



INTEGRATED REPORT OF ACS GROUP

2019



www.grupoacs.com

MAIN FIGURES OF THE ACS GROUP

FINANCIAL AND OPERATING DATA

MILLION EURO	2014	2015 ⁽²⁾	2016 ⁽²⁾	2017	2018 ⁽³⁾	2019
Revenues	34,880.9	33,291.3	31,975.2	34,898.2	36,658.5	39,048.9
Gross operating profit (EBITDA) ⁽¹⁾	2,552.7	2,140.7	2,023.4	2,278.9	2,941.2	3,148.0
Net operating profit (EBIT)	1,684.2	1,420.8	1,445.0	1,626.0	2,049.9	2,125.5
Attributable net profit	717.1	725.3	751.0	802.0	915.6	962.0
Funds from operations	824.1	1,794.8	1,376.4	1,863.5	2,321.8	2,378.7
Dividends paid	318.0	344.5	326.2	297.2	315.9	485.6
Net investments/(Divestments)	(313.0)	259.0	-522.9	283.3	1,538.2	1,253.7
Total assets	39,320.7	35,279.8	33,400.0	31,880.7	35,701.2	38,591.7
Equity	4,897.9	5,197.3	4,967.6	5,164.0	5,990.7	5,495.9
Shareholders' equity	3,033.5	3,421.0	3,574.3	3,742.9	2,098.1	2,028.7
Non-controlling interests	1,864.4	1,776.3	1,393.2	1,421.1	1,636.1	1,079.8
Total net debt ⁽⁴⁾	3,722.3	2,624.1	1,214.4	153.0	-3.3	53.7
Net debt with recourse	2,739.6	2,083.2	1,012.3	-41.9	-120.0	-87.3
Non recourse financing	982.7	540.9	202.0	195.0	116.8	141.0
Backlog ⁽⁵⁾	63,871	58,942	66,526	67,082	72,223	77,756
Number of employees	210,345	170,241	176,755	182,269	195,461	190,431

DATA PER SHARE

EURO	2014	2015	2016	2017	2018 ⁽³⁾	2019
Earnings	2.31	2.35	2.44	2.57	2.94	3.13
Gross dividend*	1.153	1.152	1.196	1.385	1.900	1.990
Funds from operations	2.65	5.16	4.47	5.97	7.46	7.74
Shareholders' equity	9.76	11.09	11.60	11.99	6.74	6.60

* 2019 final dividend pending of approval.

STOCK MARKET DATA

	2014	2015	2016	2017	2018	2019
Listed shares	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594
Market capitalization (Million euro)	9,115.7	8,500.5	9,446.2	10,264.4	10,645.1	11,217.8
Year-end closing price	28.97 €	27.02 €	30.02 €	32.62 €	33.83 €	35.65 €
Annual revaluation	15.79%	-6.75%	11.12%	8.66%	3.71%	5.38%

KEY RATIOS

	2014	2015 ⁽³⁾	2016 ⁽³⁾	2017	2018 ⁽³⁾	2019
Operating margin (EBIT)	4.8%	4.3%	4.5%	4.7%	5.6%	5.4%
Net margin	2.1%	2.2%	2.3%	2.3%	2.5%	2.5%
ROE	22.0%	20.8%	21.4%	21.9%	22.6%	21.9%
Gearing ⁽⁶⁾	76.0%	50.5%	24.4%	3.0%	-0.1%	1.0%
Dividend yield	4.0%	4.3%	4.0%	4.2%	5.6%	5.3%

(1) In 2018 and 2019, it includes "Results from Equity Method of operating activities": the result corresponds to associates (including Abertis' contribution to the Group) and Joint Ventures which belong to the ordinary activity.

(2) In compliance with IFRS 5, in 2016 Urbaser has been reclassified as discontinued operations as a result of sale, also proceeding to re-express the income statement 2015.

(3) IFRS 16 (Operational Leases) has been applied since January 2019, with restatement of the comparable period.

