energy is a very favourable scenario for the growth of this type of energy, including wind power. Likewise, Elecnor's already established presence in many regions has led Enerfín to start its activity as a project developer in new geographies.

SPAIN

- Awarding of and start of construction on the Cofrentes wind farm, located in Valencia.
- Commissioning of an R&D energy storage project in the Montes de Cierzo I wind farm in Navarra. The project consists of a new control system that allows for the management of the energy generated by a set of wind turbines and a battery, depending on the application being sought at each moment. To do this, a 280 kW/1.1 MWh Tesla Lithium Ion battery has been connected to one of the wind turbines in the farm. This is the first non-experimental wind farm in Spain that has an integrated battery with a real-time energy management optimisation system.
- Progress in the administrative processing of the 120 MW connection available in the expansion of the La Serna SET in Navarra, owned by the company Gelaserna, in which Enerfin has a share along with other developers in the area, and that is being built by Elecnor.
- Access and connection for an additional 160 MW in the communities of Castilla and León, Andalusia, Navarre and Galicia that are in different stages of development.

Enerfín is an endto-end manager of wind power projects, covering all phases, from promotion, construction and operation, to energy management

• Outstanding actions to ensure and optimise revenue in its farms in operation (445 MW).

Among them, the signing of hedge agreements for part of the energy generated in 2020.

AMERICA

CANADA

- Enerfín activity continues in the provinces of Saskatchewan and Alberta.
- Management of the 100 MW L'Erable project, located in Quebec and in operation since 2014, continues.

BRAZIL

- Start of construction on the first wind farms of the São Fernando wind power complex in Rio Grande do Norte, São Fernando 1 and 2 (150 MW), contracted in 2018.
- Awarding of São Fernando 3
 (23 MW), the first outsourced project Enerfín has decided to undertake in Brazil, and São Fernando 4 (83.2 MW), for which it has concluded a new PPA in the free market.
- Increase in the project portfolio with the start of development of 200 new MW, also in Rio Grande do Norte, and maintenance of the portfolio of more than 1,000 MW in Rio Grande do Sul.





• Issuance of non-recourse bonds on the Brazilian stock exchange for an amount of EUR 73 million for the Ventos do Sul wind farms (150 MW) located in the Brazilian state of Rio Grande do Sul.

COLOMBIA

- Signing of the first PPA for the first of the wind farms planned to be undertaken in Colombia. This wind farm, named El Ahumado, will have 50 MW of installed capacity and is one of the first wind farms in the country that already has local and trunk connections.
- Boost of the project portfolio, promoting more than 400 MW in Alta Guajira.

MEXICO

 Continuation of the promotional activity in the State of Yucatan, where the 600 MW Panabá-Sucilá wind power complex is being developed, for which indigenous consultations have already been completed for the entirety of the complex and agreements have been signed with the five affected communities. Additionally, rights of way have been released for the 83 km, 400 kV transmission line from Panabá-Sucilá complex to the Dzitnup substation, with the aim of completing the administrative and technical processing of the farm in 2020 and starting its construction in early 2021.

CHILE

 Progress has been made in the development of the project in the Los Lagos region and its installed capacity has been expanded to 200 MW.

ARGENTINA

 Continued development of the Salamanca complex, with about 300 MW in the Chubut region; environmental licence obtained for the first 100 MW phase.

CUBA

• Signing of a service contract with the Rhylium Company for the development of the 175 MW Maisí wind farm, with a PPA signed with UNE.

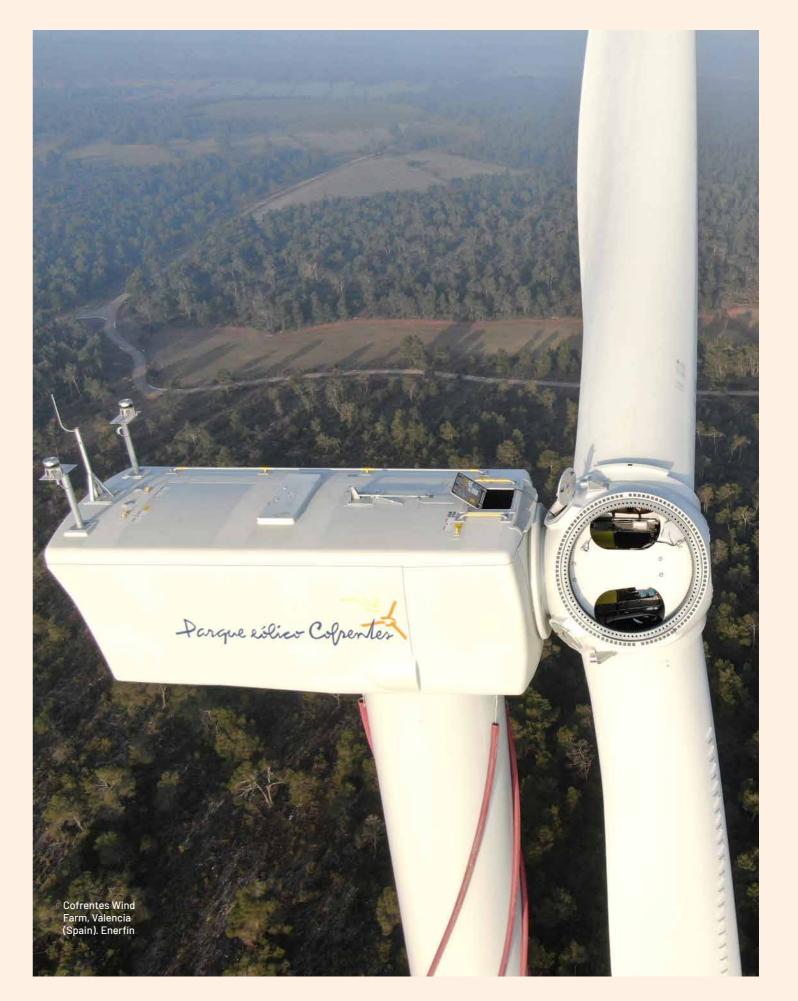
AUSTRALIA

- Renegotiation of the start-up deadline of the Woolstorpe wind farm, postponing it to 2021. In addition, during the course of the financial year, all permits (excluding the connection permit) required to begin construction of the project were obtained.
- Start of the development of new projects in the state of New South West.

Enerfín is involved in

1,226 MW WIND FARMS IN

WIND FARMS IN OPERATION AND UNDER CONSTRUCTION



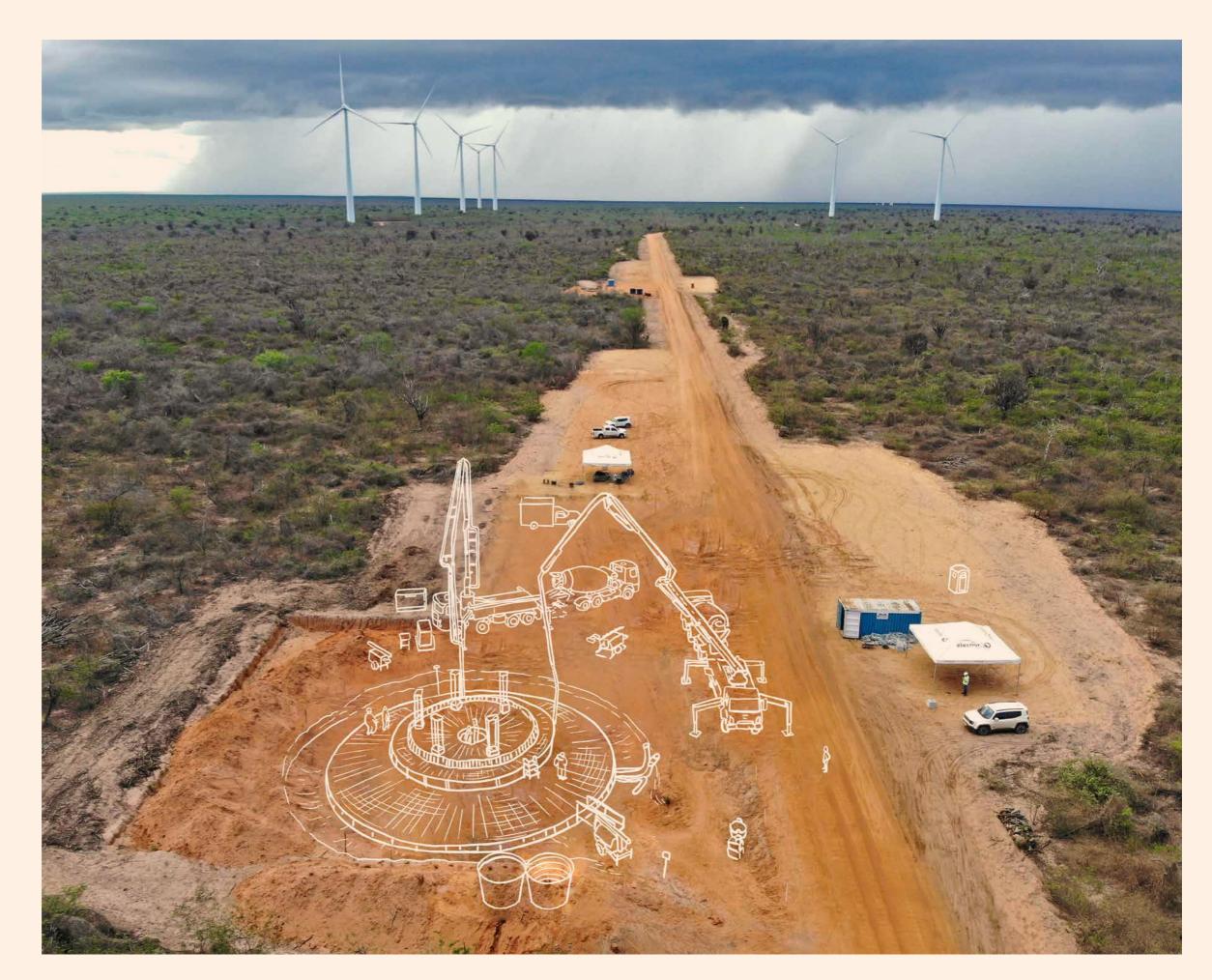




Expansion of the São Fernando wind power complex (Brazil)



- 256 MW wind power complex.
- The São Fernando 3 (23 MW) and São Fernando 4 (83 MW) farms join two others, São Fernando 1 and 2 (150 MW), that Enerfín is already building.
- Promotion, design, supply, construction, start-up and management of the operation.
- Located in Rio Grande do Norte.



256 mw



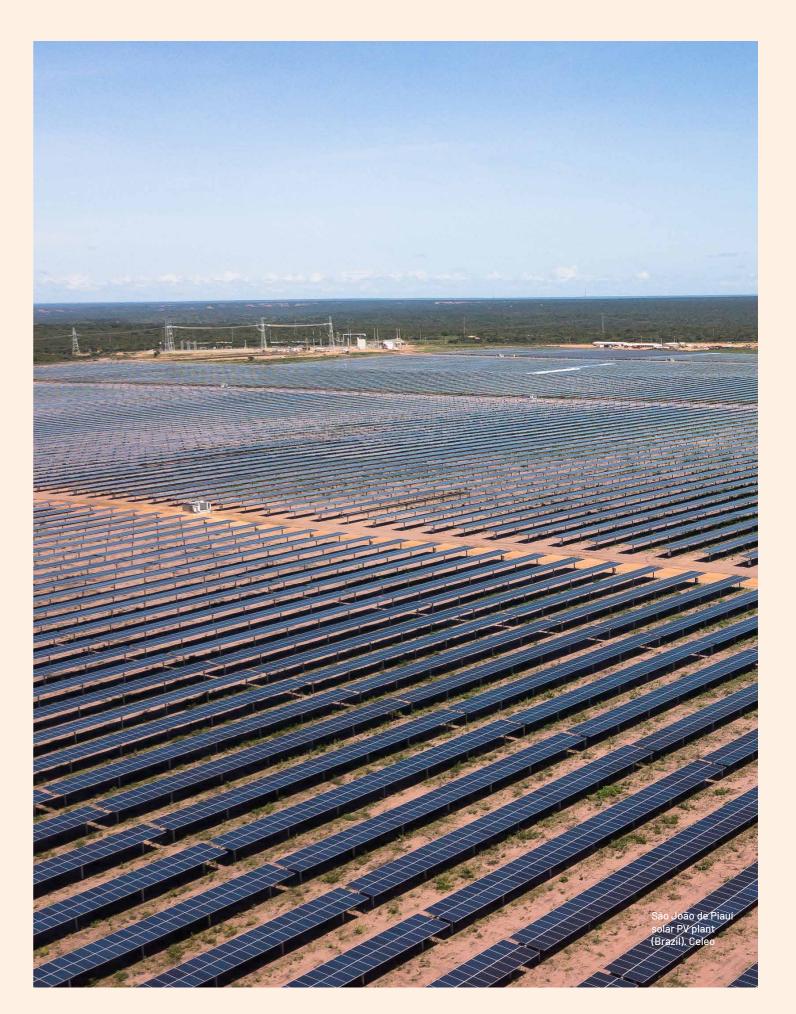


POWER GENERATION

Solar PV



Elecnor has extensive experience in the field of solar PV energy, both in terms of the development of turnkey projects for third parties (see section on Energy Generation in the Infrastructure Business within this Integrated Report) and in terms of the construction, operation and maintenance of its own projects.







Environment 2019

2019 has continued with the general growth trend of the photovoltaic sector. The figure for new installed power remained slightly above 120 GW, thus the total accumulated power capacity at the end of the year exceeded the total 623 GW installed, an increase of almost 20% from the previous year. Although mature markets such as China, India, or Australia experienced turbulence due to regulatory uncertainty.

2019 has been, from the point of view of solar energy, a good

meteorological year, with an irradiance level higher than that of the typical meteorological year. Production by the Elecnor Group's PV portfolio exceeded the annual target for the financial year by 1.7%.

Solar PV energy has stabilised around the contribution to the electric mix in Spain, in a context where domestic renewable energy generation has suffered several ups and downs. This trend was altered during the second half of 2019, with the connection of about 4 GW of photovoltaic projects awarded during the 2017 bids. The commissioning of these projects broke sharply with the stagnation of the sector, serving as a starting point for the developments necessary to achieve the objectives for 2030.

SPAIN

• Operation and maintenance of the eight photovoltaic installations owned by Elecnor: Siberia Solar (10 MW), THT Antequera (2 MW), AASCV Alginet (1 MW), AASCV2 Alginet (1 MW), ELC Murcia (610 kW), HAE Alacant (520 kW), Helios Almussafes I (100 kW) and Helios Almussafes II (97.5 kW).

BRAZIL

- Progress in the construction of six photovoltaic plants, totalling 179.8 MW, in the state of Piauí for the Agencia Nacional de Energía Eléctrica (National Electric Energy Agency). In addition to the sale of the energy of the six plants, the project includes an evacuation substation and a 500 kV connection line. In 2019, 80% of the construction of the first photovoltaic plant was completed.
- The financial closure of the PV projects of São João do Piauí with the Banco do Nordeste de Brasil, worth BRL 404.9 million.

Production by the Elecnor Group's PV portfolio exceeded the annual target for the financial year





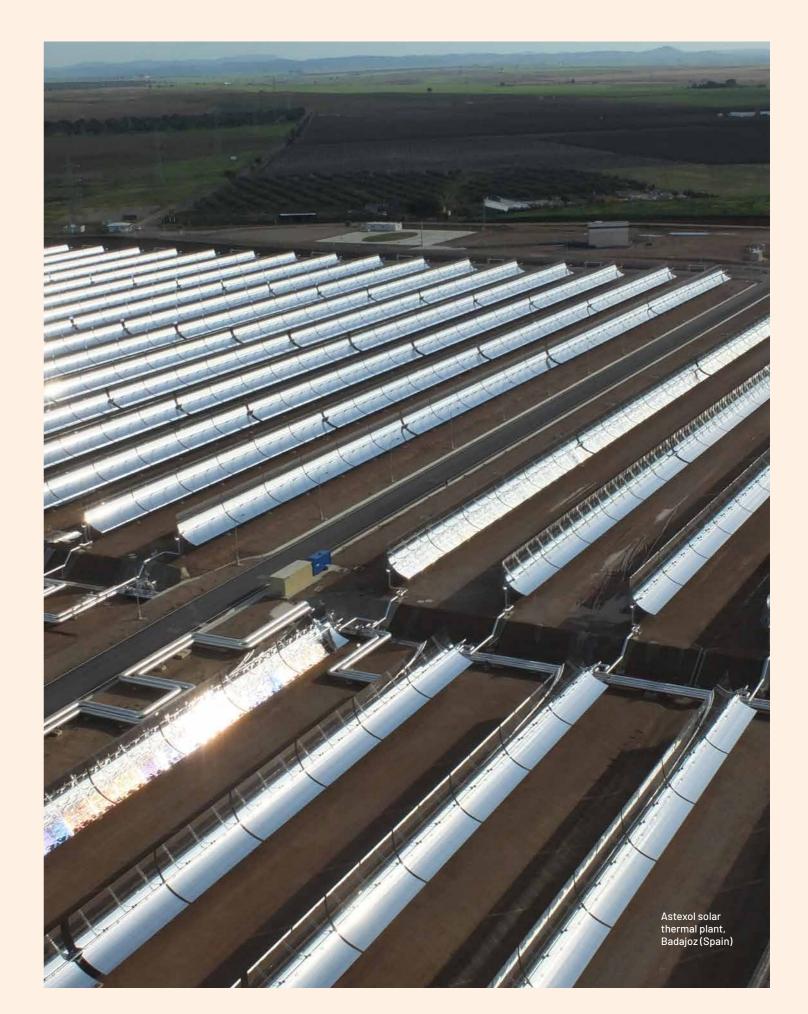


POWER GENERATION

Solar thermal



Elecnor has the technical capabilities necessary to handle the design, supply, construction, start-up, operation and maintenance of solar thermal power plants based on parabolic trough collector technology. In Spain, following the construction of three solar thermal plants in 2010, the Group is responsible for their operation and maintenance.







Environment 2019

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 2019, 5,166 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 power and continues as the world leader in technological capacity. In fact, the 2021-2030 Comprehensive National Energy and Climate Plan, which the current government sent to Brussels in 2019, envisages the construction of 5 new GW by 2030.

Concentrated solar thermal energy had a total installed capacity of 6,451 MW in 2019. The United States follows Spain with 1,740 MW. Interest is also notable in North Africa and the Middle East, as well as in India, South Africa, Chile and China. Initially, the global market is dominated by parabolic channel plants, which account for 90% of installed solar thermal power plants.

SPAIN

The three solar thermal power plants of the Elecnor Group,
Aste-1A, Aste-1B and Astexol-2,
have operated normally, achieving the expected performance, with solar irradiation conditions that have been better than those of the typical meteorological year.

In December, the scheduled "Safety Inspection" maintenance was carried out on the Aste-1B plant, and in January 2020, the corresponding maintenance was carried out on Aste-1A, both without incident.



Elecnor operates and maintains

150 MW

OF SOLAR THERMAL
ENERGY IN SPAIN

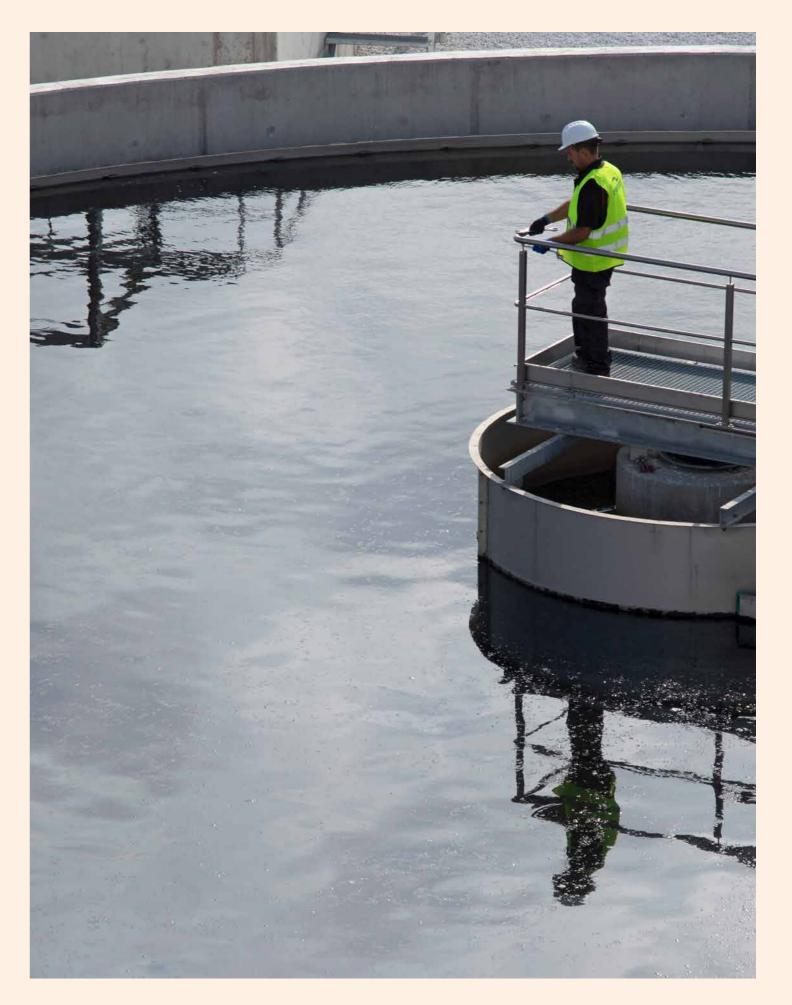




Environment



At the end of 2019, Environment activities have continued, accounting for 3% of the total investments of the main promotional, investment and concessional operation tool within the Elecnor Group: Celeo. In particular, these are three water purification concessions, all of which are located in the Autonomous Community of Aragon. They are called SADAR, SADEP and SAPIR.







WATER TREATMENT PLANTS IN ARAGON (SPAIN)

SADAR

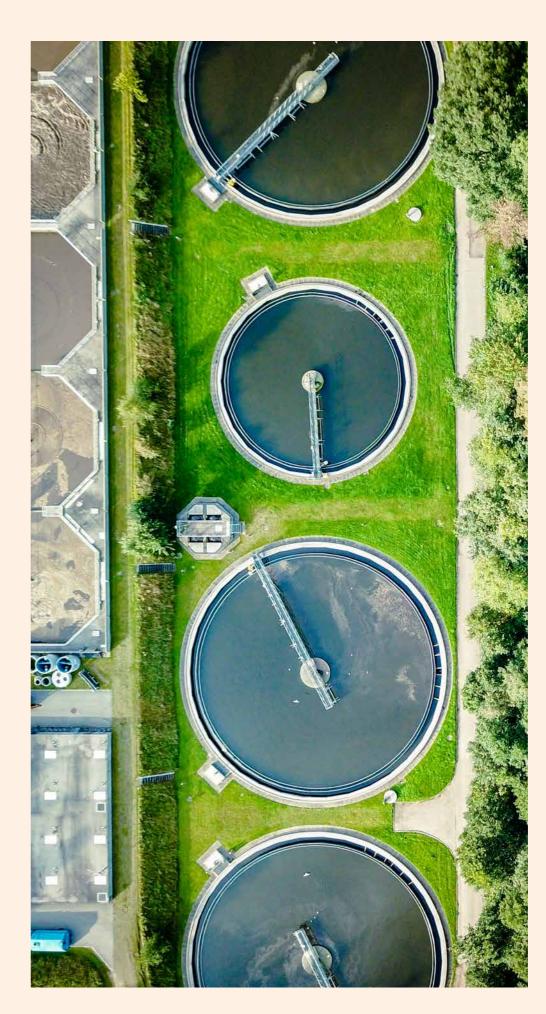
- Consists of 10 wastewater treatment plants.
- Includes the necessary actions for the purification of wastewater from different municipalities in the regions of Zaragoza and Cinco Villas.
- All the treatment plants have been in operation since 2009, as the contract is for a period of 20 years.
- During 2019, 3 hm³ of water was purified.

SADEP

- Consists of 9 wastewater treatment plants (WWTP) and 3 collectors that are paid within the WWTP rates.
- Includes the necessary actions for the purification of wastewater from different municipalities in the region of Zaragoza and in Valle del Ebro
- The treatment plants of this concession have been in the operational phase since their commissioning, carried out gradually between 2009 and 2010. It is a 20-year concession.
- During 2019, 2.5 hm³ of water was purified.

SAPIR

- Includes the necessary actions, 58 in total, for the purification of the Pyrenees area called P2, located in the basin of the Gállego river.
- The contract covers 20 years of operation.
- Currently, 20 treatment plants are in operation, all of them completed during the 2012 financial year, including Biescas-Gavín, which was launched in August and is intended for the purification of 12,000 IE (inhabitants equivalent). In addition to this treatment plant are those of Yebra de Basa, Hoz de Jaca, Yésero, Acumuer, Senegüé, Ara, Aso de Sobremonte, Escuer and Yosa de Sobremonte, which are all "nest head" types; as well as Binué, Javierre del Obispo, Larrede, Navasilla, Oliván, Orós Alto, Orós Bajo, Osán y Sobás, which are dependent on the Biescas-Gavín treatment plant.
- In terms of the rest of the actions, the Government of Aragon ordered the partial resolution of the contract in 2018.
- During 2019, 1 hm³ of water was purified.



TREATMENT PLANTS IN OPERATION IN ARAGON

6.5 hm³
OF PURIFIED WATER





Our people More talent, better management

People are Elecnor's main asset. A team of more than 14,000 people of 50 different nationalities contribute their talent with the aim of boosting management efficacy and efficiency.

The Integrated Human Resources Management System is designed to deploy, foster and nurture the talent existing within the organisation. For this purpose, it encompasses aspects relating to selection, performance, compensation, development and training.

INTEGRATED HUMAN RESOURCES MANAGEMENT SYSTEM (GRI 103-1, GRI 103-2, GRI 103-3)



Selection



As a means of acquiring and attracting the best available talent in the market, prioritising internal talent.

20%
INCREASE IN RECRUITMENT
25 POSITIONS COVERED BY
INTERNAL PROMOTION THROUGH
THE ETALENT SYSTEM



Performance

This is a process of analysis of the actions and results of each person in their post, as well as the identification of improvement areas.

2,678

EVALUATION PHASE
(ASSESSMENT OF SKILLS AND INDIVIDUAL TARGETS)



Compensation

Focused on fair remuneration, that rewards and recognises merits.

SALARY SURVEYS
BENEFITS CLUB
CONTINUATION OF ROLE
MAPPING IN CHILE AND ITALY



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. **285,281**TRAINING HOURS

TRAINING HOURS/ EMPLOYEE (GRI 404-1) EMPLOYEES

14,855



In a global Group it is indispensable to perform efficient management. Achieving this in a company with more than 14,000 employees and sustained foreign growth involves implementing efficient management and reporting systems.

Based on this approach, a number of improvement programmes have been undertaken for some time now. This year, among other projects, the company has rolled out initiatives relating to the implementation and good operation of the record of working hours, the adoption of regulatory requirements in connection with personal data protection and guaranteeing digital rights and the introduction of lberper payroll systems for the entire foreign workforce, except for Celeo.

Elecnor works with universities and vocational schools in order to attract students and new graduates

Selection

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 at which to work. In this regard, improvements have commenced, such as the coordination of publication of job vacancies in the foreign market by means of a single LinkedIn account.

With regard to internal promotion, a number of processes have been implemented, with the company's own employees covering as many as 25 vacancies. Moreover, the Group has an internal selection and mobility policy aimed at attracting and retaining the best available talent in the market.

At the same time, Elecnor continued to collaborate with universities and professional training schools to attract students and new graduates. Accordingly, it has attended information days and been present in on-site and virtual employment forums, including: Networking



363
EMPLOYEES WITH TRAINING CONTRACTS

448INTERNS

in Barcelona, Forum hosted by Universidad Carlos III, Faculty of Engineering in Seville and Aerotelecom in Barcelona.

Fostering internal talent (GRI 404-2, GRI 404-3)

Elecnor is committed to efficiently 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 evaluation process which commenced in 2018 and concluded in February 2019, 2,311 employees were assessed in Spain. In 2019, the evaluation process assessed 2,678 people, 70% of whom were men (1,872) and 30% (806) women. The process was scheduled for completion in February 2020.

Accordingly, 618 people participated in various training itineraries designed to strengthen the four "core" skills and reduce the gap between expected and actual performance that emerges during the performance evaluation.

- Developing leaders at Elecnor
- Elecnor finances
- Our way of doing things: project management
- We are all sales



Substation team (Brazil)

Talent management

Performance management

Key posts

Talent group

Talent management as a function of the group

Development plan

Career plan



Setting individual targets

Fulfilment of goals

Self-assessment

Evaluation of responsibility matrix

Meeting prior to closure

Immediate superior's assessment

Training

The Group's commitment to training has been sustained over the years. These are the main indicators of the Group

Item	2019
Investment in training (euros)	6,867,450
Total training hours	285,281
No. of attendees*	37,952
Training hours/employee	19.20

		Attendees*			Hours		
Area	No. of courses	Male	Female	Total	Male	Female	Total
Management	374	731	269	1,000	7,617	2,656	10,273
Technology	1,022	6,816	162	6,978	87,440	2,450	89,890
IT	56	276	116	392	2,600	1,253	3,853
Languages	534	343	193	536	12,371	5,808	18,179
Quality and Environment	206	988	230	1,218	2,777	1,159	3,936
Prevention	2,671	26,535	1,293	27,828	152,193	6,957	159,150
Total	4,863	35,689	2,263	37,952	264,998	20,283	285,281





People First day in Madrid (Spain)

After completing each training itinerary, the attendees' opinions are compiled through an anonymous survey. In the global satisfaction survey, 96.48% of respondents valued the training received very highly.

This year, once again, the Management Team took part in the "People First" event for new recruits, offering a global vision of the company and the corporate essence, culture and values.

Moreover, note the launch of a personalised training and updating programme in specific skills for the members of the Group's Board of directors.

Group Attendees* Hours 3,544 Management 18,042 Executive 1,767 3,517 47,912 Technician 32,486 Base 215,783 37,952 285,281 **Total**

Average hours of training by category in the Elecnor group

Group	Employees	Average
Management	164	21.61
Executive	1,098	20.12
Technician	3,425	13.52
Base	10.348	20.85

Remuneration and benefits

(GRI 401-2)

Elecnor has a job chart that 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.

Elecnor offers its employees certain social benefits such as the Flexible Compensation Plan, in which employees can use part of their salary for products with tax benefits, such as health insurance, vouchers and food cards, childcare and transport.

Elecnor also offers workers help with their children's studies, regardless of their contract and working hours, provided they have been at the company for at least one year. This help goes from second-cycle pre-school and primary education to secondary education (ESO). For children with a disability, the financial aid is increased.

Moreover, in accordance with the employees' needs, circumstances and responsibility, Elecnor strives to implement other measures such as life and accident insurance, travel insurance, medical insurance, car insurance or a retirement plan.

Lastly, this year the Elecnor Benefits Club was launched for all staff at Elecnor, S.A. and its domestic subsidiaries. This is a savings and loyalty programme that affords employees access to products and services in preferential conditions. This is founded upon an agreement with 500 suppliers of all kinds of categories and services.

The Remuneration Policy is based on rewarding employees fairly, rewarding and recognising their accomplishments

Remunerations Policy

(GRI 405-2)

Within the framework of the Integrated Human Resources Management System at Elecnor, compensation is based on a criterion of fairness, which rewards and acknowledges merits. Salary surveys were conducted in the previous year to gauge internal fairness and external competitiveness.

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



Average remuneration by gender, age and professional category

Below are the key figures with regard to the workforce by geographical area.

Age	Manag Male	ement Female	Exec Male	utive Female	Techn	ician Female	Ba Mala	se Female
Spain	i iaie	1 Ciliale	i iaie	1 Ciliale	i iaie	1 emale	i iaic	1 emale
>50	125,526	96,542	53,767	56,619	33,694	27,316	22,503	20,353
From 30 to 50	93,480	90,542	47,933	47,026	32,229	27,473	21,040	19,537
<30	93,400	92,200						17,585
	- /inadom ond	Pamania)	47,734	30,159	26,921	24,833	18,350	17,505
Europe (Italy, Norway, Portugal, United R	lingdom and	Romania)	FO / 01	/ 0 100	F0 //F	00.010	71 700	
>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 Canad								
>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, Colomb	ia, Ecuador, I	Honduras, N	1exico, Pana	ama, Peru,	Dominican	Republic	and Urugua	ıy)
>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
Asia (Jordan and Oman)								
>50	-	-	-	-	104,323	-	-	_
From 30 to 50	-	-	-	-	37,260	-	12,898	_
<30	_	_	-	_	25,038	_	5,311	*
Africa (Angola, Algeria, Cameroon, Ghana, I	Mauritania and	d 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
Oceania (Australia)								
>50	-	-	74,766	*	-	24,277	-	74,766
From 30 to 50	-	-	88,687	-	79,837	-	82,260	88,687
<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.

The wage gap

Elecnor's wage policy is for men and women performing jobs with equal responsibility to receive equal pay.

The table below details the wage gap ratio, which represents the difference in wages by professional category in Spain.

Category	Ratio
Management	14.66%
Executive	2.65%
Technician	13.17%
Base	3.45%

Internationally, the wage gap is 10.4%. This figure excludes Spain as the Group's workforces abroad present significant differences in terms of headcount and categories. Accordingly, if the data were compared the ratio might be distorted.

The wage gap has been calculated as the median wage difference between men and women, expressed as a percentage. This year, the result is a lower median wage among women than among men.

The difference in salary in these results is in line with the sector track record, caused mainly by the historical trend regarding gender in the industry, which affords men presence average seniority than women, while also resulting in a majority of men in positions of responsibility within the company. In the Technical Expert category, the difference arises due to the greater presence of women in administrative support roles and of men in project execution.





Profile of the workforce

(GRI 102-8)

The Elecnor Group has an international, multicultural and diverse profile with a presence across five continents.

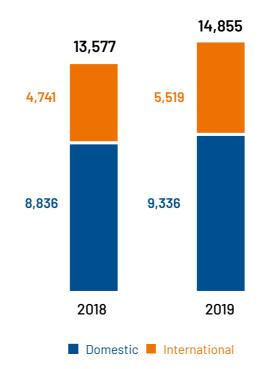
At the end of 2019, the Elecnor Group employed 14,855 people, a 9.4% increase on the previous year (13,577 employees). The increase was due mainly to the international market where the workforce grew by 16.4%. Note the 15.7% growth in the number of women in the Group as compared with 2018.

Total Elecnor's workforce

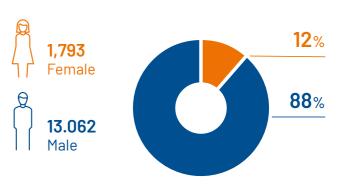
	2018	2019	% Change
Male	12,028	13,062	8.6%
Female	1,549	1,793	15.7%
	13,577	14,855	9.4%



Changes in the workforce



Workforce by gender in 2019 (GRI 405-1)

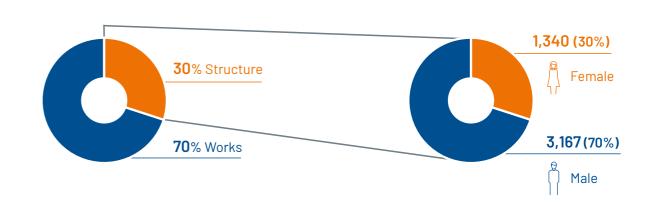


In 2019, the Elecnor Group's workforce comprised 30% Structural staff and 70% Works staff. In terms of gender, in Structure, 30% were women (1,340) and 70% men (3,167). In line

with the historical trend in the sector, Works staff are predominantly male, with women representing just 4% of this group. This being the case, it is worth showing the breakdown by gender of the Structural workforce.

Workforce breakdown

Structural workforce by gender





Workforce data (year end)

Geographical area	2018	2019
Spain	8,836	9,336
Europe	705	796
North America	525	585
Latin America	2,778	3,140
Asia	25	15
Africa	687	969
Oceania	21	14
Total	13,577	14,855

Country	2018	2019
Spain	8,836	9,336
Europe	705	796
England	265	260
Italy	287	312
Norway	1	57
Portugal	138	153
Romania	14	14
North America	525	585
Canada	6	5
United States	519	580
Latin America	2,778	3,140
Argentina	80	92
Bolivia	1	1
Brazil	1,722	1,955
Chile	273	189
Colombia	-	3
Ecuador	16	6
El Salvador	-	17
Honduras	47	59
Mexico	66	86
Panama	45	140
Paraguay	1	1
Peru	8	8
Dominican Republic	221	280
Uruguay	237	271
Venezuela	61	32
Asia	25	15
Jordan	22	11
Oman	3	4
Africa	687	969
Angola	629	712
Algeria	1	1
Cameroon	26	102
Ghana	15	123
Mauritania	16	14
Senegal	-	17
Oceania	21	14
Australia	21	14
Total	13,577	14,855

At the end of 2019, the Elecnor Group was made up of a team of 14,855 people

		2018			2019	
Age	Male	Female	Total	Male	Female	Total
More than 50 years	2,287	189	2,476	2,659	209	2,868
30 to 50 years	8,036	1,051	9,087	8,630	1,206	9,836
Less than 30 years	1,705	309	2,014	1,773	378	2,151
Total	12,028	1,549	13,577	13,062	1,793	14,855

		2018			2019	
Professional category	Male	Female	Total	Male	Female	Total
Management	135	20	155	145	19	164
Executive	683	239	922	897	201	1,098
Technician	1,406	868	2,274	2,125	1,120	3,245
Base*	9,804	422	10,226	9,895	453	10,348
Total	12,028	1,549	13,577	13,062	1,793	14,855

^{*}The "Base" professional category comprises mainly men as it corresponds primarily to Works personnel.

As part of its efforts to continue providing quality employment, the Group has increased the percentage of open-ended contracts by 18.2% compared

to the 2018 figure. Furthermore, full-time employment has risen by 10.2%.



Type of contract by age	2018	2019
Open-ended	7,997	9,455
More than 50 years	1,740	2,120
30 to 50	5,359	6,273
Under 30	898	1,062
Temporary	5,580	5,400
More than 50 years	736	748
30 to 50	3,728	3,563
Under 30	1,116	1,089
Total	13.577	14.855

Type of contract by region	2018	2019
Open-ended	7,997	9,455
Spain	4,868	5,586
Europe	465	450
North America	224	288
Latin America	2,495	2,938
Africa	113	179
Asia	4	4
Oceania	10	10
Temporary	5,580	5,400
Spain	4,150	3,750
Europe	240	346
North America	301	297
Latin America	283	202
Africa	574	790
Asia	21	11
Oceania	11	4
Total	13,577	14,855

Type of contract by		
professional category	2018	2019
Open-ended	7,997	9,455
Management	155	164
Executive	825	956
Technician	1,459	2,284
Base	5,558	6,051
Temporary	5,580	5,400
Management	-	-
Executive	97	142
Technician	815	961
Base	4,668	4,297
Total	13,577	14,855

Type of contract by gender	2018	2019	
Open-ended	7,997	9,455	
Male	6,909	8,128	
Female	1,088	1,327	
Temporary	5,580	5,400	
Male	5,119	4,934	
Female	461	466	
Total	13,577	14,855	

Type of employment by age	2018	2019	
Full-time	13,260	14,613	
More than 50 years	2,292	2,691	
30 to 50	9,011	9,791	
Under 30	1,957	2,131	
Part-time	317	242	
More than 50 years	184	177	
30 to 50	76	45	
Under 30	57	20	
Total	13,577	14,855	

Type of employment by		
professional category	2018	2019
Full-time	13,260	14,613
Management	155	160
Executive	912	1,085
Technician	2,216	3,185
Base	9,977	10,183
Part-time	317	242
Management	0	4
Executive	10	13
Technician	58	60
Base	249	165
Total	13,577	14,855

Type of employment by gender	2018	2019
Full-time	13,260	14,613
Male	11,802	12,868
Female	1,458	1,745
Part-time	317	242
Male	226	194
Female	91	48
Total	13,577	14,855



Type of contract by age	
(Average)	2019
Open-ended	8,844
More than 50 years	2,075
30 to 50	5,843
Under 30	926
Temporary	5,709
More than 50 years	880
30 to 50	3,833
Under 30	996
Total	14,553

(Average)	2019
Open-ended	8,844
Male	7,631
Female	1,213
Temporary	5,709
Male	5,209
Female	500
Total	14,553

Type of contract by professional category	
(Average)	2019
Open-ended	8,844
Management	178
Executive	929
Technician	2,085
Base	5,652
Temporary	5,709
Management	-
Executive	152
Technician	925
Base	4,632
Total	14,553

Type of employment by gender (Average)	2019
Full-time	14,288
Male	12,634
Female	1,654
Part-time	265
Male	206
Female	59
Total	14,553





Type of employment by age

(Average)	201
Full-time	14,28
More than 50 years	2,77
30 to 50	9,62
Under 30	1,89
Part-time	26
More than 50 years	17
30 to 50	5
Under 30	3
Total	14,55

Type of employment by professional category

(Average)	2019
Full-time	14,288
Management	174
Executive	1,069
Technician	2,941
Base	10,104
Part-time	265
Management	4
Executive	12
Technician	69
Base	180
Total	14,553

The number of hours of absenteeism in the Elecnor Group totalled 1,187,192, implying an absenteeism** ratio of 3.7%.

Workforce rotation by age range, gender and region (GRI 401-1)

Location	Disposals	Average employment	% rotation in 2019
Spain	2,179	9,283	23%
Male	1,996	8,141	25%
More than 50 years	358	2,018	18%
30 to 50	1,265	5,467	23%
Under 30	373	657	57%
Female	183	1,142	16%
More than 50 years	22	155	14%
30 to 50	119	829	14%
Under 30	42	158	27%
Europe	234	772	30%
Male	214	686	31%
More than 50 years	50	162	31%
30 to 50	124	411	30%
Under 30	40	113	35%
Female	20	86	23%
More than 50 years	3	10	30%
30 to 50	10	51	20%
Under 30	7	25	28%
North America	385	657	59%
Male	351	603	58%
More than 50 years	94	156	60%
30 to 50	184	345	53%
Under 30	73	102	72%
Female	34	54	63%
More than 50 years	7	12	58%
30 to 50	21	35	60%
Under 30	6	7	86%
Latin America	2,434	3,079	79%
Male	2,293	2,784	82%
More than 50 years	229	371	60%
30 to 50	1,409	1,806	53%
Under 30	655	607	72%
Female	141	295	63%
More than 50 years	7	27	58%
30 to 50	83	183	60%
Under 30	51	85	86%

^{*} The following countries are not included in this scope: Algeria, Cameroon, Colombia, El Salvador, USA, Ghana, Honduras, Norway and Oman.