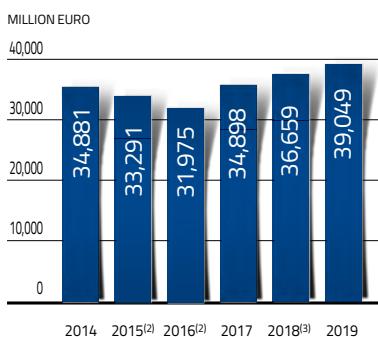
(4) In 2014, total net debt includes the proceeds pending to be collected obtained after the sale of John Holland and Leighton Services in december 2014, accounted in the balance.

(5) Includes the backlog proportional to the stake in joint ventures that the group does not fully consolidate.

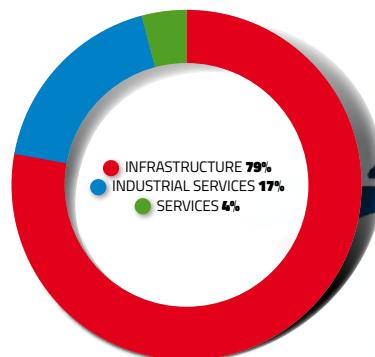
(6) Gearing: Net Debt / (Shareholders'Equity+Minority interests),

MAIN FIGURES OF THE ACTIVITY

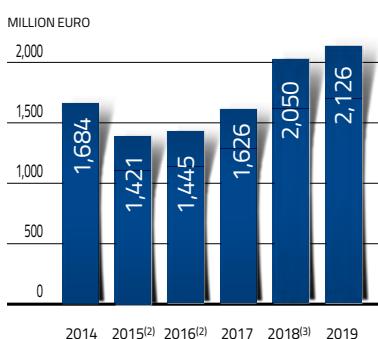
REVENUES



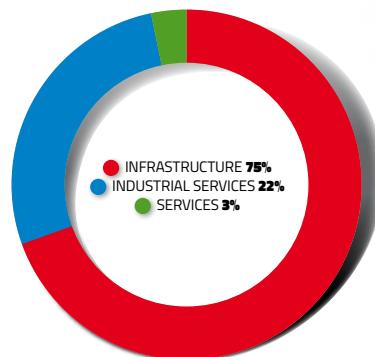
2019 REVENUE BY AREA OF ACTIVITY



EBIT

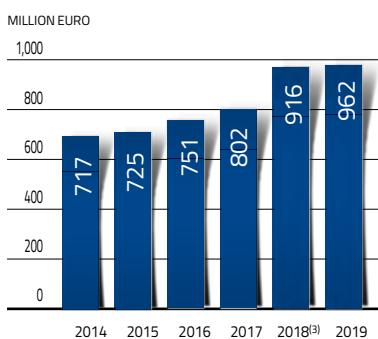


2019 GROSS OPERATING PROFIT (EBITDA) BY AREA OF ACTIVITY

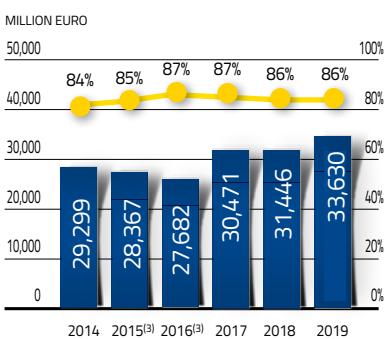


Note: The percentages are calculated on the sum of the activities considered in each graph.

NET PROFIT



INTERNATIONALIZATION



EARNINGS PER SHARE

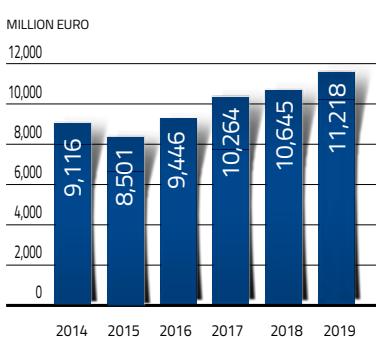


DIVIDEND PER SHARE*



* 2019 final dividend pending of approval.