^{**} Hours of absenteeism including all absences (unjustified, remunerated and non-remunerated leave, illness, accident, maternity and paternity)/actual hours



Location	Disposals	Average employment	% rotation in 2019
Asia	44	23	191%
Male	41	21	195%
More than 50 years	2	1	60%
30 to 50	9	7	53%
Under 30	30	13	72%
Female	3	2	63%
More than 50 years	0	0	58%
30 to 50	0	0	60%
Under 30	3	2	86%
Africa	322	725	44%
Male	297	594	50%
More than 50 years	13	30	60%
30 to 50	182	450	53%
Under 30	102	114	72%
Female	25	131	63%
More than 50 years	0	8	58%
30 to 50	17	88	60%
Under 30	8	35	86%
Oceania	7	14	50%
Male	5	11	45%
More than 50 years	2	2	60%
30 to 50	3	6	53%
Under 30	0	3	72%
Female	2	3	63%
More than 50 years	0	1	58%
30 to 50	1	1	60%
Under 30	1	1	86%
Total Group	5,605	14,553	39%

Due to the type of activity carried out by the Group, rotation levels are high as they include contract completions taking place over the course of the year. In order to implement projects, 6,426 new recruitments were made in 2019, which implies a 20% increase

compared to 2018. Meanwhile, of the total of 5,605 derecognitions, dismissals amounted to 722, the details of which are shown below.

New hirings (GRI 401-1)

Location	2018	2019
Spain	1,895	1,969
Male	1,741	1,725
Female	154	244
Europe	265	341
Male	246	315
Female	19	26
North America	346	535
Male	326	486
Female	20	49
Latin America	2,349	2,911
Male	2,190	2,686
Female	159	225
Asia	23	37
Male	23	35
Female	0	2
Africa	324	630
Male	318	535
Female	6	95
Oceania	12	3
Male	10	2
Female	2	1
Total	5,214	6,426

Dismissals* by gender and age

	2019			
Age	Male	Female	Total	
More than 50 years	154	6	160	
30 to 50	384	43	427	
Under 30	126	9	135	
Total	664	58	722	

Dismissals* by gender and professional category

ziomicoalo zi gonaci ana professional category	2019			
Professional category	Male	Female	Total	
Management	1	1	2	
Executive	32	5	37	
Technician	59	30	89	
Base	572	22	594	
Total	664	58	722	

 $^{{}^*} These\ figures\ do\ not\ include\ temporary\ contract\ completions\ in\ Brazil,\ although\ in\ that\ country\ these\ are\ counted\ as\ dismissals.$



Work-life balance is

Work-life balance

Work time at the Group is organised accordance with sector-specific and conventional standards applicable to the company and by means of negotiations with the labour representatives at each work centre.

The Group sees work-like balance in its broadest sense, as per some market certification systems such as EFR. In this connection, this concept encompasses measures to improve job quality, support for families, professional development, equality of opportunities and flexibility. The Group is working to improve each of these areas based on the circumstances of the company, country and individual worker.

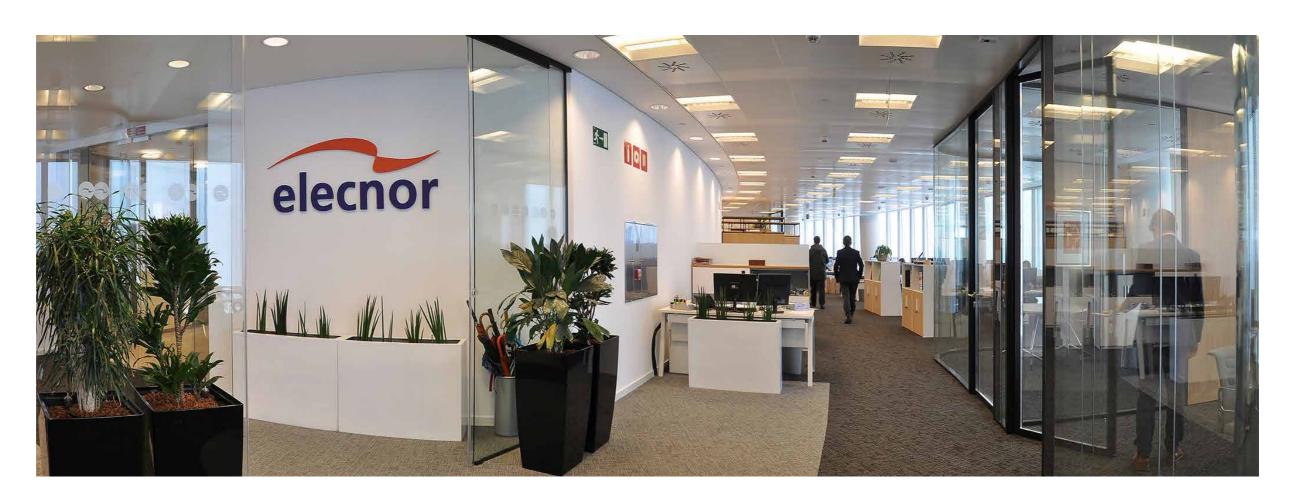
Although there is currently no formal policy to facilitate disconnection from work, the company encourages the implementation of policies, wherever possible, that facilitate a work-life balance, such as avoiding late meetings, having flexible working hours, training in equality issues, compressed work schedules in summer or, where applicable, shorter working days, with all measures provided in the various applicable regulations being implemented.

Elecnor, S.A. and its Spanish subsidiaries also have a "Flexible Compensation Plan" to which structural personnel with openended contracts have access. This plan includes health insurance, meal vouchers, transport passes, training, IT and daycare.

Moreover, there is a study support programme available to all staff at Elecnor and its Spanish subsidiaries with children aged 4 to 16. 2,873 people benefited in 2019.

In aspects linked to employees' health and well-being, in addition to the stipulations in relation to prevention, within the framework of the Elecnor Benefits Club agreements have been signed with physiotherapy clinics and insurers.

understood to mean improved quality of employment supporting families, professional development, equal opportunities and flexibility





Equality and diversity

(GRI 103-1, GRI 103-2, GRI 103-3)

The Group's Gender Equality Plan reflects its commitment to equal opportunities for men and women and non-discrimination in its guiding principles.

Elecnor is committed to equal opportunities, as set forth 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."

At the end of 2019, the Group employed a total of 14,855 people, 30% in Structure and 70% in Works. In line with historical trends in the sector, men are more highly represented in the Group, especially because Works personnel tend to be mostly men. However, in the Structure category, there is a greater balance between men and women. In Structure, 30% were women and 70% men at 31 December 2019. In Works, 4% were women and 96% men.

The commitment outlined in the Equality Plan is configured through various axes that determine the actions planned for each: training, remuneration, communication, recruitment, work-life balance, improvements in social protection and protection from harassment.

Moreover, the Group has a compliance policy and internal controls to ensure all forms of discrimination are prevented; these controls include workplace harassment, sexual harassment and pregnancy risk protocols, among others.

This year the Group set the goal of adapting the Equality Plan to the latest developments introduced in Royal Decree-Law 6/2019, of 1 March, concerning urgent measures to ensure equality of treatment and of opportunities between men and women at work. The Equality Plan Monitoring Committee held one meeting over the course of 2019.

There is an e-mail in-box, igualdad@elecnor.com, for employees to submit suggestions of any kind or to resolve conflicts, among other matters. No lawsuits have been filed against the Group for harassment or discrimination.

In the year, 271 male employees were entitled to paternity leave and 269 took said leave, while 100% of the female employees entitled to maternity leave (43) took said leave.

Diversity in Governing Bodies (GRI 405-1)

On 22 November 2017, the Board of directors approved the "Policy for the Selection of directors and for Board Diversity", which can be accessed on the corporate website and which contains all the measures adopted in relation to the selection of directors, gender, age, experience and other diversity policies. In addition, the Appointments and Remuneration Committee regularly examines the Policy for the Selection of directors and for Board Diversity so as to make further improvements on an ongoing basis.

With regard to the goal of the number of women directors on the Board accounting for at least 30% of the total in 2020, the Company's Board of directors continues to work in this connection, with the support of the Appointments and Remuneration Committee, and fostering the actions necessary to ensure that this goal is achieved as soon as possible.

There are currently no disabled directors.

Representation of women in executive positions 2019

% of women in executive positions*	11.59%
% of women in the Board of Directors**	13.33%

^{*} Considering Management category of Elecnor Group

OF THE ORGANISATION IS REPRESENTED BY WOMEN

Disability

The Elecnor Group in Spain employs a total of 72 people with various disabilities, accounting for 0.5% of the total workforce. In parallel, and in compliance with

Spain's Disabled Persons and Social Inclusion Act (LGD), Elecnor implemented alternative measures through services contracting to Special Employment Centres for a total of Euros 3.46 million.

15.7%

EMPLOYEES

Suppliers	In Euros
Protec & Marti SL	1,688,508
Comercial M. Unceta	69,361
CEE Apta	41,329
Integra PMC	55,468
I.L. SIJALON	471,086
Ditosal S. Especiales	19,347
Iturri CEE S.A.	16,803
S. S. Arza S.L.	960,302
Cemi Norte	83,070
GELIM	53,562

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

In the interests of data confidentiality, no information is reported regarding the disabled persons in the rest of countries in which the Group is present.

^{**} The Board in December of the reporting year



Communicating with everyone

During the year, the Group maintained its communication channel to continue disseminating the corporate values and culture in order to foster the commitment and motivation of all our professionals.

At the same time, and consistent with its philosophy of transparency, it has nurtured dialogue with all its stakeholders through various tools, especially in the digital environment, such as social media by means of Twitter and LinkedIn.

Some of the main campaigns developed in 2019:

Launch of new corporate Intranet, Buenos Días Elecnor (Good Morning Elecnor). This new tool, available in both Spanish and English, is a collaborative platform in which all Group employees in all countries have access to all the available information, documents and applications. Updated daily, Good Morning Elecnor is a new link between all those working at Elecnor.

Adherence to the Ethical Code and Compliance Policy. To comply with the most stringent ethical standards and with legislation in force, a campaign was launched to ensure that all employees expressly ratify their commitment to respect and fully uphold the Group's Ethical Code and Compliance Policy, and confirmation was obtained from everyone from whom it was

sought.

In line with Elecnor's firm commitment to occupational risk prevention, in 2019 another campaign was launched to commemorate World Day for Safety and Health at Work.

As always, the aim is to raise awareness among everyone working at Elecnor by means of specific drives aimed at achieving safe conduct at work.

This main message of this year's campaign was: Prevention is your best superpower. Use it. The aim is to convey that the only way to prevent workplace accidents is through prevention, even though so often, at work and in life in general, we behave as though we had superpowers that protect us from all unforeseen events.

Improving prevention. In order to raise awareness regarding the importance of prevention from an early age, this campaign consisted of school visits to instil preventive values in children and, by doing so, make them more sensitive in this connection over the course of their future development.





Social dialogue

(GRI 102-41, GRI 403-1)

In Spain, 100% of the workforce is covered by collective bargaining agreements. In the rest of countries where the Group operates, there is only comparable legislation in Argentina, Brazil, the United States, Uruguay, Jordan and Italy, 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.

Moreover, 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 designated through 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 this connection, in the rest of countries the Group is compliant with legislation in force.

Labour relations at the Group are managed on the basis of provincial collective bargaining agreements within the sector. In certain cases, specific agreements are signed with particular groups. The most notable agreements were in matters such as bonuses for voltage work, travel bonuses, on-call and standby, rest periods,

shifts, change of working hours, discontinuous work and schedules.

The Group has numerous channels for employee dialogue and participation, such as Intranet, eTalent and the e-mail addresses codigoetico@elecnor.com and iqualdad@elecnor.com

Elecnor has
Human Resources
Departments
around the world to
ensure group-wide
compliance with
and enforcement
of applicable
legislation

Safety Excellence

(GRI 103-1, GRI 103-2, GRI 103-3)

Our commitment to employee health and safety has always been a priority for Elecnor. Consequently, working 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.

Occupational risk prevention is a part of the Group's Integrated Management System. Within this framework and in order to eliminate or minimise risk situations potentially faced by persons implementing the Group's projects, a broad set of activities are conducted, such as:

- Control of the conditions in which projects are executed, through safety inspections and internal works audits.
- Information and training on health and safety for all workers.
- Monitoring and awareness meetings.
- Campaigns to increase awareness and change behaviours.

In 2019, 21 internal audits were performed in accordance with OHSAS 18001 standards. Furthermore, external audits were carried out of Elecnor and its subsidiaries Atersa, Audeca, Ehisa, Enerfín and Jomar Seguridad, all with a satisfactory outcome.

More than 92% 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.

Accident rates (GRI 403-2)

	2017	2018	2019
Frequency rate	8.6	4.6	3.5
Seriousness	0.27	0.16	0.14
Incident rate	16.55	8.91	6.71

Frequency rate = $(\text{number of accidents involving more than one day's leave, not counting those on way to or from work/hours worked}) \times 10^6$ Seriousness = $(\text{number of days lost/hours worked}) \times 10^3$

Incident rate = (number of accidents involving more than one day's leave/Average number of employees) x 10^3



Figures broken down by gender

		2018		2019	
	Male	Female	Male	Female	
Frequency rate	5.4	0.0	3.9	0.0	
Seriousness	0.19	0.0	0.16	0.0	
Occupational illness rate	0.3	0.0	1.1	1.5	

^{*} Occupational illness rate = (number of occupational illnesses/hours worked) x 10^6

In 2019, the Group's frequency rate was 3.5, compared with 4.6 in 2018, and seriousness scored 0.14, compared with 0.16 in 2018. With regard to occupational illnesses, 35 cases were recorded (30 men and 5 women), of which 31 corresponded to cases of malaria and dengue fever contracted in countries where these diseases are endemic, and the remaining 4 were due to musculo-skeletal disorders in Spain.

Domestically, the final Frequency Rate was 4.1, compared with 5.8 the previous year, and was the lowest value ever obtained; and the Severity Rate was 0.20, compared with 0.23 in 2018. Note that there were fewer accidents (77 accidents, vs. 99 in 2018).

Internationally, the final Frequency Rate was 2.6, compared with 2.8 in 2018; while the Severity Rate was 0.05, unchanged on the previous year. Elecnor is very sorry to report that there was a fatal accident in 2019 involving its own employees in Africa. This tragedy has served to spur the Group on in its firm commitment to working to reach its target of zero accidents.

Main actions

- 1.236 internal works audits were conducted.
- More than 62,300 safety inspections were conducted throughout the Group, as a result of which more than 20,350 corrective measures were implemented.
- Training activities. Training actions were held in Spain for a total of 23,000 attendees, most of whom attended more than one training action. Training hours in the Occupational Risk Prevention area amounted to a total of 129,750, a 7.7% increase on the 120,484 hours offered in 2018. There are other technological and management training areas that also have an impact on Prevention, and that are not included in that total (qualifications/electrical permits, machinery operators, etc.). Actions were held abroad for a total of 26,800 attendees, most of whom attended more than one training action. Training hours in Occupational Risk Prevention amounted to a total of more than 145,500.

IN 2019, ELECNOR **ACHIEVED THE LOWEST INJURY** IN ITS HISTORY



- · Campaign for World Day for Safety and Health at Work to raise workers' awareness
- and disseminate the Group's commitment in this connection. Some key figures from this landmark event were:
- Recognition of 24 work centres which in 2018 logged excellent results in terms of safety.
- Award of recognition to Endesa for its work in Health and Safety in the Electricity Sector.
- Award of recognition to a subcontractor for its engagement and improvements in Health and Safety.

- Induction of three new workers into the "Blue Jacket Club", a group of workers distinguished for their commitment to health and safety.
- A tribute to 9 workers in Spain who earned all four "PES Stars".
- Workshops in all business units in which the campaign was divulged. Communication was disseminated in all countries in which the Group is present.

- Some recognitions:
- Celeo Redes Chile received the recognition granted by the Chilean Chamber of Construction's Safety Mutuality for the proper operation of its Occupational Health and Safety System in accordance with OHSAS 18001 standards.
- Audeca won the ACEX awards, in Category A (Magnetic Beacon System) and Category B (Rotatruck. Truck rear signalling system).



129,750 HOURS OF OCCUPATIONAL HEALTH AND SAFETY TRAINING

• Other information on training:

Courses	Participants	Hours
Basic course	760	45,590
First cycle of the TPC	1,340	10,720
Second cycle of the TPC	1,402	13,070
Working at heights	2,205	24,115
Confined spaces	1,579	12,720
First aid	1,070	4,778

"Safety Excellence" project

The project continued to make progress along different action lines: risk management, awareness, organisation, learning, motivation and continuous improvement.

Some milestones:

- Contracts with subcontractors were revised, including new Occupational Risk Prevention clauses.
- The subcontractor evaluation and monitoring system was completed to detect those least committed. Accordingly, measures can be implemented for improvement, prioritising those of the largest scale and/or risk.
- Launch of REDUX project with advice from RACE (Spain's Automobile Club) concerning road safety.
- Mandatory use of the Notific@ application and web environment for notification and investigation of accidents and incidents.
- Design of a star-rating-based motivation system for works personnel that is rewarded by personal and financial recognition.
- Continuation of the "Risk Factor" programme, attended by 590 people with a total of 3,990 training hours.
- Development of a procedure to compile ideas for improvement (Ideas MAS), having presented a total of 448 initiatives in Spain.
- Start of phase two of the project in Spain and deployment of working groups in several countries.

The digital transformation of occupational health and safety

In 2019 initiatives were launched or consolidated within the framework of the Group's Digital Transformation project. Some of them are listed below.

- Use in Spain of the Notific@ app and web environment to notify and investigate accidents, and launch its implementation in various countries.
- Use in Spain of the SegurT app and web environment to put an end to safety inspections on paper.
- The PRP (Principal Risk Permit) tool has been almost 100% rolled out in Spain, and includes an app and web environment for its management and control. PRP enables brigades to identify key aspects to prevent serious accidents and errors in the implementation of work, before the work begins.
- Roll-out of e-coordina, an evaluation process carried out by OHS experts at various business units.
- Restructuring and update of Intranet.

Health monitoring (GRI 403-3)

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, plant protection 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.

With regard to occupational illnesses, as mentioned above, 35 cases were recorded (30 men and 5 women), of which 31 corresponded to cases of malaria and dengue fever contracted in countries where these diseases are endemic, and the remaining 4 were due to musculo-skeletal disorders in Spain.

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.

The pilot physiotherapy programme to prevent musculo-skeletal injuries (first implemented in Madrid and Logroño) was expanded to include Barcelona, Bilbao, Valladolid and Badajoz.



Operating 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 Management System is configured around the following broad criteria, on which basis specific commitments and actions lines are established by each specific sphere: strict compliance with applicable legislation and any other requirements binding upon Elecnor in the markets in which it operates; accurate 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 with respect to competitors.

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



In 2019, multisite certification audits were conducted according to ISO standards 9001:2015 and 14001:2015. This is a single certificate for all of the organisations in the Elecnor infrastructures area that contains all of the scopes of the various activities and all of the work centres.

Quality management

Elecnor's strategy in connection with Quality Management is aimed mainly at strengthening customer satisfaction management and the process of continuous improvement.

In 2019, quality targets focused on improving risk and opportunities management in operating processes, optimising quality processes and achieving further progress in the quality control of critical suppliers.

Main achievements

- Implementing a new methodology for managing risks and opportunities in the various processes.
- Development of a new platform for managing procurements.
- Launch of the Quality and Environment Management System in Elecnor Chile and Elecnor Angola.
- Performance of the relevant internal audits and System Monitoring Committees.

Customers, at the heart of the business

Elecnor periodically measures customer satisfaction by means of digital surveys. This information enables it to gauge the degree of satisfaction with the services offered, as well as to identify the strengths and areas for improvement.

The results obtained in 2019 are similar to those obtained the previous year.

Satisfaction surveys	2018	2019
Number of surveys	453	688
Average score	8,17	8,32
The most highly valued aspects	 Training and technical capacity Degree of communication, service and response Compliance with the safety requirements 	 Training and technical capacity Degree of communication, service and response Compliance with the safety requirements



Any customer complaints are managed in accordance with the "Internal and external communication and consultation" procedure that sets forth the system to detect noncompliances and opportunities for improvement, fielding complaints from customers and suppliers, implementing solutions, analysing the causes and defining efficient remedial and preventive actions.

In 2019, 129 customer complaints were filed, most of which were linked to technical management (49%), materials and equipment (26%) and workforce (9%).

All the complaints were properly managed within the established period.

Supply chain

(GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-9)

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 more than 3,000 approved suppliers at local, national and international level.

Elecnor's Quality Management, Environment and Compliance Systems comprise procedures, policies and manuals that describe supply chain management. These are the Quality Management Procedures:

• Procurement procedure.

Defines the general procurement conditions, including specific quality, environment and compliance requirements, among others. These conditions must be accepted and fulfilled by suppliers wishing to work with Elector.

- Procedure assessing suppliers of materials/services. Describes the system for managing suppliers of important materials/ services.
- Procedure for drafting agreements with subcontractors. Establishes subcontracting conditions, including quality, environment, energy management and compliance requirements.
- Ethical code. 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.

The main risks identified in the processes relating to the supply chain currently related to communicating requirements to suppliers, past-deadline delivery or faulty material. The risks identified are assessed and in accordance with the results actions are established to mitigate their effects.

In 2019, as a result of the risks and opportunities assessment, a **logistics procedure** was devised, along with various actions implemented in the procurements tool.

In the suppliers approval and assessment process, suppliers of materials/services classified as important are requested to provide documentation concerning quality, environment, energy management, occupational health and safety (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 is afforded a score.

Elecnor measures the degree of satisfaction among its customers in order to identify strengths and areas for improvement

Some indicators (GRI 308-1, GRI 414-1)

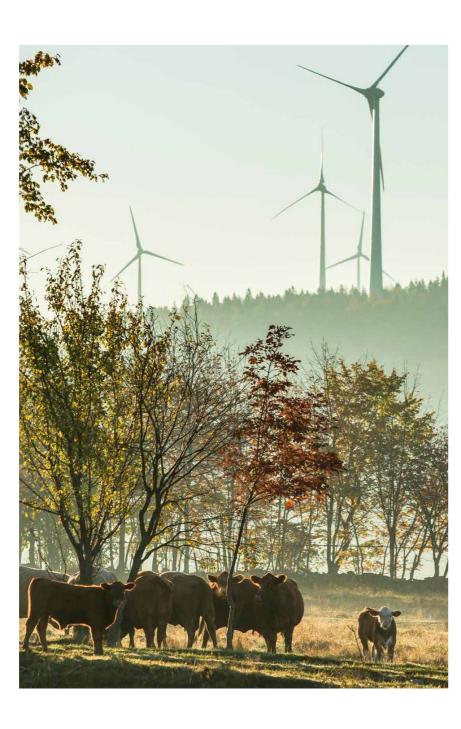
- 253 suppliers were approved in 2019.
- Within the framework of improvements to the environmental control of critical suppliers, 3 internal audits were conducted on site.
- With a view to starting to calculate Scope 3 of the carbon footprint, information was requested from certain suppliers.
- Re-assessment of 26 suppliers in accordance with the quality requirements established in the Management System.
- Commercial relations were not severed with any suppliers.



Commitment to the Environment

Elecnor 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 this connection, and with the aim of contributing to UN Global Compact Sustainable Development Goal 13 "Climate Action", Elecnor fosters the development of its activity in a sustainable manner adapted to climate conditions and always with the involvement and commitment of all persons belonging to the Group.



L'Erable wind farm (Canada). Enerfín

Environmental management

(GRI 103-1, GRI 103-2, GRI 103-3)

The commitment to the protection of the environment and efficiency in the consumption of energy resources remain common denominators in Elecnor's activities.

The environmental control mechanisms in place at the company are based on certified Environmental Management Systems and Energy Management Systems in accordance with ISO 14001:2004 and ISO 50001 standards. The Environmental Management System defines the procedure to identify, assess and record the environmental aspects originating in Elecnor's activities in order to determine which are significant.

Elecnor S.A. has an Environmental Liability policy for its subsidiaries in Spain, the US, Canada, Brazil, Mexico, Venezuela and Chile. The figure of €20,000,000 is the general limit on the policy per claim and in the annual aggregate for all the policy guarantees and coverages.

The General Services area jointly managements the Quality Management, Environmental Management, Occupational Health and Safety (Risk Prevention), Energy Management and RDI of

the organisations belonging to the Elecnor Group with the firm aim of extracting opportunities for improvement applicable to the various businesses and activities and thereby fostering synergies between them. In the Quality and Environmental Management spheres, there are 48 people focused on requiring and leading compliance with legislation, plans, programmes and SAOP ((Environment, Quality and Prevention System) documentation, taking all necessary actions to achieve this. These 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 2019, environmental goals were focused on optimising environmental processes, improving the management of risks and opportunities in operating processes, and making headway to control critical suppliers and boost the Group's CDP rating.

Accordingly, during the year multi-site certification audits were performed in accordance with ISO 9001:2015 and 14001:2015 standards and the Environmental Management certificates were maintained at the following subsidiaries: Audeca, Deimos, Hidroambiente, Enerfín, Elecnor

México, Elecnor do Brasil, Elecnor de Argentina, IQA and Montelecnor.

In the international sphere, the Quality and Environmental Management Systems have been implemented at Elecnor Chile and Elecnor Angola.

Moreover, Elecnor renewed its Verified AENOR CO₂ Environmental certification pursuant to standard ISO 14064-1 and its Energy Management System certification pursuant to standard UNE-EN ISO 50001:2011.

Also notable this year were the 2019 GRESB scores obtained by Celeo Redes Chile and Celeo Redes Brasil. GRESB is an independent international index that analyses companies' environmental, social and governance (ESG) performance. In the 2019 edition, Celeo Redes Chile and Celeo Redes Brasil ranked ninth and nineteenth, respectively, among the 393 infrastructure companies assessed. Furthermore, the results ranked Celeo Redes Chile as the world's top company within the electric power transmission infrastructure sector, and Celeo Redes Brasil as the world's second best electric power distribution company.



The fight against climate change

(GRI 103-1, GRI 103-2, GRI 103-3, GRI 201-2)

Generating electricity using renewable energy sources avoid the emission of greenhouse gases, the main culprits of climate change. In this connection, **Elecnor undertakes** projects in the areas of wind power, solar PV and solar thermal power, hydroelectric and biomass plants.

Climate change strategy

Climate change is a challenge in respect of which Elecnor has worked hard in recent years, in particular by calculating the carbon footprint in accordance with internationally accepted standards and by implementing measures to reduce GHG emissions within its scope of 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.

On that basis, the Elecnor 2030 Climate Change Strategy was devised. With two main goals and three lines of action, it creates the framework for all the Group's actions to reduce greenhouse gas emissions, adapt to climate change impacts and tap into the associated opportunities.

The Group's climate change strategy aims to achieve two main goals:

- Mitigation: reduce GHG emissions by 25% by 2030 (as compared with 2014). The aim is to reduce emissions by around 1.6% every year.
- 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 actions lines (people, assets and knowledge) which derive in 22 climate change mitigation and adaptation actions, including aspects such as fostering training and awareness policies to help save and reduce energy, paper and water consumption by the workforce; a commitment to technology that enables unnecessary journeys associated with the business to be reduced; the gradual replacement of the company's energy-consuming equipment and vehicles by others

with lower emissions; improving renewable energy facilities; and the commitment to best practices, among others.

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, 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.

The initiatives carried out in 2018 led to a saving of 382,63 tCO₂e. The saving achieved in 2019 will be reported in the next fiscal year.

Below are details of some of the actions that have a particular impact on annual savings achieved in each strategic axis

Strategic axis	Action	Objective	Annual saving of tCO ₂ e	Scope of carbon footprint
People	Conference calls encouraged to avoid journeys	Reduction of greenhouse gas emissions associated with business travel avoided	225.56	3
Assets	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	113.99	2
Knowledge	RDI projects*	Implementation of RDI projects linked to climate change	15.41	Not estimated

^{*}New action not initially included in the strategy



Emissions

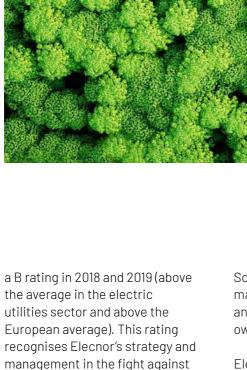
Carbon footprint

(GRI 305-4, GRI 305-5)

Since 2014, Elecnor has calculated its carbon footprint on an annual basis in accordance with internationally recognised standards by means of a tool that enables each organisation belonging to the Group to report its electricity consumption, fuel consumption, use of coolants, with the data broken down by offices, warehouses, work sites and plants. Moreover, the Group devises strategies and plans to reduce greenhouse gas emissions.

For the fifth consecutive year, Elecnor verified direct and indirect greenhouse gas emissions in all of its activities, in accordance with UNE ISO 14064-1:2012 standards. In 2108, Elecnor obtained the "Calculo y Reduzco" seal granted by Spain's Ministry for Ecological Transition's Office for Climate Change (OECC) as part of the National Register for Carbon Footprint, Offsetting and Absorption of CO². Through this verification the Group has an independent and rigorous endorsement of the amount of GHG emissions caused by its activities, thereby seeking to improve its environmental and energy management.

Also notably, Elecnor is listed in the CDP international sustainability index, and obtained



climate change.

In 2019, for the first time, Elecnor included Scope 3 in the calculation of its carbon footprint, thereby ramping up its commitment to the environment. Accordingly, the Group has moved to address

Scope 3 emissions, having managed to engage both suppliers and sub-contractors, as well as its own employees.

Elecnor's carbon footprint in 2019, in connection with Scopes 1 and 2, amounted to 63,096.03 tonnes of CO₂e. Factoring in Scope 3 emissions (value chain), the organisation's total emissions amounted to 107,164.63 tCO $_2$ e.

Emissions (t CO₂e) (GRI 305-1, GRI 305-2, GRI 305-3)

Scope	2018	2019
Scope 1		
Stationary and mobile combustion*	45,357.24	48,797.73
Scope 2		
Consumption of electricity	16,964.96	14,298.30
Scope 1 & 2 totals	62,322.20	63,096.03
Scope 3	-	44,068.60
Suppliers and sub-contractors		19,827.26
Business travel		5,885.51
Commutes		17,836.95
Waste, water and paper		518.88
Total	62,322.20	107,164.63

^{*}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.



13.58%

DECREASE IN THE RATIO OF EMISSIONS GENERATED PER HOUR WORKED

1,464 MW
OF RENEWABLE ENERGY FROM

THE CONCESSION BUSINESS

Elecnor's carbon footprint in 2019, in connection with Scopes 1 and 2, amounted to 63,096.03 tCO₂e, and the ratio between emissions generated and number of hours worked was 2.0 kgCO₂e/hour. This implies a 13.58% decrease compared with the previous year (2.3 kgCO₂e/hour).

Examining Scope 1 and 2 emissions as a function of the type of facility where they were generated, work sites account for 76%, plants account for 20%, and offices and warehouses account for 4%.

As for Scope 3 emissions, suppliers and sub-contractors accounted for 45% of the total, commutes for 41% and business travel for 13%. Emissions from consumables and waste generated at the facilities accounted for just 1% of the total.

Mitigation through activities. Emissions avoided

The Group's electricity generation activity using renewable sources avoid the emission of greenhouse gases. Elecnor, by means of its Concessions Business, has holdings in 1,464 MW of renewable energy facilities in operation and construction in Spain, Brazil and Canada, broken down as follows:

Renewable energy	MW
Wind energy	1,299
Solar thermal energy	150
Solar PV energy	15
Total	1,464

Below are some of the most significant renewables projects awarded in 2019:

Wind projects

San Matías wind farm, Mexico.

This involves the installation of eight wind turbine generators of 3.8 MW, providing 30 MW of installed capacity in an area of some 250 hectares.

The first wind farm in the Valencia region of Spain. Through

Enerfín, the Group's wind power development subsidiary, Elecnor has commenced the construction of a new, 50 MW wind farm in the municipality of Cofrentes, in Valencia. This project, scheduled to come on stream in March 2020, will comprise 13 wind turbine generators. The project will provide clean energy for the consumption of 43,705 households, thereby avoiding 66,000 tonnes of CO₂ emissions. This wind farm is one of the projects awarded within the framework of the Valencia Regional Wind Power Plan, and it will be the first wind farm to be built in the region in the last 8 years.

La Monlora and La Sarda wind farms, Spain. Elecnor will build six wind farms in Zaragoza, with a total installed capacity of 231 MW. This project also includes the construction of three 132/30 kV sub-stations and two 132 kV power evacuation lines.

Vientos Patagónicos, Chile. This project consists of the installation of three 3.45 MW wind turbine generators, each with a height of 69 m, adding more than 10 MW to the Chilean Regional Electricity Grid. This project comes on the heels of the recent construction by Elecnor of the San Juan Wind Farm, located in the Atacama Region, with a total installed capacity of 184.8 MW.

Hydroelectric project

Nachtigal hydroelectric plant,

Cameroon. By means of the 420 MW Nachtigal hydroelectric plant, the central African country will increase its installed capacity by 30%. Elecnor's work includes the installation and launch of seven 60 MW generators, the power evacuation sub-station and the ancillary systems (balance of plant - BOP)

Biomass project

Project in Ghent, Belgium. This project entails the construction of a new 19 MW electric power generation plant that includes steam production to provide service to an adjacent industry. It will be fuelled by recycled and re-usable demolition timber. The project is located in the port of the city of Ghent, in Belgium.

Note the change in regulations on solar PV power for self-consumption in Spain. Publication in the Official State Gazette (BOE) of 6 April 2019 of Royal Decree 244/2019, dated 5 April 2019, led to the regulation of self-consumption such that producers and consumers can benefit from the advantages of generating their own power.

Elecnor is working to adapt to the requirements of the market opened on the back of the new regulation. Since the Royal Decree's approval, 15 facilities have been adjudicated (the vast majority with installed capacities of less than 100 kW).



Elecnor manages 283,190 street lights in 92 Spanish municipalities as an energy services company



Generally, consumption increased in 2019 compared with the previous year, due mainly to the increase in the Group's activity.

The various energy consumptions are presented below.

Energy consumption (TJ) (GRI 302-1)

	2018	2019
Natural gas	27.88	28.14
Diesel	54.13	37.05
Petrol	37.02	61.55
Gas oil	417.97	470.09
Biodiesel	64.48	53.57
Electricity	147.15	149.80
Non-renewable source	147.15	132.80
100% Renewable source	0	17.00*
Other fuels	1.96	2.88
Total	750.59	803.08

^{*} The consumption of renewable energy reported in 2019 was at the centres in Burgos, Cádiz, Lugo, Madrid and Navarre, belonging to the wind power subsidiary Enerfín, which signed a contract to supply 100% renewable electricity.



Hybrid vehicle. Elecnor Hawkeye

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 buildings and facilities.

In 2019, **76,635 new street lights** were added to the portfolio of energy efficient contracts. At present, Elecnor manages 283,190 street lights in 92 Spanish municipalities.

In this connection, we highlight the adjudication of the **CLIME** innovation and energy efficiency project aimed at improving street lighting in 58 municipalities in Spain's Castilla-La Mancha region. This project entails renewing the energy facilities in these municipalities and replacing their street lighting with LED lamps. The CLIME project implies an 82.36% saving in street lighting, a 61.79% saving in the indoor lighting of buildings, and a heat saving of 10.21%. The contract includes the maintenance of 83,398 street lights, 1,250 street light command and control centres and 983 buildings.

Meanwhile, internally, over the course of 2019, a number of energy-saving and energy efficiency actions were implemented, most notably:

- Fleet renewal, including the organisation of new hybrid vehicles.
- One-off modifications to the facilities at water treatment plants to reduce electricity consumption, installing more energy-efficient machines.
- Installation of a conference calls system.



76,635 NEW STREET LIGHTS SUCCESSFULLY INSTALLED

- Courses in efficient driving practices to drivers of vans and heavy vehicles.
- Installation of timers for electronic devices and automatic off switches.
- LED lighting to replace existing fixtures
- In the Páramo de Poza wind farms (Burgos) 100% of the lights in the control building and 20% in the wind turbine generators.
- In the Faro-Farelo wind farms (Galicia) 50% of lights in wind turbine generators were replaced.
- Energy audits at various drinking water treatment services, such as Pedraza and Campana de Oropesa.

Consumption of renewable energy

In 2019, the Group's wind subsidiary signed electricity supply contracts guaranteeing that the power supplied at both offices and in national wind parks is from 100% renewable sources.

In Brazil, the production of solar PV power in the Uberlândia Maintenance Base is already responsible for the production of 75% of the energy consumed at that unit. Between January and October 2019, 15.27 MWh were generated, meaning renewable energy consumption accounts for 0.7% of the total consumed at the facilities of Celeo Redes Brasil.

The Group also provides water infrastructure specialist services. Celeo, the Group's Concessions subsidiary, has three water treatment subsidiaries located in the Spanish region of Aragón, called SADAR, SADEP and SAPIR, comprising 39 water treatment plants. In 2019, they treated a total of 6.5 hm³ of water.

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.

Other consumption (GRI 303-1, GRI 303-3)

	2018	2019
Mains water consumption (hm³)	1.7	2.3





Waste management

(GRI 103-1, GRI 103-2, GRI 103-3, GRI 306-2)

Elecnor's Environmental
Management System 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 in accordance with current legislation for authorised management, seeking the best available techniques for recycling, wherever possible.

277.
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OF PLASTIC AND

123_{kg}

OF PAPER WERE RECYCLED THANKS TO THE CELEO RECICLA CAMPAIGN

Waste (Kg)	2018	2019		
Non-hazardous waste	27,817,757	32,339,288		
Hazardous waste	623,073	292,693		



Nurturing the circular economy

Consistent with the change of economic culture represented by the circular economy, Elecnor takes measures to reduce the use of natural resources by means of a commitment to decarbonisation and electrification, or the most sustainable use of natural resources by fostering the use of more efficient and cleaner technologies and processes. In addition, it supports research to develop new technologies and present new solutions for the use of waste and fosters responsible consumption through environmental awareness programmes.

In this connection, based on the Catalogue of Waste Usable in Construction compiled periodically by the Ministry for Ecological Transition, the managers of each project establish a list of potential recycled and recyclable materials, as well as those with an ecological label.

Other initiatives

Enerfin, the Group's wind power subsidiary is highly active in its efforts to promote the principles of reducing, re-using and recycling at its offices and wind farms. Below are some of the initiatives introduced:

- Use of recycled paper and FSC (Foral Sostenible Council).
- Campaign "Use both sides of paper" to reduce the number of printed sheets.
- Continuing with the campaign "We are thinking of a better world", 100% recycled bottles were purchased linked to the "Water to change the world project" by Aura, a social enterprise that spends its dividends on bringing water to those who don't have access to it, through projects in Cambodia, Cameroon and Ethiopia.
- More efficient monitoring and control of printing by means of PaperCut user registrations in the main office printers to reduce paper consumption.
- Measures to reduce plastic consumption.

Through Audeca the company also took part in awareness campaigns on waste in various municipalities.

For its part, Celeo continued with the "Celeo Recycles" campaign, whose purpose is to raise awareness about responsible consumption, re-use and recycling of waste, and in which 277 kg of plastic and 123 kg of paper were recycled. Moreover, in Chile it carried out a participative environmental improvement project at Escuela Charrúa, the only school in the locality of Charrúa, very close to the substation of that name. The initiative, involving 135 pupils, consists of environmental awareness drives and the installation of a recycling centre to separate and recycle waste.



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)

The Elecnor Group has a positive impact on biodiversity 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 2019 are outlined below.

Restoration of the Zapardiel river in Lomoviejo (Valladolid)

Within the framework of this project, river restoration actions were implemented to improve the surface water masses in the section of the Zapardiel river that passes through the public land area known as "La Dehesa, Las Navas, Mullidar and Canalijas" in the municipality of Lomoviejo (Valladolid).

The main actions were the removal of dykes, connection of the main course of the river with the former mill canal and the old abandoned arm enabling water to flow through this former channel, and environmental recovery by means of the plantation of small groves of riverbank tree species along the course of the river.

Environment 4.0 Project

In consortium with INCLAM and ALVAC the Environment 4.0 RDI Project commenced, consisting of optimising brush clearing works to maintain roads by means of the analysis of weather forecast data, tele-detection and other multi-spectral sensors. Moreover, the project seeks to boost the resilience of roads to climate change. Consequently, a series of scenarios will be examined in which action in connection with vegetation impacts on the state of conservation of especially vulnerable areas.

This project is backed by Spain's Centre for the Development of Industrial Technology (CDTI), supported by the Ministry of Science, Innovation and Universities and co-funded by the European Regional Development Fund (ERDF). The rest of Elecnor's activities do not generate significant impacts on biodiversity, except those projects implemented in areas in which species of flora and fauna may be affected. In these cases, the Group complies with the legislation applicable in each country where it operates.

In addition, 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.

With regard to the Group's wind projects, the potential impacts on the environment (including flora and fauna) are taken into account throughout every phase of the project. 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.

A specific example is Aerogeneradores del Sur, S.A, which owns La Herrería y Pasada de Tejeda wind farms in Cádiz, managed by Enerfín, and carries mitigate, repair and compensate for impacts caused are defined within the scope of the operation of energy transmission lines

Measures to

out remedial environmental measures including: 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. 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 Enerfín has 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.

In October 2019, the second year in the wind farm's operating phase was completed without having generated significant impacts on the fauna and immediate surroundings of the wind farm.

During the year, no projects were carried out inside or near protected areas in any of the countries in which Elecnor manages wind farms.

The main impacts on biodiversity from the operation of electricity transmission lines by Celeo Redes subsidiaries 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 this connection, in Chile 65.49 hectares were replanted as part of the environmental commitments linked to AJTE (Alto Jahuel Transmisora de Energía) and CHATE (Charrúa Transmisora de Energia) projects, and in Brazil 35.7 hectares were restored under the framework of electricity transmission projects in Cantareira (15.63 ha) and Jaurú (20.4 ha).

Environmental awareness

At Elecnor a number of initiatives were launched to raise environmental awareness, some at global level and others at local level.

#BEFOREYOUPRINT #RESPONSIBILITY #COMMITMENT #ENVIRONMENT #PARTNERSOFSDGS #FIGHTAIRPOLLUTION

- Antesdeimprimir #Responsabilidad #Compromiso #MedioAmbiente (#Beforeyouprint #Responsability #Commitment #Environment). A new signature was created to raise awareness about whether it is really necessary to print e-mails and documents received daily in corporate in-boxes.
- To mark the 4th anniversary of the approval of the 2030 Agenda, the Group joined the campaign #aliadosdelosODS (#partnersofSDGs) to help familiarise people with the SDGs and encourage them to work towards them.
- World Environment Day. Elecnor marked this day with a video that conveyed its commitment to the protection of and respect for the environment, disseminating the Group's Climate Change Strategy.
- #CombatirLaContaminaciónDelAire (#CombatingAirPollution).

 This is an initiative rolled out by Elecnor in Angola to encourage people to cooperate with a venture such as planting a tree, using a non-polluting means of transport, and evidencing a commitment to reduce this environmental problem.
- On World Car Free Day, a competition was held to promote the use of more sustainable means of transport.
- As evidence of our commitment to reduce plastic, the company stopped buying water bottles made of that material for its meetings. Instead, jugs and recyclable glasses were provided and, when necessary, 100% recycled water bottles are used.
- Waste separation in the cafeterias and coffee corners of some offices.
- Audeca took part in the IMPERDIBLES_04 initiative, a festival offering various innovative experiences in connection with the Sustainable Development Goals.



Technology, innovation and new business opportunities

Elecnor's digital transformation. An efficient management model that aligns processes, technologies and people.

In 2016, the Elecnor Group commenced a strategic digital transformation project in order to effect cultural change, enhance processes, and boost operating efficiency and competitiveness. Since then Elecnor has managed to develop a transversal technological innovation process for management that is now in a mature phase.