MARKET CAP

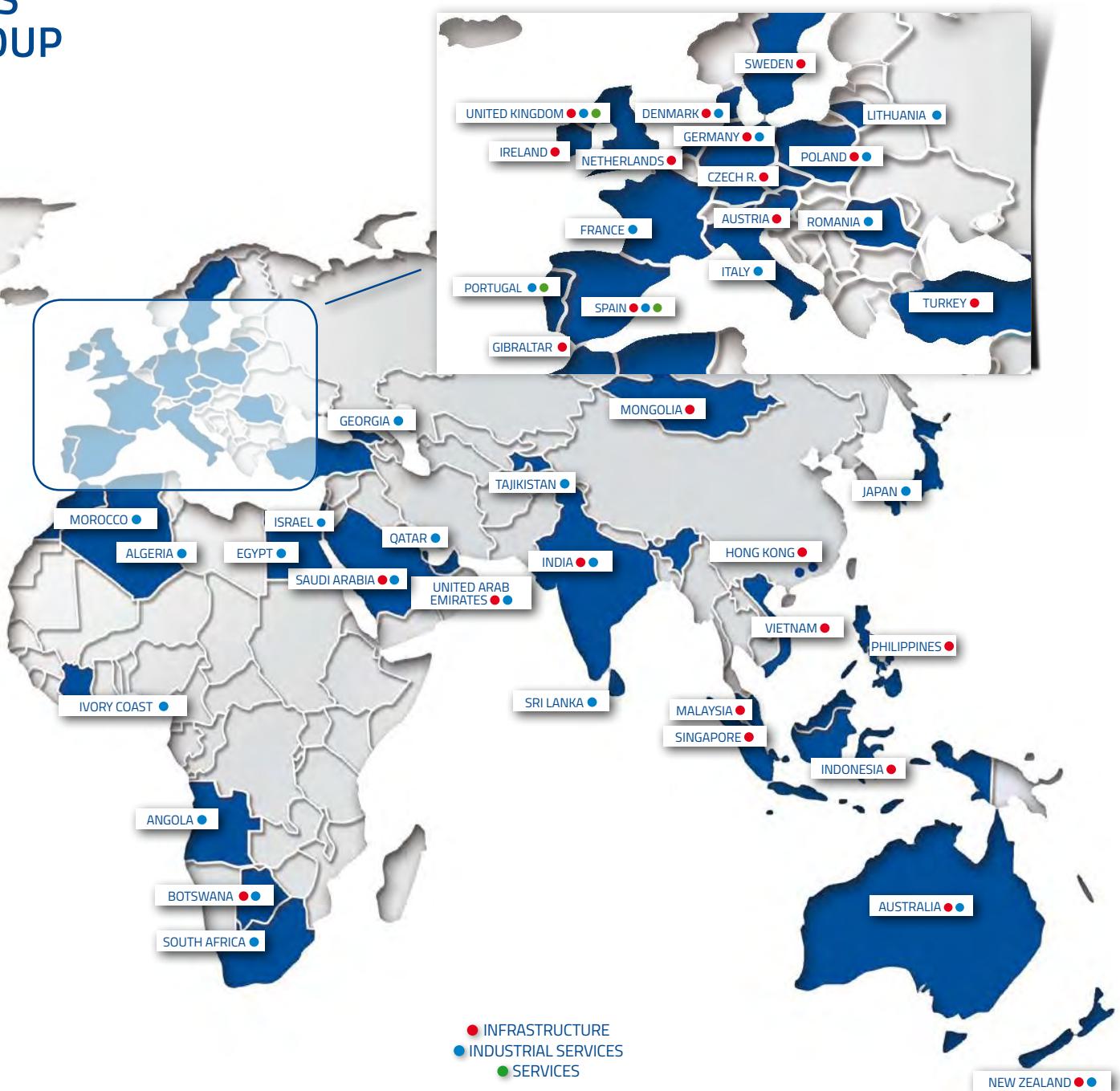


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(2) In compliance with IFRS 5, in 2016 Urbaser has been reclassified as discontinued operations as a result of sale, also proceeding to re-express the income statement 2015.

(3) IFRS 16 (Operational Leases) has been applied since January 2019, with restatement of the comparable period.