DIGITAL TECHNOLOGIES **COLLABORATORS** Digitalisation Stabilisation in perimeter 0 Discovery and Deployment model désign Adoption (management, users and Digitalisation Office Communication /Training Participation Cost-benefit third parties) Work on processes for people and technology Continuous improvement - Work dynamic

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 project's success, the Digitalisation Office was

created to ensure compliance with the established goals and measure progress by means of certain indices such as the Digitalisation Index or the Adoption Index.

INITIATIVES

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.

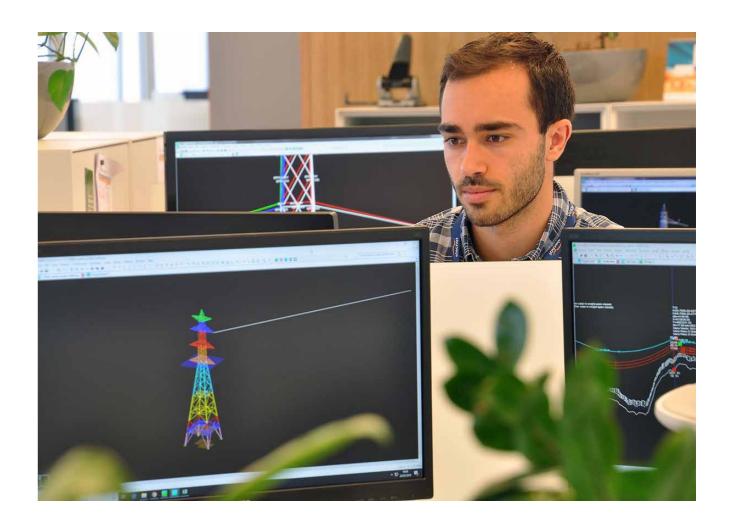


The decision adopted is assessed by the Operating Committee, which includes a representation from all areas of the company and contributes a transversal business approach.

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 2019

- Compliance with standards and requirements defined in connection with time frames, progress, milestones or participation.
- Digitalisation rate of 79.9%, compared with 71% in the previous year.
- A significant increase in the number of initiatives sponsored by the Digitalisation Office.
- Headway in process digitalisation, both transversal (procurement management, financial reporting, closing estimates, new Intranet, etc.) and business processes (control of large construction projects, framework agreement management, work reports, CRM, etc.).
- Launch and activation of initiatives to improve and digitalise tax management, consolidation, insurance management, clocking in, management of gas contracts, various aspects of OHS and fleet management, among others.
- Continuity of initiatives regarding compliance, security and cyberrisks.
- Generation of synergies, reduction of technological risk and enhancement of intra-entrepreneurship within the organisation.
- Incorporation of Celeo with specific initiatives within the Digitalisation Office.
- 10 working panels and +50 initiatives underway.
- Increased levels of involvement: +320 participants, +5,200 users, +7,000 third parties, 800 working sessions, +70 training sessions and 18 committee meetings held.



+320

PARTICIPANTS

+5,200

USERS

+7,000

THIRD PARTIES

800 WORK SESSIONS In 2020, progress will continue to deploy the changes and tools designed and implemented at the various business units and some of the Group's subsidiaries. The aim is to ramp up the adoption of the change and materialise the benefits sought by the company as a whole. At the same time, new initiatives will be added to cover business areas and processes with scope for improvement.



Innovation and new business opportunities



Through innovation, Elecnor aims to guarantee the company's sustainability, competitiveness and differentiation by contributing greater added value to the services it provides to its customers.

The Group's main strategic lines of RDI target the following areas of activity.

200



nfra

- Railway
- Electricity transmission/ distribution
- Gas transmission/ distribution
- Roads
- Construction and building solutions
- Singular projects



nergy

- Renewable/ conventional generation
- Sub-stations
- Energy storage systems
- Hybrid fossil fuel + solar PV systems
- Biomass
- Construction solutions
- Improvements in efficiency, 0&M and management of generation plants
- Singular projects



lities

- Electrical installations
- Energy services
- Safety
- Buildings and large facilities (ports, airports, industry, hospitals, etc.)
- Construction solutions
- Smart Cities
- Singular projects



ent

0

- Management and treatment of waste and waste-toenergy
- Carbon capture systems (CCS)
- Soil decontamination
- Improvements in efficiency, 0&M and management of plants
- Singular projects



/ate

- Systems for desalinating sea water and brackish water
- Waste water treatment systems
- Drinking water purification systems
- Water transport and distribution networks
- Improvements in efficiency, 0&M and management of plants and water networks
- Singular projects

A TECHNICAL WORKSHOP ON

INDUSTRIA 4.0 and RDI

WAS ATTENDED BY 26 PERSONS FROM THE GROUP.

PERFORMANCE OF VARIOUS PROJECTS WITH CUSTOMERS, MOST NOTABLY

ENTORNO 4.0

PROJECT BY AUDECA FOR MINISTRY FOR DEVELOPMENT AND THE

APPIDE PROJECT

BY ELECNOR DEIMOS IN PARTNERSHIP WITH GUDNUS.

I AUNCH OF

INNOVA 2019

INTERNAL CALL FOR PROPOSALS FOR RDI PROJECT FUNDING.

MAINTENANCE OF UNE 166002 CERTIFICATION FOR

RDI MANAGEMENT SYSTEMS

OF ELECNOR AND AUDECA.

PARTNERSHIP WITH GUDNUS.

-



Innovation projects

In 2019, the Group was involved in more than 30 projects, of which 14 commenced in the year. In some of these projects, Elecnor is collaborating with various universities and technological centres and institutes, including Universidad Politécnica de Cartagena, CEBAS-CSIC, Universidad de Valladolid and UPV/EHU.

Highlighted projects

LED Project

The project's main goal is to develop and implement a passenger information system based on LED technology. This system is aimed at helping people to consult information at public transport stations and on public thoroughfares in towns and cities, so that the visual, technological and energy quality offered by LED lighting enables a step forward in visual information (with digital panels and lighted signs) towards a high-efficiency, versatile system offering a broad range of possibilities for use.

Smart Cities Project

This project consists of the design, development and integration of a new model of smart cities by means of automating irrigation and lighting systems.

This project is within the framework of the process to deploy the smart cities concept. The aim is to integrate autonomous watering systems in parks by means of a centralised system, allowing local operation in each park and in the command centre. Accordingly, resources are optimised and, using historical data, it is possible to make suitable tweaks to ensure continuous improvement in efficiency terms.

Moreover, the system can also read 100 temperature and humidity sensors over a Siemens IoT 2040 gateway through its open source programming system. This programming consists of capturing signals and processing and delivering data to the cloud by means of the SIGFOX protocol.

In addition, the project tackles the control aspect of street lighting and pilot plans for waste integration via an online platform with global access.

Meanwhile, Elecnor Deimos, the Group's technological subsidiary, is permanently involved in innovation projects, some of which are already generating business for the Group.

Some examples:

- Operating space monitoring systems commenced in international R&D projects in the sphere of the ESA and the EU.
- Kyros, a positioning-based service with approximately 10,000 mobile units in operation, began with an innovation project and subsequent product action drives.
- Marketing of a complete satellite land segment, the NAOS project, in which Deimos is the lead contractor. This project is based on developments made within the sphere of the ESA and the specific development of the ground segment of Deimos-2

Innova 2019 calls for proposals

Innova is the Elecnor Group's platform for proposals for RDI project funding. Its aim is 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.





Breaking the barriers of energy storage at wind farms

Renewables are the future of the energy sector. This, coupled with the fact that the vast majority of renewables present a problem of intermittency, means it is vital to develop new technology to integrate renewables on a large scale without compromising the quality and reliability of the electricity supply. Accordingly, it will be possible to dispense with the known back-up technologies (primarily thermal plants), which are the biggest emitters of greenhouse gases.

This technological revolution is spearheaded by the batteries sector, which is growing exponentially on the back of

the economy electrification (electric vehicles, electrification of buildings, renewable energies, etc.).

In this context, the least advanced area is that of battery-assisted wind farm management, so that, by means of a pilot project, Enerfín aims to develop a control system to efficiently develop a battery and wind project.

The control system in development will enable Enerfín to boost its technological excellence, both as a developer and as an operator of wind farms.

The project targets the design, simulation, implementation and optimisation of a novel, integrated wind-battery control system to manage the power generated by a wind farms in accordance with the conditions in the electricity market and the farm/battery at any given time (the control system will take into account both the wind power generation uncertainty and the market uncertainty).

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.

Along these lines, Elecnor again took part in the BIND 4.0 project for the acceleration of startups within the framework of Industry 4.0. Backed by the Basque Agency for Business Development, Elecnor is one of the programme's technological partners, along with other large corporations.

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)

- · An 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.
- Founding member of Instituto Tecnológico de la Energía and, at present, member of its Governing Council. This association also affords access to the REDIT network of technological institutes in Valencia (Red de Institutos Tecnológicos de la Comunidad Valenciana), a private, non-profit organisation that has 11 associate members and offers a broad range of advanced RDI services.
- We belong to the R&D committees of TEDAE (Patronal Española de Empresas Tecnológicas de Aeronáutica, Espacio y Defensa), the European Association of Remote Sensing Companies, the European Association of Space Companies Eurospace and the Open Geospatial Consortium.

Through innovation, **Elecnor aims** to ensure the sustainability, competitiveness and differentiation of the company by providing greater added value



Responsible management Corporate Governance

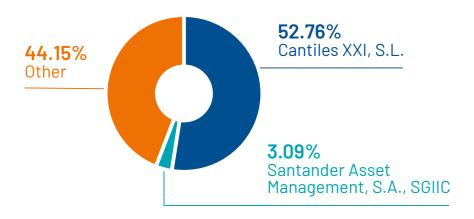
Elecnor fulfils the requirements established in Spanish Companies Act and the Code of Corporate Governance for Listed Companies issued by the National Securities Commission⁴.

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 2019 year-end.

Shareholding



Governance structure (GRI 102-18)

The governing bodies of the Parent 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 22 May 2019, with an attendance rate of 81.66%.

Board of Directors

TOTAL DIRECTORS

15

10 PROPRIETARY DIRECTORS

3 INDEPENDENT DIRECTORS

1 EXECUTIVE DIRECTOR

1 EXTERNAL DIRECTOR

13 DIRECTORS

2 FEMALE DIRECTORS

12
MEETINGS
Board of Directors

100%
ATTENDANCE
Meetings of the Board

Director name	Position on the Board	Professional category	Date last appointed
Jaime Real de Asúa Arteche	Chair (non-executive)	Proprietary	01/06/2018
Fernando León Domecq	Vice-Chair	Proprietary	01/06/2018
Ignacio Prado Rey-Baltar	Vice-Chair	Proprietary	01/06/2018
Rafael Martín de Bustamante Vega	Director and Chief		
	Executive Officer	Executive	16/05/2017
Joaquín Gómez de Olea y Mendaro	Secretary	Proprietary	18/05/2016
Cristóbal González de Aguilar Alonso-Urquijo*	Deputy-Secretary	Proprietary	22/05/2019
Fernando Azaola Arteche	Director	External	01/06/2018
Miguel Cervera Earle	Director	Proprietary	01/06/2018
Isabel Dutilh Carvajal*	Director	Independent	22/05/2019
Irene Hernández Álvarez	Director	Independent	01/06/2018
Juan Landecho Sarabia	Director	Proprietary	01/06/2018
Miguel Morenés Giles	Director	Proprietary	01/06/2018
Gabriel de Oraa y Moyúa	Director	Proprietary	01/06/2018
Rafael Prado Aranguren	Director	Proprietary	01/06/2018
Emilio Ybarra Aznar*	Director	Independent	22/05/2019

^{*} Re-appointed in 2019

⁴ This information is available under Corporate Governance in the Investors section of the website www.elecnor.com



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	Туре
Jaime Real de Asúa Arteche	Chair	Proprietary
Fernando Azaola Arteche	Secretary	External
Fernando León Domecq	Director	Proprietary
Rafael Martín de Bustamante Vega	Director	Executive
Miguel Morenés Giles	Director	Proprietary
Cristóbal González de Aguilar Alonso-Urquijo	Director	Proprietary

1 EXECUTIVE COMMITTEE

16.67%

4 PROPRIETARY DIRECTORS

66.66%

1 EXTERNAL DIRECTORS

16.67%

22 COMMITTEE MEETINGS

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	Туре
Irene Hernández Álvarez	Chair*	Independent
Miguel Morenés Giles	Secretary	Proprietary
Emilio Ybarra Aznar	Director	Independent
Ignacio Prado Rey-Baltar	Director	Proprietary
Isabel Dutilh Carvajal	Director	Independent

^{*} Appointed Chair in 2019

3 INDEPENDENT DIRECTORS

60%

2 PROPRIETARY DIRECTORS

40%

2 FEMALE DIRECTORS

40%

11 COMMITTEE MEETINGS

Over the course of the year, the Audit Committee performed the following actions:

- The review of annual, half-yearly and quarterly financial information published in markets and the goals and forecasts at year end.
- The monitoring of the main risks with the potential impact on the statement of profit and loss and other material matters relating to the annual accounts, the Risk Management System and the Internal Audit system.
- 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
- Preparation of a new Regulation for the Committee itself and its submittal to the Board for approval.



Appointments and Remuneration Committee

This Committee assesses the competencies, knowledge and experience necessary in the Board. It proposes and reviews the remuneration policy for directors and Management.

Comprehensive information of the Report on the Activities of the Audit Committee is contained in the Annual Corporate Governance Report.

Name	Position	Туре
Emilio Ybarra Aznar	Chair	Independent
Fernando León Domecq	Secretary	Proprietary
Jaime Real de Asúa Arteche	Director	Proprietary
Isabel Dutilh Carvajal	Director	Independent

2 PROPRIETARY DIRECTORS

50%

2 INDEPENDENT DIRECTORS

50%

FEMALE DIRECTORS

25%

10
COMMITTEE
MEETINGS

The Appointments and Remuneration Committee has carried out the following actions:

- It continued to analyse the structure of the Board with the contribution of Spencer Stuart as an external consultant.
- Examination of the directors' scores.
- Review of the directors' questionnaire in relation to conflicts of interest.
- The action plan resulting from the assessments of the Board and its Committees continued, and further progress was made in compliance with recommendation 36 of the Code of Good Governance.
- Prior analysis of the Board of Directors' needs in connection with the appointment and re-appointment of directors which it has conveyed to the Board of Directors.
- Review of the models for assessment of the Board, its Chairman and its Committees, and assessment of the Committee itself.
- It was agreed to propose the re-appointment of Isabel Dutilh Carvajal and Emilio Ybarra Aznar as independent directors for a term of four years. Also at the Board of Directors' behest, the Committee reported favourably in connection with the re-appointment as a Proprietary Director of Cristóbal González de Aguilar Alonso-Urquijo, for a term of four years.
- The directors' remuneration policy was submitted to the General Shareholders' Meeting of 22 May 2019 and approved for the years 2020-2021 and 2022. In this connection, the justifying reports were prepared for the Board in connection with both the amendment of article 12 of the Bylaws and various articles of the Board's own Regulations.
- Proposed annual remuneration, fixed and variable, for the Executive Committee and Remuneration Reports for 2018.
- Proposed remuneration policy for the Management Team and its application, including the proposed variable remuneration linked to the targets set.
- Review of the Succession Plan for the Chairman, Chief Executive Officer, and Management, including a management assessment of the Management Committee.
- The work-life balance, equality, allowances and international mobility in connection with the Group's expatriates, along with the Talent Plan, were examined.
- A training plan for the Board of Directors was implemented.
- Moreover, in compliance with CNMV guidelines and with the Code of Good Governance, a new Regulation for the Committee itself was approved.
- The Board was apprised of all the Committee's activities, and the directors were provided with a copy of the minutes of all its meetings and the related appendices.

Comprehensive information of the Report on the Activities of the Appointments and Remuneration Committee is contained in the Annual Corporate Governance Report.



Selection of Directors and Board diversity

Elecnor has a "Policy for the Selection of Directors and Board diversity", available on the company website, which 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.

This policy establishes that the Board of Directors and the Appointments and Remuneration Committee will be responsible for the selection of members of the Board of Directors.

Procedures for this selection will ensure that a diversity of experience, knowledge, competencies and gender is fostered; and that, in general, there are no implicit biases that might imply any kind of discrimination.

In particular, in no case must the selection procedures imply discrimination against the selection of female directors, so that the company can move closer to its Corporate Governance targets. Accordingly, when the
Appointments and Remuneration
Committee or the Board itself,
where applicable, seeks a
professional profile, it will first
take into account corporate
interests, but when faced with two
similar professional profiles it will
opt for whichever belongs to the
gender that is least represented.

Within the framework of this policy, in 2018, the second female Independent Director, Irene Hernández Álvarez, was appointed; Ms Hernández Álvarez was designated Chair of the Audit Committee in May 2019. On the same date, Isabel Dutilh was re-appointed as an Independent Director.

With regard to the goal of the number of women directors on the Board accounting for at least 30% of the total in 2020, the Company's Board of Directors continues to work in this connection, with the support of the Appointments and Remuneration Committee, and fostering the actions necessary to ensure that this goal is achieved as soon as possible.

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 2019. Said document is available on the CNMV and Elecnor websites amounted to.

Remuneration Policy

On 15 March 2017, at the proposal of the Appointments and Remuneration Committee, the Board of Directors of Elecnor approved the Remuneration Policy corresponding to the years 2017, 2018 and 2019.

Total remuneration accrued by the Board of Directors of the Elecnor Group in 2019 amounted to Euros 5,199.9 thousand, 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 National Securities Market Commission (CNMV) and the corporate website.

Name	Fixed remuneration	Per diems	Remuneration for sitting on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total in 2019
Jaime Real de Asúa Arteche									
PROPRIETARY	143.5	18	37.5					282.5	481.5
Fernando León Domecq									
PROPRIETARY	143.5	18	37.5					12.5	211.5
Ignacio Prado Rey-Baltar									
PROPRIETARY	143.5	18	15					12.5	189
Rafael Martín de Bustamante Vega									
EXECUTIVE	143.5	18	25	568	1,014			12.5	1,781
Joaquín Gómez de Olea y Mendaro									
PROPRIETARY	143.5	18						32.5	194
Cristóbal González de Aguilar									
Alonso-Urquijo									
PROPRIETARY	143.5	18	25					12.5	199
Fernando Azaola Arteche									
EXTERNAL	143.5	18	25					12.5	199
Miguel Cervera Earle									
PROPRIETARY	143.5	18						12.5	174
Isabel Dutilh Carvajal									
INDEPENDENT	143.5	18	29.4						190.9
Irene Hernández Álvarez									
INDEPENDENT	143.5	18	18						179.6
Juan Landecho Sarabia									
PROPRIETARY	143.5	18						86.3	247.8
Miguel Morenés Giles									
PROPRIETARY	143.5	18	40					12.5	214
Gabriel Oraa y Moyúa									
PROPRIETARY	143.5	18							161.5
Rafael Prado Aranguren									
PROPRIETARY	143.5	18							161.5
Emilio Ybarra Aznar									
INDEPENDENT	143.5	18	32.5						194

On 22 May 2019, a majority of shareholders at General Shareholders' Meeting of Elecnor agreed to approve the Remuneration Policy for directors of Elecnor, S.A. for 2020, 2021 and 2022 (hereinafter, the "Policy"), agreed by the Company's Board of Directors at its meeting on 27 March 2019, at the proposal of and subject to a prior justifying report by the Appointments and Remuneration Committee

of Elecnor, in its session of 18
February 2019, establishing the maximum amount of annual remuneration to all directors, for all their duties, executive and non-executive, included in the aforementioned Remuneration Policy. This maximum amount was set at Euros 10 million and will remain valid unless and until a modification is approved by shareholders in a General Shareholders' Meeting.

This new Policy aims to reduce potential 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

Both the new Policy and the Annual Report on Remuneration to the directors of the Company are available on Elecnor's corporate website.

Board of Directors' Evaluation

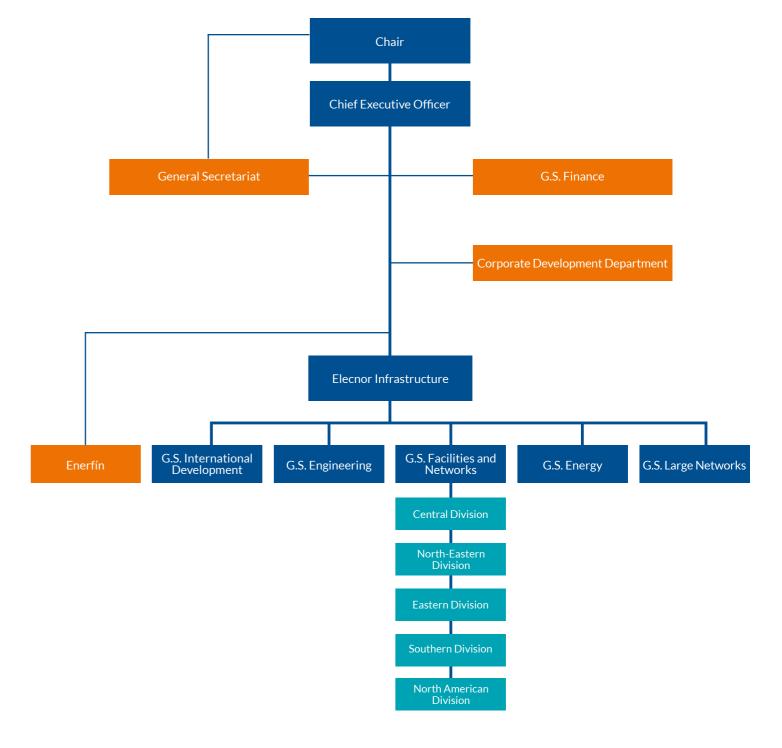
The Company's Board of Directors evaluates, by means of various questionnaires to be completed by all of its members, its own activity and that of its Committees, as well as the activity and actions of its Chair, Secretary and Chief Executive Officer, pinpointing the strengths and areas for improvement and applying the adequate remedial measures. Said questionnaires are reviewed by the respective Committees and the Appointments and Remuneration Committee reviews the questionnaire completed by the Board and the Chair.

Said questionnaires include the evaluation of areas such as the degree of compliance with targets, value creation, the 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 duties of the Chair of the Board.

The annual evaluation performed by members of the Board of Directors in 2019 did not give rise to material changes in its internal organisation, procedures and/or activities.

Organisational structure at 31 December 2019

On 17 December 2019, Celeo Concesiones e Inversiones, S.L., became an investee of the Elecnor Group after a strategic partnership was arranged with the Dutch group APG, which manages the world's second-largest pension fund. This partnership implied the entrance of APG in the share capital of Celeo Concesiones e Inversiones, S.L., which is now jointly controlled by Elecnor (51%) and APG (49%).





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 environmentrelated 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 daily requirements of customers.
- Growth.
- Sub-contracting strategy.
- Business concentration.
- Changes in the market, industry and competition.
- 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

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

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.



Ethical management and regulatory compliance

(GRI 102-16)

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 risk that such situations might arise.

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	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.

Guaranteeing responsible management and ethical, honest and transparent conduct with stakeholder groups is underpinned by the definition of the organisation's own values and

the implementation of ethical management and regulatory compliance systems. Hence, the Company has the necessary tools to ensure compliance with legislation in force and a

responsible corporate style in its relations with shareholders, employees, customers, suppliers, competitors and social representatives.



Elecnor's mission is to contribute, in the performance of all its activities, to the economic and technological progress, social welfare and sustainable development of the markets in which it operates. Accordingly, the Group aspires to lead the market as a highly competitive, groundbreaking company, in continuous growth and with an international presence.



The goal

is to be known for the quality of our actions, the high standards of our team of professionals, and our social responsibility, commitment to customers, technical and financial solvency and values.



Values

- Reliability
- Commitment and effort
- Customer focus
- Solvency
- Innovation



Compliance system

(GRI 103-1, GRI 103-2, GRI 103-3, GRI 205-2, GRI 205-3, GRI 406-1)

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, ensuring occupational health and safety 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.

Elecnor was the first company in its sector in Spain to achieve certification under the

une-ISO 37001 anti-bribery management system standard and also one of the first nationwide and internationally, reflecting the Group's commitment to the ongoing improvement of its management practices and procedures, an area in which the organisation has led the way.

Furthermore, in 2019, Elecnor obtained 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 one of the highest international standards in this connection.

The main elements of the System are as follows:



Ethical Code



Compliance Policy



Compliance Management System Manual



Compliance Committee

of the system.



Map of Compliance Risks and Procedures and mandatory internal controls



Ethical Code whistleblower channel

Certification to UNE-ISO 37001 anti-bribery management system standard.

UNE-ISO 37001 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 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 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, and this report is submitted to the Audit Committee and the Management Team to help them in their duties of supervision

In this connection, 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 Code's principles, guiding rules and implementing procedures. The maximum

exponent of this commitment is 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. For this purpose, the e-mail address codigoetico@elecnor.com and post office box 26-48080 are in use.

The organisation's employees may also resolve queries or propose improvements in the internal control systems in place.

In 2019, 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 nine complaints received over the course of the year 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, six of those complaints had been resolved and the remainder were in the process of investigation and resolution.



Actions in 2019

- Review and improvement of the procedures and controls established to prevent and avoid anti-trust practices. As part of this project, in the first few months of 2020 specific training on this topic is scheduled to be provided to the Group's management team (more than 150 people). To implement this initiative, Elecnor has benefited from the specialist advice of Deloitte.
- Campaign to confirm compliance with the main principles and values established in the Ethical Code and Compliance Policy by those persons who received training on this topic in the last three years and by the Board of Directors and members of the Management Committee (more than 750 people). Over the coming months, this initiative will be extended to the rest of the workforce of the Elecnor Group.
- Signing of a 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 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.
- · Compliance Training

2019

Design and approval of in-person and online training for +2,000 people

Last 3 years

+3,000 people within the Group (national and international level), ranging from the Management Team to middle management and personnel devoted to supporting, advisory and control duties.

In this connection, for the third consecutive year, the Chair of the Compliance Committee, supported by an external expert, shared with new recruits the main elements of the Compliance System as well as the main messages, principles and values of the Group.

- Procedural review encompassing from the detection and assessment of the opportunity to the
 negotiation and signing of a contract for singular projects so as to continue to improve their structure,
 systematisation, risk assessment (including compliance risk), interdepartmental coordination and the
 review and monitoring of the process by advisory and supervisory functions.
- 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. There was notable activity in US operations in 2019.
- The technological subsidiary **Deimos** obtained **certification** to **UNE-ISO 37001 anti-bribery management system standard and UNE 19601** criminal compliance management system standard. Moreover, **Celeo's subsidiary in Chile also has a certified model for preventing crime**.
- The Compliance Committee's capacities were further strengthened by the participation of some of its members and other persons responsible for the Compliance System in an "Advanced Compliance Programme" taught by a prestigious business school in partnership with external experts in this area.
- A specific working group was set up to improve compliance risk management, led by a member of the Group's Management Committee.
- Improvement in visibility of the Compliance scope in the corporate Intranet.

In 2020, work will be working in relation to the following goals:

- Improvement in systems relating to the preparation, issuance and approval, dissemination, review and monitoring of the mandatory Corporate Policies and Procedures.
- Development and consolidation of the IE-Elecnor Observatory on Sustainable Compliance Cultures.
- Design and implementation of a Compliance Training Model for the on-boarding stage of new recruits.
- Continuation of the consolidation and improvement of the Group's Compliance System at the various subsidiaries in accordance with the Compliance System Rollout Plan.

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 2019, the Elecnor Group contributed Euro 1.3 million to sector associations.





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.

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.

The Group is also a Signatory of the UN Global Compact, and 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), primarily linked to the defence of human rights and the fight against climate change.

Celeo Redes in Chile and Brazil have also subscribed to the Global Compact.

With regard to ethical management and regulatory compliance, this report includes detailed information on the Elecnor Group's commitment to responsible management and ethical and honest conduct that is transparent with its stakeholders.

COMMUNICATION ON PROGRESS

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.

All companies in the Group have a strong commitment to the defence and fulfilment of human rights in their activities in all countries in which they are active

Reconstruyendo La Nopalera (Rebuilding La Nopalera) project (Mexico). Elecnor Foundation





Fiscal transparency

Elecnor publishes its tax information in an exercise of reporting transparency.

estimate of the breakdown of results by country, as well as the payments made in income tax by country, based on the data available at the time of preparing these Annual Accounts. For this breakdown by country, the same criteria were used as applied to preparing the Consolidated Annual Accounts, likewise breaking down harmonisations and removals as required for the presentation of the Consolidated Income Statement.

Profit before tax by country

Figures in thousands of Euros

Country	2019
Germany	- 18
Angola	19,991
Algeria	-884
Argentina	1,690
Australia	-130
Bolivia	-91
Brazil	57,422
Cameroon	704
Canada	1,430
Chile	11,247
Colombia	- 2,952
Ecuador	-879
El Salvador	267
Spain	94,756
United States	6,520
France	2,589
Ghana	-537
Guatemala	-2
Guinea	21
Honduras	1,592
Italy	4,318
Jordan	2,638
Kuwait	3
Morocco	-91
Mauritania	557
Mexico	-11,212
Norway	3,946
Oman	56
Panama	4,129
Peru	-1,270
Portugal	-632
UK	781
Dominican Republic	-7,888
Senegal	90
South Africa	37
Uruguay	869
Venezuela	1,010
<u>Total</u>	190,077

Income taxes

Figures in thousands of Euros

Country	2019
Angola	6,192.99
Argentina	204.86
Australia	4,358.24
Bolivia	9.00
Brazil	14,468.00
Cameroon	124.00
Canada	63.23
Chile	-479.06
Ecuador	230.58
El Salvador	34.00
Spain	1,815.53
United States	5,433.37
France	76.00
Ghana	7.00
Great Britain	472.87
Honduras	519.71
Italy	183.39
Jordan	244.25
Kuwait	17.00
Morocco	0.28
Mauritania	120.00
Mexico	13.70
Panama	215.00
Peru	551.33
Portugal	-27.09
Dominican Republic	263.48
Romania	1.10
Senegal	10.00
Uruguay	375.94
Venezuela	6.53
Total	35,505.23

Estimated corporate income tax payments in countries in which the Group operates, correspond mainly to the final settlement of taxes accrued in 2018, and to payments on account of taxes accrued in 2019 which will be settled in 2020.

Public grants received (GRI 201-4)

In 2019, the Elecnor Group received public grants amounting to Euros 3,240.6 thousand, compared with Euros 3,376.6 thousand in the previous year, as detailed below.

Total	3,240.6
Portugal	695.3
Great Britain	478.5
Canada	119.8
Spain	1,947.0
Country	Ratio



Social impact

(GRI 103-1, GRI 103-2, GRI 103-3)

Via its various activities,
Elecnor has a direct impact on
employment, progress and social
well-being, while helping to resolve
some of the major challenges
facing society (tackling climate
change, reducing the energy gap,
safe access to essential resources
like energy or drinking water, etc.)
which are currently included in the
2030 Agenda and the Sustainable
Development Goals (SDGs).

Meanwhile, the Elecnor Foundation strengthens the Group's social commitment through social infrastructure projects in the countries where these are most necessary and through a commitment to the training and employability of young people. In addition, there are a number of social and/or environmental programmes being carried out with local communities.

Thanks to sustained growth, the Elecnor Group can also distribute direct financial value to its main stakeholders: shareholders, suppliers, employees, governments, etc.



Value generation

(GRI 102-7, GRI 103-1, GRI 103-2, GRI 103-3, GRI 203-2)

Direct financial value generated and distributed (GRI 201-1)

In thousands of Euros		
	2018	2019
Generated financial value	2,283,177	2,703,775
Income ¹	2,283,177	2,703,775
Distributed financial value	1,961,874	2,435,948
Operating costs ²	1,245,020	1,630,566
Personnel expenses ³	599,994	669,018
Payments to capital providers ⁴	69,600	100,259
Tax contribution⁵	49,960	35,505
Investment in the community ⁶	300	600

Source. Figures from the income statement in the consolidated annual accounts for 2019, except for dividend payments and income tax payments shown in the statement of cash flows included in the annual accounts.

- 1. Ilncluding: Net turnover + changes in inventories of finished goods + own work capitalised + other operating income + capital grants + profit/loss on disposals and others + negative difference in business combinations + finance income + change in the fair value of financial instruments
- 2. Including: Materials consumed + external services + taxes + other management expenses + impairment and losses from tangible and intangible assets + minority interest + income from equity accounted investees (negative).
- ${\it 3. Including: Salaries and social benefits for employees.}\\$
- 4. Including: finance expenses + exchange losses + 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

Elecnor contributes to the development and well-being of local communities by means of direct job creation and by contracting local employees and suppliers.

At the end of 2019, the Group's workforce had increased by 1,278 people (up 9.4% on the previous year).

Total	13,577	14,855	9.4%
International	4,741	5,519	16.4%
Domestic	8,836	9,336	5.6%
Workforce	2018	2019	Changes

Local employment

		2019		
Location	Employees	% local employment		
Africa	969	90%		
America	3,725	98%		
Asia	15	93%		
Spain	9,336	95%		
Europe	796	77%		
Oceania	14	50%		
Total	14,855	94%		



Procurements from local suppliers (GRI 204-1)

Location	Procurements	Grupo Elecnor% of local procurements
Spain	292,570,830	100%
Europe		
Italy	6,587,194	100%
Portugal	7,090,339	100%
Norway	5,815,997	50%
France	442,232	50%
UK	12,190,737	50%
Romania	-30,802	50%
North America		
United States	55,313,759	50%
Mexico	20,121,147	75%
Panama	11,312,028	98%
El Salvador	119,667	25%
Latin America		
Venezuela	181,318	97%
Dominican Republic	5,962,632	99%
Chile	25,972,227	50%
Ecuador	516,671	50%
Honduras	856,188	65%
Guatemala	500	50%
Uruguay	3,483,173	50%
Peru	315,861	50%
Brazil	113,841,159	50%
Argentina	487,354	50%
Bolivia	103,935	50%
Africa		
Algeria	1,390,933	100%
Angola	5,167,910	65%
Congo	6,277,123	8%
Ghana	7,730,450	28%
Guinea	7,921,033	1%
Cameroon	9,148,707	8%
Senegal	1,054,793	29%
Liberia	1,919,082	0%
Morocco	4,127	50%
Mauritania	7,993,313	50%
Asia		
Jordan	17,634,464	45%
Oman	48,027	0%
Oceania		
Australia	16,184,704	50%
Total	645,728,811	

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.

Elecnor has consistently created value for its shareholders over the years, paying dividends year after year, without fail and always in cash

Stock market indicators	2018	2019
Closing share price (€)	13.20	10.95
Dividend yield	2.6%	2.4%

Dividend yield in 2019 was 2.4%, compared to 2.6% the year before. This decrease was due to the payment of an interim dividend in 2018, which has traditionally been paid in January of the following year, but was brought forward to December 2018.

Three dividends were paid to shareholders during the 2018 financial year (an interim dividend charged to 2017; a supplementary dividend corresponding to 2017; and an interim dividend charged to 2018), while two dividends were paid in 2019 (a supplementary dividend corresponding to 2018 and an interim dividend charged to 2019).



The Elecnor Group's social action

(GRI 103-1, GRI 103-2, GRI 103-3, GRI 203-1)

The Group's social action is articulated mainly by means of the Elecnor Foundation.

In 2019, Elecnor donated a total of Euros 621,505 to various associations, foundations and non-profit entities to support a range of social causes initiatives. Of that amount, Elecnor contributed Euros 600,000 to Elecnor Foundation.

Elecnor Foundation

The Foundation's work is closely linked to Elecnor's own activity. The Foundation's purpose is to help improve the living conditions and enhance 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.

In 2019, the Foundation had a presence in Spain, Honduras, Dominican Republic, Ghana, Chile, Uruguay, Angola, Nicaragua Cameroon and Mexico. Since it was first set up, Elecnor has donated funds amounting to Euros 5.5 million. Moreover, the Foundation has obtained Euros 4.2 million in funds. Combining the two, the Elecnor Foundation has led projects worth a total of Euros 9.7 million.

Social Infrastructure Projects

» Énergie Solaire pour l'Éducation, Cameroon. Third project in Africa

This project combines the development of social infrastructure with training and employment opportunities.

The aim of the project is to consolidate the socio-educational activities of the Salesians of Don Bosco in Ebolowa, providing stable and quality electricity to projects underway via a solar PV system to guarantee the activities being conducted at the technical institute, boarding school, youth centre, radio and free water supply to the community.

Through this renewable facility, the Elecnor Foundation helps improve the education of more than 750 pupils.

The proposed design comprises a 62 kWp solar array of 180 panels each with a unit capacity of 345 W, capable of providing 63% of the energy consumed. This array will work together with a cluster of 48 kWn inverse chargers able to supply the necessary power and with 3500 Ah 48 V batteries providing up to 12 hours of autonomy, sufficient to last overnight.

With the cooperation of the Joint Workplace Health and Safety Service and Elecnor Cameroon, safety training was provided to people working in the project's execution and a large number of students at the professional training centre.

Training data

- 24 pupils from the institute
- 8 graduates
- 6 Elecnor employees
- 60 teachers from the institute



Énergie Solaire pour l'éducation (Solar Energy for Education) project (Cameroon). Elecnor Foundation

The most salient aspect of this project is that 7 graduates were hired to join the Group workforce. These students, along with Elecnor's professional team, will install the solar PV systems on the institute's roof.

» Rebuilding La Nopalera, Mexico

The Board of Trustees of the Elecnor Foundation unanimously approved the solar street lighting project in the town of La Nopalera, in Mexico. This small, underprivileged town in the State of Morelos suffered the devastating consequences of the earthquake of 19 September.

The aim of this project is to light the entire town with the same quality and intensity as

any other developed town, all in accordance with the strictest quality standards. The smart street lighting to be installed will improve security in urban areas and enhance the quality of life of the inhabitants of La Nopalera. This is a commitment to a kind of renewable energy that will help nurture an optimum environment.

The Elecnor Foundation and Fundación de la Casa de México in Madrid signed an agreement to explore channels for collaboration in social infrastructure projects in Mexico. The project was unveiled to mark the first anniversary of Casa de México in Spain.

» Luces para aprender, Uruguay

The Elecnor Foundation,
Administración Nacional de Usinas
y Transmisiones Eléctricas (UTE)
and the Organisation of IberoAmerican States (OEI) in June 2018
signed an addendum to the Luces
Para Aprender (Lights to Learn)
agreement, in another step forward
in the installation of solar PV systems
in rural areas of Uruguay.

This addendum allows for the relocation of renewable energy equipment previously installed in rural schools when they did not have energy or connectivity. Of the 85 rural schools originally benefiting from this project, 35 were hooked up to the national grid.



In this latest phase, the proposal is to continue promoting interinstitutional actions in inland areas of the country so as to further the development of knowledge, capacities and commitments in connection with renewable energies.

Work was ongoing on identifying sites to install solar PV systems at university centres and social undertakings. Within the framework of the second phase of the Luces para Aprender project, the first renewable energy hub was installed at UTEC's South-Central Regional Technological Institute, in Durazno.

The aim is to develop a university-based one-stop-shop for information, awareness and promotion of clean energies and their impact on the environment and development. This is targeted to the Durazno community and its surrounding area, and is aimed especially at children and school-aged children.

The Luces para Aprender project has expanded its horizon of solidarity to reach Africa. Two solar PV systems were installed in the Amour and Turisemi orphanages in Goma, a city in the Democratic Republic of Congo with 160,000 inhabitants. These two solar power systems were installed by the Blue Helmet peacekeeping force from the Uruguayan Army. They were equipped by technical experts from UTE and the Elecnor Foundation, who will also be responsible for their future maintenance.

National Energy Efficiency Awards 2019

A rural school in Cerro Largo, a town in Minas (Lavalleja) and a lycée in Colonia, along with the Montevideo council and various private sector companies were winners of the National Energy Efficiency Awards in 2019. These awards are a recognition of institutions, bodies and companies for their efforts and achievements in relation to electricity saving and usage in various sectors of activity.

The National Energy Efficiency Awards, an initiative of the Industry, Energy and Mining Ministry, were first launched more than 10 years ago to raise the visibility of institutional commitment and foster investment in the development of new projects.

This time, the Elecnor Foundation, the UTE and the OEI gave an energy efficiency award within the framework of the Luces para Aprender programme.

» Volunteering 2019

A new corporate volunteer initiative was launched within the framework of the Cameroon project. The challenge is to provide training to teachers and alumni of the Institute of Professional Training in Ebolowa.

60 people received training in solar PV power over the two weeks in which four volunteers were in the country.

With the collaboration of experts from Atersa, the Group's solar PV subsidiary, and of employees from Cameroon, the volunteers audited the solar energy system installed and compiled training course content, which included a module on occupational health and safety (risk prevention).

Training courses

- The Elecnor Foundation's participation in the SDG MOOC: an inevitable transformation, organised by Madrid's Universidad Politécnica.
- » Compliance Observatory for medium-sized enterprises

The Elecnor Foundation and Fundación IE, with the collaboration of the Eversheds Sutherland legal offices, signed a collaboration agreement to create the IE-Elecnor Observatory on



Reconstruyendo La Nopalera (Rebuilding La Nopalera) project (Mexico). Elecnor Foundation

Sustainable Compliance Cultures which responds to the Elecnor Foundation's concern for the compliance development at small and medium-sized enterprises.

The main goals of the Observatory are to:

- Harness and develop knowhow to understand the challenges facing mediumsized enterprises in the implementation of a culture of compliance.
- Develop proposals to facilitate the implementation 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, multinationals and early adopters.
- 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.

» Cities Lab chair of excellence, Universidad de Deusto

The Elecnor Foundation is a member of the Board of Trustees of the Cities Lab chair of excellence, pursuant to an agreement signed with Deusto Business School.

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.

At present, a laboratory scheme is underway in cooperation with the municipal council of Alcalá de Guadaira, focusing on the





role of technological solutions in the sustainable development of cities. The aim is to make Alcalá de Guadaira into an innovation ecosystem to better integrate sustainable urban development using technological innovation.

» Awards and Grants Programme with Escuela Técnica Superior de Industriales (Universidad Politécnica de Valencia – UPV)

In the 2018-2019 edition, five students received grants for their end-of-Master's theses. The Foundation also awarded the prize (Euros 1,500) to the best project presented.

» Visit to the ASTE solar thermal plant

42 students from the Industrial and Electrical Engineering Master at ETSII (the Industrial Engineering Faculty of Madrid's Universidad Politécnica) visited Elecnor's facilities in Ciudad Real (Spain).

» Specialist Post-Cycle Course in Medium- and Low-Voltage Electrical Installations

The Group continued to train future professionals within the framework of our cooperation with Colegio Salesianos Deusto. This year, two students who attended the course in 2016 were hired.

» Telecommunications Specialisation Course

The course aimed at students of middle grade vocational training was conducted in Valencia at Colegio Juan Comenius.

Impact on and dialogue with local communities (GRI 413-1,GRI 413-2)

Social factors in project development are becoming increasingly significant, so suitable dialogue with and proximity to the communities is considered a key aspect for a project's success.

Elecnor has a clear commitment to the communities where it operates, and programmes to foster social, environmental and economic development in the surrounding communities have become especially significant. Below are some of the initiatives launched by the Concessions subsidiaries Celeo and Enerfín.

» Canada

 Enerfín held an open day at its Winnifred project in the province of Alberta, to keep the local community informed regarding the progress and to enable local inhabitants to express their opinions, comments and concerns in connection with the project. The public consultation project includes sending information bulletins to residents within a radius of 2 km of the project's area, and direct contact with residents.

- The wind power subsidiary, continued, as in previous year, providing support to community organisations and events in the municipalities of Saint Ferdinand, Saint-Pierre-Baptiste and Sainte-Sophied'Halifax. Note the sponsorship of initiatives and activities such as annual festivals, cultural activities for the elderly, families day, the summer sports camp, a local traditional music competition, funds for the construction of a centre for the elderly experiencing loss of independence, etc. Total collaboration is estimated to have amounted to CAD 40 thousand.
- In Saskatchewan, Enerfin sponsored a kite festival in a community near an area where there are various wind projects under development.
- Guided tours of the L'Erable wind farm, organised in collaboration with the local



tourism office, continued in 2019, with more than 480 tourists and 133 school children visiting.

» Brazil

- Ventos do Sul, Enerfín's operating subsidiary in Brazil, with the aim of fostering culture, sports and social investment, contributed with social projects approved by the Brazilian government and in accordance with tax incentive legislation. For example, with Futebol de Rua pela Educação, a social and sports programme that presents an education proposal based on the concept of sport for human development.
- In 2019, more than 6,000 people visited the Osorio wind complex's visitor centre. Visits are organised every year, mainly for school children, and content divulged regarding wind power and sustainability, and information is disseminated regarding the main tourist attractions in the municipality of Osorio.
- Within the framework of legislation on incentives for culture, and backed by the Ministry of Citizenship, Celeo Redes took part in various initiatives such as the following:



Visits to the Osório wind power complex (Brazil). Enerfín

- Story chest. This initiative is aimed at encouraging reading by means of free distribution of small mobile libraries to schools, entities and public institutions, as well as story-telling workshops.
- These stories arrived by train, and were a fun and entertaining way to tackle topics linked to railways, focusing on the benefits of this means of transport. Furthermore, the play dealt with accident prevention in regions where there are railway lines. Five

- children's theatre projects were conducted in the year at schools and social institutions.
- "Vivir bien en Caetetuba" project. This consists of the refurbishment and construction of an appendix at a train station in the district of Caetetuba, which will enable a social centre to be installed. Moreover, the project will involve professional training courses for the residents of the district, as well as the revitalisation of the square outside the train station. This project is conducted in partnership with the municipal council's social welfare and works and infrastructure departments.
- Celeo has implemented the Integra programme, aimed at ascertaining the needs and characteristics of the communities in those areas, enabling it to perform actions to support their development and protection. Within the framework of this programme, communication campaigns are also conducted in relation to the restrictions on the use of rights of way and fire prevention, among other matters.

» Chile

- The impacts generated by the Mataguito and Casablanca projects on the local communities were analysed. These impacts consist essentially of noise, dust particles in suspension and the emission of electromagnetic fields. To mitigate these impacts the Company considered installing noise barriers in those areas where it is necessary, limiting the speed of works trucks, watering down access routes, and launching drives to measure noise levels and electromagnetic fields to ensure compliance with regulations.
- Environmental education project focusing on biodiversity. The contents will encompass the study of birds, interaction between birds and plant life and the ecosystem. The aim is to work with annual goals designed in partnership with the community.
- Club Deportivo Celeo Redes will host an activity involving 20 children at social risk in order to help reinforce the concept of team work.

Integration and respect for the environment

In some cases, infrastructure projects are carried out in areas that are considered vulnerable. Specifically, Elecnor executes some projects close to indigenous communities. In these cases, the social and/or environmental impacts on the affected areas are analysed and, where necessary, measures are implemented to mitigate them.

» Colombia

- Enerfín, continuing the dialogue established with local communities and respecting the habits, customs and traditions of the various ethnic groups, conducted preliminary consultation processes with a number of indigenous peoples, such as the Koguis, Wiwas, Arhuacos, Kankuamos and Wayuus, establishing a real and effective engagement with these communities.
- The subsidiary in Colombia (Guajira Eólica I SAS) conducted a preliminary consultation process regarding the EI Ahumado wind farm and its 110 KV transmission line with indigenous peoples in the Sierra Nevada de Santa Marta area (Koguis, Wiwas, Arhuacos and Kankuamos). In the inter-cultural dialogue established with the elders



- of these ancestral peoples, they highlighted the good relations, as evidenced by the agreements reached with all four indigenous communities.
- Likewise, in the 110 KV transmission line project, 12 preliminary consultations were held with indigenous Wayuu communities. Several meetings were held, involving State entities and supervisory bodies, to present the project and explain each of its phases. The communities were actively involved in these processes and all of them gave their approval and consent. As a result, various measures were agreed in connection with prevention, mitigation and compensation, with the ultimate aim of preserving and maintaining the ethnic identity of these ancestral communities.
- Enerfín, as part of its expansion into new areas and with a view to developing environmentally and socially sustainable projects, at the end of 2019 planned to commence more than 22 preliminary consultation processes involving indigenous Wayuu communities, since dialogue, engagement and respect for ethnic communities are a binding commitment.

» Canada

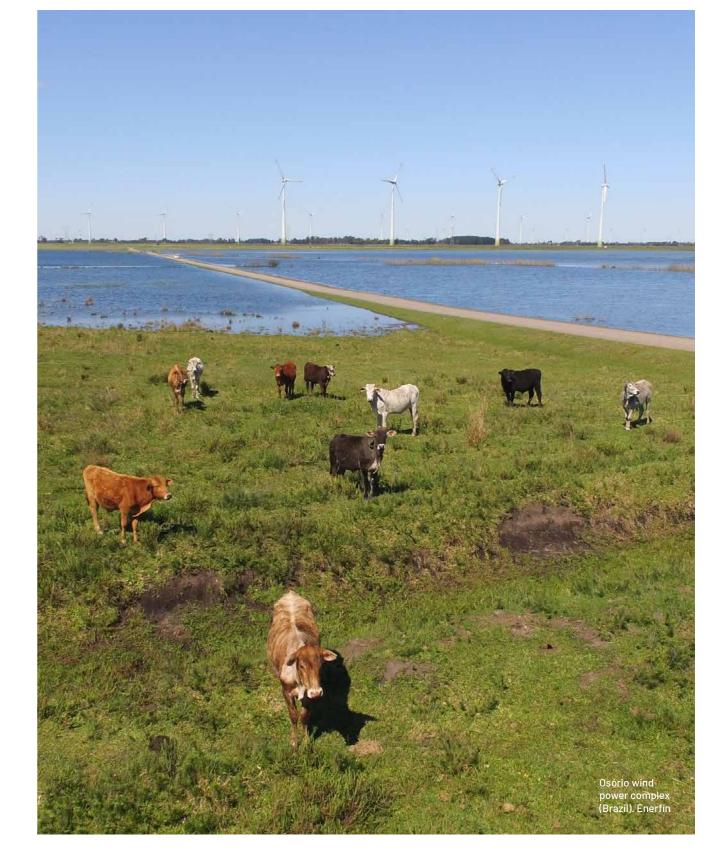
- Enerfín belongs to various associations that foster initiatives to promote wind power and optimise its integration into the environment and rural communities. At a national level, these initiatives include the Canadian Wind Energy Association (CANWEA), and at a provincial level L'Association des Producteurs d'Énergie Renouvelable du Québec (AQPER) and the First Nation Power Authority (FNPA) in Saskatchewan.
- The FNPA seeks to promote 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
- Talks that began in previous years with first nations and tribal councils in the province of Saskatchewan continued in the year, and an agreement was reached with the Moossomin First Nation.

» Mexico

• In the second half of the previous year, the Energy Department and Enerfin together commenced a free and informed preliminary consultation with five Mayan indigenous communities located in the catchment areas of the Panabá 1A, Panabá 1B, Panabá 2 and Sucilá projects in the state of Yucatan, in accordance with ILO Convention 169. The aim is to obtain the community's consent to develop the projects and its agreement on the social benefits deriving therefrom.

» Brazil

- Talks continued with FUNAI (Fundação Nacional do Índio) to approve the Indigenous Component Study (ICS) of Caiuá, a study which presents the impacts on indigenous communities in the area around the project.
- Furthermore, during execution of the environmental impact study of Parintins Amazonas Transmissora de Energia, two remaining quilombo settlements were identified in the project's implementation area. Studies were carried out to gauge the impact of the project on these communities, and subsequently to propose measures to mitigate this impact on their populations.





Elecnor, committed to the SDGs

(GRI 102-12)



Elecnor's sustainability vision, embodied by the Elecnor Foundation and in the actions carried out by the Group, is fully in step with the challenges presented by the Sustainable Development

Goals. Because of the nature of its activity, the Elecnor Group is a key player in society's development and progress. Its infrastructure, renewable energy, water and environmental projects contribute

solutions to some of the current and future challenges such as climate change, the reduction of inequalities, the energy gap, and others.

Contribution deriving from the main businesses 7 AFFORDABLE AND CLEAN ENERGY







action





1 NO POVERTY



However, the Elecnor Group's contribution is much broader, and is embodied by its active commitment to the health and safety of its employees and collaborators, setting a zero accidents target (SDG 3); the quality training and development it offers its employees (SDGs 4 and 10); and value generation for its stakeholders (SDG 8).



Some projects and initiatives by the **Elecnor Group and Elecnor Foundation** that contribute to SDGs



Atersa

» Rural electrification project

- » Energy transportation projects
- » Social projects (Chile and Brazil)

Enerfin

» Social projects (Canada and Brazil)



Elecnor Foundation

- » Sinergia project (Chile)
- » Luces para Aprender (Uruguay)
- » H₂OMe project (Angola)



Elecnor Group

- » Safety Excellence project
- » Awareness campaign coinciding with World Day for Safety and Health at Work
- » Campaigns linked to healthy habits



Elecnor Group

- » Collaboration with universities and vocational training centres
- » Project Talent
- » Training itineraries

Elecnor Foundation

- » Project in Ebolowa (Cameroon)
- » Specialist Post-Cycle Course in Medium- and Low-Voltage Electrical Installations

Atersa

» Local training in Africa to maintain projects

Celeo

» Initiatives with children from rural schools in Chile

Enerfín

» School visits to L'Erable wind farm (Canada)



Elecnor Group

- » Equality Plan
- » A 15.7% increase in the number of women in the workforce in 2019





Elecnor Group

» Water infrastructure specialist services (e.g. waste water treatment concessions)

Atersa

» Water pumping projects in developing countries

Audeca

» Water and waste water treatment projects

Celeo

» Waste water treatment plant in Aragón

Hidroambiente

» Water treatment solutions

Elecnor Foundation

» H₂OM**e** Project (Angola)



Elecnor Group

- » Energy efficiency initiatives
- » Projects to boost energy efficiency

Atersa

» Solar PV plants

Celeo

» Energy transportation projects

Enerfin

» Wind farms

Elecnor Foundation

- » Luces para Aprender (Uruguay)
- » Project in Ebolowa (Cameroon)



Elecnor Group

- » Creation and promotion of local employment
- » Hiring local suppliers
- » Signatories of the Global Compact

Elecnor Foundation

- » Specialist post-cycle course in medium- and low-voltage electrical installations
- » Collaboration with universities and vocational training centres
- » Project in Ebolowa (Cameroon)



Elecnor Group

- » Initiatives involving startups
- » BIND 4.0 Project
- » Innova calls for proposals
- » Innovation projects
- » Digital Transformation Plan



Elecnor Group

- » Smartcities projects
- » Managing street lighting
- » Energy efficiency projects
- » Projects to foster efficient energy consumption

Audeca

» Environmental management projects

Celeo

» 45% of the energy consumed by Celeo Redes Chile is from renewable sources

Enerfín

» Consumption of 100% renewable energy at some offices



Elecnor Group

» Equality plan

Atersa

» Rural electrification project

- Celeo » Energy transportation projects
- » Social projects (Chile and Brazil)

Enerfin

» Social projects (Canada and Brazil)

Elecnor Foundation

» All projects



Elecnor Group

- » Smartcities projects
- » Managing street lighting
- » Energy efficiency projects

Audeca

» Urban waste collection projects



Elecnor Group

- » Renewable energy projects: wind, solar PV, biomass, hydroelectric
- » Climate change strategy
- » Calculation and verification of the carbon footprint
- » Emission reduction plan
- » World Environment Day campaign



Audeca

- » Water and waste water treatment projects
- » Projects to preserve natural spaces

Hidroambiente

» Water treatment solutions



Other channels for engagement with society



Audeca

» Projects to preserve natural spaces

Celeo

- » Compensatory measures
- » Bird identification workshop
- » Birdwatching club

Enerfin

» Plan to monitor bird life in wind projects



Elecnor Group

- » Certification to ISO 37001 anti-bribery management system standard and UNE 19601 criminal compliance management system standard
- » Review and improvement of the procedures and controls established to prevent and avoid anti-trust practices
- » Compliance Training

Deimos

» Certification to ISO 37001 anti-bribery management system standard and UNE 19601 criminal compliance management system standard



Elecnor Group

- » Partnerships and collaborations with entities and associations
- » Participation in forums

Elecnor Foundation

» Partnerships and collaborations with entities and associations

Dialogue with stakeholders

(GRI 102-40, GRI 102-44)

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. The main communication channels are outlined below:

Stakeholder group	Communication channel
Shareholders and investors	General Shareholders' Meeting Individual and consolidated annual and half-yearly accounts Comprehensive report Elecnor Foundation report Group website Shareholder services channel Shareholder forum Meetings with investors
Customers	Periodic visits Periodic communications Individual and consolidated annual and half-yearly accounts Trade fairs Corporate websites Satisfaction surveys Comprehensive report Elecnor Foundation report Social media
Employees	Periodic meetings Work groups Comprehensive report Communication campaigns Training sessions and courses Corporate websites Intranet Newsletter eTalent Ethical Code whistleblower channels E-mail igualdad@elecnor.com

Stakeholder group





Involvement in associations and forums (GRI 102-13)

The Elecnor Group is actively involved in the flagship associations in the industries and considered to be most significant are listed below:

countries where it operates. Those
Spain
ACEX, Asociación de Empresas de Conservación y Explotación de Infraestructura
ADEMI, Asociación de Empresas de Ingeniería, Montajes, Mantenimientos y Servicios Industriales
AEDYR, Asociación de Desalación y Reutilización del Agua
AEE, Asociación Empresarial Eólica
AELEC, Asociación de Empresas de Energía Eléctrica
AESPLA, Asociación Española de Servicios de Prevención Laboral
ANESE, Asociación Nacional de Empresas de Servicios Energéticos
APECYL, Asociación de Promotores de Energía Eólica de Castilla y Léon
APPI-Almussafes, Asociación de Propietarios del Parque Industrial de Almussafes
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
Plataforma enerTIC
ESF, Energía sin Fronteras
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
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

Public administrations and Group website Official filings regulatory bodies Individual and consolidated annual and half-yearly accounts Comprehensive report Elecnor Foundation report Social media Suppliers and partners Meetings and work groups Conventions, fairs and congresses Audits Comprehensive report Group website Social media Local community Corporate websites Specific project websites Elecnor Foundation report Sponsorships and patronage Social projects Comprehensive report Social media Media Press releases Information briefings Group website Individual and consolidated annual and half-yearly accounts Comprehensive report Elecnor Foundation report Social media Technological centres and Collaboration agreements universities Forums, fairs and congresses Comprehensive report Elecnor Foundation report Elecnor Foundation website Social media

Communication channel

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Canada

Canadian Chamber of Commerce



Elecnor also took part in various significant events:

- Energyear Tour 2019, Dominican Republic. This
 event promotes discussion and synergy among the
 main players in the energy, technology and mobility
 sector, addressing issues around politics, industry,
 finance and technology.
- Achilles Live, Oslo. This event connects buyers and suppliers in the energy and utilities sector, giving them the opportunity to share viewpoints and knowledge.
- Intersolar Europe Exhibition, Munich. This is the world's leading exhibition in the solar industry. Elecnor Deimos presented the prototype of the APPIDE project—Automatic Photovoltaic Plant Inspection and Data Exploitation—at this event.
- Intersolar South America Exhibition, Brazil.
 Combining international and local experience, this event brings together the photovoltaic and solar thermal sectors in Latin America.

- Smart City Expo World Congress, Barcelona. Both Elecnor and Elecnor Deimos participated in this event, which is the most important global event in the field of smart cities.
- National Congress of Women in Engineering, Technology and Industry, Valencia.
- EnerTIC Forum on Energy Efficiency and Sustainability in Industry 4.0, Bilbao.
- First Joint Committee for Economic and Trade Cooperation between Jordan and Spain.
- Partnership for Safety, organised by Enel in Rome.
 Elecnor was one of the speakers as a leader in policies and awareness campaigns to improve occupational health and safety.
- Audeca organised the International Day of Forests event in Boqueijón (La Coruña), which was presided over by Spanish King Felipe VI.

- Description when "Award for construction excellence in solar PV EPC projects" within the framework of the "2nd Solar + Energy Storage & Finance Summit", in China.
- » Audeca received two distinctions in the 15th edition of the ACEX National Awards for Safety in Road Maintenance.
- Finalists in the 10th edition of the Premios Corresponsables Awards in the categories "Best Press Ad" and "Best Social Media Campaign" for the campaign A Fairy Tale Come True in Malawi. These awards recognise the best initiatives and best practices in CSR, sustainability and communication.
- » Finalists in the 2019 Ocare Awards for the awareness campaign Estrellas PES. Ocare is the Corporate Responsibility Communication and Action Observatory.
- The Techn ical Road Association (Asociación Técnica de Carreteras - ATC) and Spain's PIARC National Committee awarded the subsidiary Audeca a medal in recognition of its "Technical Contribution to Roadways".
- The Elecnor Foundation's H₂OMe Project was a finalist in the 2nd edition of the go!ODS awards organised by the Spanish Network of the UN Global Compact. This award is to recognise and support those innovative projects that help achieve the UN Sustainable Development Goals.

Elecnor is a member of the Spain-Peru Council Foundation, an organisation launched in 2018 to boost economic, commercial, business, scientific and cultural cooperation between Spain and Peru, to strengthen mutual recognition and the image of Peru in Spain and Spain in Peru, and to propose to the two countries' governments actions aimed at nurturing the bilateral relationship.

The Foundation's board of trustees comprises prestigious members of the business community, the public administration, politics and cultural and academic institutions of the two countries. Elecnor's Chairman sits on the board.

Some recognitions

- Viesgo recognised Elecnor's Health and Safety Policies in the Health and Safety Awards, an annual event at which it rewards best health and safety practices among its collaborators.
- » Orange recognised the telecommunications activity for the Fiber to the Home (FTTH) project.



Argimiro Ramón from Elecnor's Facilities & Networks Department receiving the award from Miguel Ángel Revilla Roiz, President of Cantabria, and Miguel Antoñanzas Alvear, President and CEO of Viesgo. Viesgo Health and Safety Awards.





About this report

(GRI 102-1, GRI 102-5, GRI 102-42, GRI 102-43, GRI 102-45)

This is Elecnor's third Integrated Report, which sets out a global and interconnected view of the Group's economic, social, environmental and governance information. The report is for the 2019 financial year.

All information contained within the chapter "Sustainable value" is part of the Elecnor Group's Annual Financial Statements Management Report and meets the requirements of Law 11/2018 of 28 December, on non-financial information and diversity (arising from Royal Decree-Law 18/2017 of 24 November).

This includes information on the activities and Elecnor Group's main economic, social and environmental impacts, as well as aspects considered relevant to the company's main stakeholders in the 2019 financial year. As shown in Annex I, "Contents index of Law 11/2018 of 28 December, on non-financial information and diversity", the international standards of the selected Global Reporting Initiative (GRI) have been followed in the drafting process and the requirements identified as material for the business have been taken into consideration.

The information set out in this Report refers to the whole of the Elecnor Group (Elecnor S.A. and subsidiaries), except in those cases where the opposite is indicated, such as when reporting only at the domestic level.

With regard to environmental data, the scope is limited to those countries where the organisation has a permanent presence. Information of a social nature is from both the Elecnor Group and the Elecnor Foundation.

During 2018, the Elecnor Group conducted an analysis of the material issues for the company and its stakeholders with the dual purpose of defining the relevant sustainability issues and prioritising the contents included in this section of the Management Report. This materiality analysis is currently in force.

To this end, an external analysis was carried out as part of the first phase to identify the issues of greatest relevance to the stakeholders. A news and policy analysis was carried out on sustainability aspects (especially Law 11/2018), together with a benchmarking on the sustainability matrices of clients and companies in the sector, published in their Sustainability or Integrated Reports.

Once the material issues had been identified, the second phase was the prioritisation of these issues by key people in the organisation, i.e. those identified by the company as responsible for the relationship with one of the Group's main stakeholders.

The Strategic Planning Manager was also involved. The priority of each of the material issues was subsequently validated by the Group's most senior executive officer.

As a result of the process, the following material issues were found and broken down according to their criticality level.

Impact			
Material topics (GRI 102-46, GRI 102-47)	Criticality	Internal	External
Occupational health and safety of employees/contractors		Χ	Х
Ethics and Compliance		Χ	X
Capturing and retaining talent and developing human capital		Χ	
Management of equality and diversity		Χ	
Work-life balance		Χ	Χ
Clients. Service quality		Χ	Χ
Renewable energy development		Χ	X
Business opportunities		Χ	
Risk management		Χ	
Cybersecurity		Χ	
Financial management		Χ	
Digital transformation		Χ	
Communication/Transparency		Χ	Χ
Sustainable investment		Χ	
Good governance		Х	
Technology and innovation		Χ	Χ
Management of intangibles		Χ	
Environmental management/resource efficiency		Χ	Χ
Human rights		Χ	Χ
Supply chain management		Χ	Χ
Stable regulatory framework		Χ	
Featuring in sustainability indices		Χ	
Impact management and dialogue with local communities			Χ
Biodiversity			Χ
Inclusive businesses		Χ	Χ
Climate change strategies and impacts		Χ	Χ
Energy transition		Χ	Χ
Water footprint		Χ	Χ
Circular economy		Χ	Χ
Inclusion of social and environmental criteria in public contracting		X	

High Medium Disposals



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)





The directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the Report was obtained.

Our Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of Integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

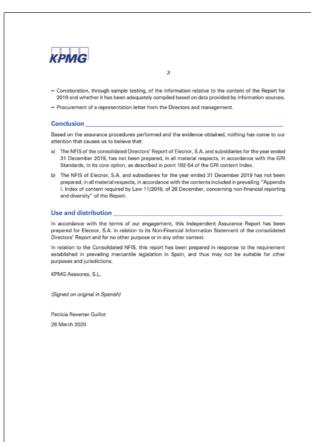
the work performed.

We conducted our review engagement in accordance with the Revised International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (Reviews 18AE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance

Our work consisted of making inquiries of Management, as well as of the different units of the Perent Company that participated in the preparation of the Report, in the review of the processes for compiling and validating the information presented in the Report and in the application of certain analytical procedures and sample review testing described below:

- Meetings with Parent personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the Report based on the
 materiality analysis performed by the Parent Company and described in the section "About this
 report", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the Report for 2019. Review of the information relating to the risks, policies and management approaches applied in relation to the material aspects presented in the Report for 2019.



Appendix I.

Index of content required by Law 11/2018, of 28 December, concerning non-financial reporting and diversity.

Contents	Page of the report featuring response	Materiality	Reporting criterior GRI chosen
General information			
Description of the business model	12-19	Material	GRI 102-2
			GRI 102-7
Markets where it operates	22-23	Material	GRI 102-4
			GRI 102-6
Goals and strategies	14-15; 200	Material	GRI 102-14
Main factors and trends affecting	216-218	Material	GRI 102-14
future performance			GRI 102-15
Reporting framework used	254	Material	GRI 102-54
Principle of Materiality	254-255	Material	GRI 102-46
			GRI 102-47
Social matters and issues concerning staff			
Management approach	144-173	Material	GRI 102-15 GRI 103-2
Employment			555 -
Total number of employees and breakdown by country,	162-166	Material	GRI 102-8
gender, age and professional category			GRI 405-1
Total number and distribution of contract modalities	167-168	Material	GRI 102-8
and annual average numbers of open-ended,			
temporary and part-time contracts by gender,			
age and professional category			
Number of layoffs by gender, age and professional category	161	Material	GRI 103-2
Average remuneration and evolution thereof by gender,	149-151	Material	GRI 103-2
age and professional category or equal value			GRI 405-2
Wage gap, remuneration of equal jobs	151	Material	GRI 103-2
or company average			GRI 405-2
Average remuneration of directors and executives,	212-213	Material	GRI 103-2
including variable remuneration, per diem expenses,			GRI 405-2
termination benefits, payments to long-term benefit			
schemes and any other items, broken down by gender			
Policies to facilitate disconnection from work	162	Material	GRI-103
Number of disabled employees	165	Material	GRI 405-1
Organisation of work			
Organisation of work time	162	Material	GRI-103-2
Number of hours of absenteeism	158	Material	GRI 403-2
Measures aimed at facilitating work-life balance	162-164	Material	GRI 103-2
and fostering a mutually responsible			GRI 401-3
approach thereto by both parents			2 101 0

¹Unless otherwise indicated, this refers to the GRI content chosen in the 2016 version.



ontents	Page of the report featuring response	Materiality	Reporting criterior GRI chosen
Health and Safety			
Occupational health and safety conditions	169-173	Material	GRI 103-2
Workplace accidents, in particular their frequency and severity,	169-170	Material	GRI 403-2
as well as occupational illnesses; broken down by gender	103 170	Hateriai	GRI 403-3
Social relations			01(1400 (
Organisation of social dialogue, including procedures to	168; 247	Material	GRI 103-2
inform and consult employees and to negotiate with them	100, 247	Hateriai	01(1100 2
Percentage of employees covered by collective	168	Material	GRI 102-4
bargaining agreements by country	100	Haterial	0111102 4
Balance of collective bargaining agreements, especially	168	Material	GRI 403-
in connection with occupational health and safety	100	Hateriai	01(1400
Training			
Training policies implemented	144-148	Material	GRI 103-2
Training policies implemented	144 140	Hateriai	GRI 404-2
Total number of training hours by professional category	148	Material	GRI 404-
Integration and universal access	165	Material	GRI 103-2
for disabled people	100	riateriai	GKI 103-2
Equality			
Measures implemented to promote equal treatment	164-165	Material	GRI 103-2
and equal opportunities for women and men			
Equality plans, measures adopted to promote employment,	164	Material	GRI 103-2
protocols against sexual harassment and gender-based harassment			
Policy against any kind of discrimination and,	164; 212	Material	GRI 103-2
in the event, for managing diversity	,		
Environmental issues			
Management approach	178-195	Material	GRI 102-19 GRI 103-2
Detailed general information			
Detailed information concerning current and foreseeable	178-179	Material	GRI 102-15
effects of the Company's activities on the environment			
and, where applicable, health and safety			
Procedures for environmental assessment or certification	178-179	Material	GRI 103-2
Resources allocated to preventing environmental risks			
resources anocated to preventing environmental risks	178-179	Material	GRI 103-2
	178-179 178-179	Material Material	
Application of the precautionary principle			GRI 102-1
Application of the precautionary principle Amount of provisions and guarantees for environmental risks	178-179	Material	GRI 102-1
Application of the precautionary principle Amount of provisions and guarantees for environmental risks Pollution	178-179	Material	GRI 102-1 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks Pollution Measures to prevent, reduce or remedy severe	178-179 178-179	Material Material	GRI 102-1 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks Pollution Measures to prevent, reduce or remedy severe environmental emissions; taking into account	178-179 178-179	Material Material	GRI 102-1 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks Pollution Measures to prevent, reduce or remedy severe environmental emissions; taking into account any kind of atmospheric pollution specific to	178-179 178-179	Material Material	GRI 102-1 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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.	178-179 178-179	Material Material	GRI 102-1 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management	178-179 178-179	Material Material	GRI 102-1 GRI 103-2 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods	178-179 178-179 180-185	Material Material Material	GRI 102-1 GRI 103-2 GRI 103-2 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods of waste recovery and elimination	178-179 178-179 180-185	Material Material Material	GRI 102-1 GRI 103-2 GRI 103-2 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods of waste recovery and elimination Actions for combating food wastage	178-179 178-179 180-185	Material Material Material	GRI 102-1 GRI 103-2 GRI 103-2 GRI 103-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods of waste recovery and elimination Actions for combating food wastage Sustainable use of resources	178-179 178-179 180-185	Material Material Material	GRI 102-1 GRI 103-2 GRI 103-2 GRI 103-2 GRI 306-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods of waste recovery and elimination Actions for combating food wastage Sustainable use of resources Water consumption and water supply in accordance with local constraints	178-179 178-179 180-185	Material Material Material Material	GRI 103-2 GRI 103-2 GRI 103-2 GRI 103-2 GRI 306-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods of waste recovery and elimination Actions for combating food wastage Sustainable use of resources Water consumption and water supply in	178-179 178-179 180-185	Material Material Material Material	GRI 102-1 GRI 103-2 GRI 103-2 GRI 103-2 GRI 306-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods of waste recovery and elimination Actions for combating food wastage Sustainable use of resources Water consumption and water supply in accordance with local constraints Consumption of raw materials and measures	178-179 178-179 180-185	Material Material Material Material Material Material	GRI 102-1 GRI 103-2 GRI 103-2 GRI 103-2 GRI 306-2
Application of the precautionary principle Amount of provisions and guarantees for environmental risks 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. Circular economy and waste prevention and management Prevention, recycling, re-use, other methods of waste recovery and elimination Actions for combating food wastage Sustainable use of resources Water consumption and water supply in accordance with local constraints	178-179 178-179 180-185	Material Material Material Material Material Material	GRI 102-1 GRI 103-2 GRI 103-2 GRI 306-2 GRI 303-

Contents	Page of the report featuring response	Materiality	Reporting criterion GRI chosen ¹
Measures to boost energy efficiency	187-188	Material	GRI 302-4
Renewable energy use	188	Material	GRI 302-1
Climate change			
Greenhouse gas emissions generated as a	180-189	Material	GRI 305-1
result of the Company's activities, including			GRI 305-2
the use of the goods and services it produces			GRI 305-3
Measures implemented to adapt to the	180-181	Material	GRI 201-2
consequences of climate change			
Targets established voluntarily in the medium	180-189	Material	GRI 305-5
and long term to reduce greenhouse gas emissions			
and the measures implemented for that purpose			
Biodiversity		<u> </u>	
Measures to preserve or restore biodiversity	192-194	Material	GRI 103-2
			GRI 304-3
Impacts of the activities or operations on	192-194	Material	GRI 103-2
protected areas			GRI 304-2
Information on respect for human rights			
Management approach	216-227	Material	GRI 102-15 GRI 103-2
Application of due diligence procedures			
Application of due diligence procedures in connection	216-227	Material	GRI 102-16
with the prevention of risks of human rights breaches			GRI 102-17
and, where applicable, measures to mitigate,			GRI 410-1
manage and remedy potential abuse			
Complaints human rights breaches	221	Material	GRI 103-2 GRI 406-1
Measures implemented for the promotion and compliance	216-227	Material	GRI 103-2
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			
Information concerning combating bribery and corruption			
Management approach	206-227	Material	GRI 102-15 GRI 103-2
Measures to prevent bribery and corruption	216-227	Material	GRI 103-2
			GRI 102-16
			GRI 102-17
Anti-money laundering measures	216-227	Material	GRI 103
			GRI 102-16
			GRI 102-17
			GRI 205-2
			GRI 205-3
Contributions to foundations and non-profit organisations	223; 232; 249	Material	GRI 102-13
Somethod to round attended in their profit organisations	220, 202, 270	Haterial	GRI 201-1
	1		OINI ZUI I

 $^{^{\}rm 1}\text{Unless}$ otherwise indicated, this refers to the GRI content chosen in the 2016 version.

 $^{^{\}rm 1}$ Unless otherwise indicated, this refers to the GRI content chosen in the 2016 version.



Contents	Page of the report featuring response	Materiality	Reporting criterion GRI chosen ¹
Company information			
Management approach	174-177; 226-227;	Material	GRI 102-15
	228-251		GRI 103-2
The company's commitment to sustainable development			
Impact of the business on society, with regard to jobs	229-231	Material	GRI 103-2
and local development			GRI 203-2
			GRI 204-1
The impact of the business on local	237-246	Material	GRI 413-1
communities and territory			GRI 413-2
Relations with the stakeholders in local communities	228-241; 247-251	Material	GRI 102-43
and modalities of dialogue with them			GRI 413-1
Association or sponsorship actions	205; 223; 249	Material	GRI 103-2
			GRI 201-1
Subcontracting and suppliers			
Inclusion in procurements policy of social issues,	176-177	Material	GRI 103-2
equality and environmental considerations			
Consideration, in relations with suppliers and sub-contractors,	176-177	Material	GRI 102-9
of their social and environmental responsibility			GRI 308-1
			GRI 414-1
Supervisory system and audits, and findings thereof	176-177	Material	GRI 102-9
			GRI 308-1
			GRI 414-2
Consumers			
Measures to ensure consumer health and safety	174-176	Material	GRI 103-2
			GRI 416-1
Complaints systems, complaints received and results	176	Material	GRI 103-2
Tax disclosures and transparency			
Profit/loss obtained by country	226-227	Material	GRI 207-4
			(Versión 2019)
Income tax paid	226-227	Material	GRI 207-4
			(Versión 2019)
Public grants received	227	Material	GRI 201-4

Appendix II. Index of GRI indicators



For the Content Index Service, GRI Services has confirmed that the GRI content index in the report is clear and that the references for each content item included correspond to the sections of the report indicated.

General contents

GRI standard	Contents	Page of the report featuring response	Omissions
GRI 101: 2016 ba	ekaround		
GRI 102: 2016 ge			
Profile of the or			
102-1	Name of the organisation	254	
102-2	Activities, brands, products and/or services	18	
102-3	Location of the organisation's headquarters	Paseo de la Castellana, 81	
		planta 20	
		28046 - Madrid	
		Spain	
102-4	Number of countries where the organisation operates	22	
102-5	Nature of ownership and legal form	254	
102-6	Markets served	35	
102-7	Size of organisation	24, 229	
102-8	Information on employees	152	
102-9	Supply chain	176	
102-10	Significant changes in the organisation	There have not been any	
	and its supply chain	significant changes	
102-11	Precautionary principle or approach	174	
102-12	Support for external initiatives	224, 242	
102-13	Membership of associations	205, 249	
Strategy	·		
102-14	Declaration from the highest responsible in the organisation	4	
Ethics and integ	grity		
102-16	Values, principles, standards and rules of conduct	219	
Governance			
102-18	The organisation's governance structure	207	
Involvement of	stakeholders		
102-40	List of stakeholders	247	
102-41	Collective bargaining agreements	168	
102-42	Identification and selection of stakeholders	254	
102-43	Focus for the involvement of stakeholders	254	
102-44	Key topics and concerns mentioned	247	
Best practices	for preparing reports		
102-45	Entities included in the consolidated financial statements	254	
102-46	Definition of the contents of reports and coverage	255	
	of the topic		
102-47	List of material topics	255	

¹Unless otherwise indicated, this refers to the GRI content chosen in the 2016 version.



GRI standard	Contents	Page of the report featuring response	Omissions
102-48	Restatement of information	Note ¹ , 262	
102-49	Changes in how reports are compiled	There have not been	
		any significant changes	
102-50	Period covered by the report	2019	
102-51	Date of the last report	2018	
102-52	Report drafting cycle	Annual	
102-53	Contact address for queries regarding the report	elecnor@elecnor.com	
102-54	Declaration that the report was compiled in	This report was	
	accordance with GRI standards	prepared in	
		accordance with the	
		Essential option of	
		GRI standards	
102-55	Index of GRI indicators	261-265	
102-56	External verification	256	

Material topics

GRI standard	Contents	Page of the report featuring response	Omission
Economic perfor	mance		
GRI 103: Manageı	ment approach 2016		
103-1	Explanation of the material topic and its coverage	180, 229	
103-2	Management approach and components thereof	180, 229	
103-3	Assessment of the management approach	180, 229	
GRI 201: Econom	ic performance 2016		
201-1	Direct financial value generated and distributed	229	
201-2	Financial implications and other risks and	180	
	opportunities deriving from climate change		
201-4	Financial aid received from the government	227	
Indirect economi	ic impacts		
GRI 103: Managei	ment approach 2016		
103-1	Explanation of the material topic and its coverage	229, 232	
103-2	Management approach and components there-of	229, 232	
103-3	Assessment of the management approach	229, 232	
GRI 203: Indirect	economic impacts 2016		
203-1	Investment in infrastructures and services supported	232	
203-2	Significant indirect economic impacts	229	
Acquisition prac			
GRI 103: Managei	ment approach 2016		
103-1	Explanation of the material topic and its coverage	176	
103-2	Management approach and components thereof	176	
103-3	Assessment of the management approach	176	
GRI 204: Procure	ment practices 2016		
204-1	Proportion of spending on local suppliers	230	
Anti-Corruption			
GRI 103: Managei	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	220	
103-2	Management approach and components there-of	220	
103-3	Assessment of the management approach	220	
GRI 205: Anti-Co			
205-1	Operations assessed for risks related	216	
	to corruption		
205-2	Communication and training about anti-corruption	220	
	policies and procedures		
205-3	Confirmed incidents of corruption and actions taken	220	
Energy		-	
	ment approach 2016		
103-1	Explanation of the material topic and its coverage	179, 186	
103-2	Management approach and components there-of	179, 186	
103-3	Assessment of the management approach	179, 186	
GRI 302: Energy 2	2 11		
302-1	Energy consumption within the organisation	186	
302-4	Reduction of energy consumption	181	
Water		101	
	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	179	
103-1	Management approach and components there-of	179	
100 2	Hanagement approach and components there of	1/3	

In accordance with CNMV guidelines, in the 2019 the comparative figures for 2018 have been restated in order to retroactively reflect the effects that would have derived from equity-accounting the assets and liabilities of the Celeo Redes subgroup from the initial agreement with APG. This restatement will enhance the comparability of the information for the year 2018 with that of the year 2019. (GRI 102-48)



GRI standard	Contents	Page of the report featuring response	Omission
GRI 303: Water 20	016		
303-1	Water withdrawal (by sources)	188	
303-3	Water recycling and re-use	188	
Biodiversity			
GRI 103: Manager	ment approach 2016		
03-1	Explanation of the material topic and its cover-age	192	
103-2	Management approach and components thereof	192	
03-3	Assessment of the management approach	192	
RI 304: Biodiver	rsity 2016		
304-1	Operational sites owned, leased,	192	
	managed in, or adjacent to, protected areas		
	and areas of high biodiversity value		
	outside protected areas		
304-2	Significant impacts of activities, products, and	192	
	services on biodiversity		
304-3	Habitats protected or restored	192	
Emissions		'	
GRI 103: Manager	ment approach 2016		
03-1	Explanation of the material topic and its cover-age	180	
03-2	Management approach and components thereof	180	
03-3	Assessment of the management approach	180	
GRI 305: Emissio	ns 2016		
305-1	Direct (Scope 1) GHG emissions	183	
305-2	Energy indirect (Scope 2) GHG emissions	183	
305-3	Other indirect (Scope 3) GHG emissions	183	
305-4	GHG emissions intensity	182	
305-5	Reduction of GHG emissions	182	
Effluents and dis	charges		
GRI 103: Manager	ment approach 2016		
03-1	Explanation of the material topic and its cover-age	190	
03-2	Management approach and components thereof	190	
03-3	Assessment of the management approach	190	
GRI 306: Effluent	s and discharges 2016		
306-2	Waste by type and disposal method	190	Note ² , 26 ⁴
Environmental co	ompliance		
GRI 103: Manager	ment approach 2016		
03-1	Explanation of the material topic and its cover-age	179	
03-2	Management approach and components thereof	179	
03-3	Assessment of the management approach	179	
RI 307: Environr	mental compliance 2016	•	
307-1	Non-compliance with environmental laws and regulations	Note ³ , 264	
Supplier Environ	mental Assessment		
	ment approach 2016		
03-1	Explanation of the material topic and its cover-age	176	
03-2	Management approach and components thereof	176	
103-3	Assessment of the management approach	176	
	Environmental Assessment 2016	3	
308-1	New suppliers that were screened using	177	
	environmental criteria	-	

² The Group is working towards being able to report the breakdown of waste by type and disposal method in 2021. Reporting will be more comprehensive thanks to the implementation of a tool that shows the amount of waste generated by type and the disposal method used for each type of waste identified. (GRI 306-2)

GRI standard	Contents	Page of the report featuring response	Omissions
Employment			
GRI 103: Managei	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	144	
103-2	Management approach and components thereof	144	
103-3	Assessment of the management approach	144	
GRI 401: Employn	nent 2016		
401-1	New employee hires and employee turnover	159,161	
401-2	Benefits provided to full-time employees that are not	148	
	provided to temporary or part-time employees		
Occupational He			
	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	169	
103-2	Management approach and components thereof	169	
103-3	Assessment of the management approach	169	
	cional Health and Safety 2016	100	
403-1	Workers representation in formal joint	168	
400 1	management-worker health and safety committees	100	
403-2	Types of injury and rates of injury,	169	
400 Z	occupational diseases, lost days,	103	
	and absenteeism, and number of		
	work-related fatalities		
403-3		177	
403-3	Workers with high incidence or high risk	173	
	of diseases related to their occupation		
Training and edu			
	ment approach 2016	4//	
103-1	Explanation of the material topic and its cover-age	144	
103-2	Management approach and components thereof	144	
103-3	Assessment of the management approach	144	
	and education 2016		
404-1	Average hours of training per year per employee	144	
404-2	Programs for upgrading employee skills and	146	
	transition assistance programs		
404-3	Percentage of employees receiving regular	146	
	performance and career development reviews		
Diversity and Equ			
GRI 103: Manage	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	164	
103-2	Management approach and components thereof	164	
103-3	Assessment of the management approach	164	
GRI 405: Diversit	y and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	153, 164	
405-2	Ratio of basic salary and remuneration	149	
	of women to men		
Non-discriminat	on	, , , , , , , , , , , , , , , , , , ,	
GRI 103: Manage	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	164	
103-2	Management approach and components thereof	164	
103-3	Assessment of the management approach	164	
		1	
GRI 406: Non-dis	scrimination 2016		

³ No noteworthy incidents or aspects are known. (GRI 307-1)

GRI standard	Contents	Page of the report featuring response	Omissions
Human Rights A	ssessment		
GRI 103: Manage	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	224	
103-2	Management approach and components thereof	224	
103-3	Assessment of the management approach	224	
GRI 412: Human F	Rights Assessment 2016		
412-2	Employee training on human rights	224	
	policies or procedures		
Local communit	ies		
GRI 103: Manage	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	228,232	
103-2	Management approach and components thereof	228,232	
103-3	Assessment of the management approach	228,232	
GRI 413: Local co	mmunities 2016		
413-1	Operations with local community engagement,	237	
	impact assessments, and development programs		
413-2	Operations with significant actual and potential	237	
	negative impacts on local communities		
Supplier Social A	Assessment		
GRI 103: Manage	ment approach 2016		
103-1	Explanation of the material topic and its cover-age	176	
103-2	Management approach and components thereof	176	
103-3	Assessment of the management approach	176	
GRI 414: Supplie	r Social Assessment 2016		
414-1	New suppliers that were screened using	177	
	social criteria		



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