FIGURES CS GROUP



INFRASTRUCTURE 2019⁽¹⁾

MILLION EURO	2019
Revenues	30,955
<i>International</i>	95.6%
Gross Operating Profit (EBITDA)	2,421
<i>Margin</i>	7.8%
Net profit	193
<i>Margin</i>	0.6%
Backlog	64,969
Employees	65,123

INDUSTRIAL SERVICES 2019

MILLION EURO	2019
Revenues	6,530
<i>International</i>	60.0%
Gross Operating Profit (EBITDA)	693
<i>Margin</i>	10.6%
Net profit	600
<i>Margin</i>	9.2%
Backlog	9,924
Employees	46,366

SERVICES 2019

MILLION EURO	2019
Revenues	1,579
<i>International</i>	7.3%
Gross Operating Profit (EBITDA)	94
<i>Margin</i>	5.9%
Net profit	38
<i>Margin</i>	2.4%
Backlog	2,863
Employees	78,889

(1) Infrastructure includes Construction activity – Dragados and HOCHTIEF (ex Abertis), and Concessions activity – Iridium and Abertis (both directly and indirectly through HOCHTIEF).

CONSOLIDATED DIRECTORS' REPORT

Point 5 of this Consolidated Directors' Report includes the Consolidated Non-Financial Information Statement, in accordance with Law 11/2018 of December 28. A summary table that identifies the non-financial and diversity information required by this law can be found in point 5.11.



Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.



Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

LINKS 



WEBSITE



CONSOLIDATED ANNUAL ACCOUNTS



CORPORATE GOVERNANCE REPORT



ANNUAL DIRECTOR'S REMUNERATION

ABOUT THIS REPORT

The Integrated Annual Report is composed of this Consolidated Directors' Report, which is part of the Annual Corporate Governance Report that is attached by reference and is available on the ACS Group's and National Securities Market Commission's (CNMV) websites, and the Annual Accounts for the financial year ended December 31, 2019, drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

This Consolidated Directors' Report has been prepared based on the principle of integration and incorporates the most relevant financial and extra-financial information to show the Group's value generation. The aim is to provide a perspective that allows us to understand, in a concise manner, the company's ability to create value in the short, medium and long term as well as its positioning regarding the risks and opportunities presented by the environment.

To maintain the highest accuracy and transparency, this document has been prepared in accordance with the requirements of international reporting standards:

- The guidelines contained within the framework of the International Integrated Reporting Council (IIRC)¹.
- Non-financial information has been reported in accordance with Global Reporting Initiative (GRI) Standards, including additional applicable information required by the Construction and Real Estate Sector Supplement. This report has been prepared in accordance with the comprehensive options of GRI standards, and the associated indicators have been verified by an independent third party under ISAE 3000.

Also taken into account were the requirements of the CNMV's guide for preparing the directors' report of listed entities, as well as Law 11/2018 on the Disclosure of Non-Financial Information and Diversity Information.

The contents of the report have been selected based on a previous analysis which identified the most relevant issues for the company and its main stakeholders².

[102-45]

The report covers all of the ACS Group's activities in all of the countries where it has a presence. In this regard, the published information includes operations carried out by companies under the control of the ACS Group in the areas of Infrastructures, Industrial Services and Services, which are detailed in the Group's Annual Accounts.

Following the principle of information connectivity, the contents of this report are supplemented by information from other documents published annually by the ACS Group (Corporate Governance Report, Annual Board Remuneration Report and Consolidated Annual Accounts), as well as all of the information and policies published on the company's website.

1. For more information, visit the International Integrated Reporting Council's website at <http://integratedreporting.org/>

2. For more information on the identification of relevant issues, see Annex 7.2. Identification of relevant issues

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LETTER FROM THE CHAIRMAN

Dear Shareholder

The difficult situation we are experiencing due to the global coronavirus pandemic is putting everyone to the test. The ACS Group is not immune to this situation. Within our own organization, we have suffered the loss of human lives, such as that of our Vice Chairman and dear friend José María Loizaga, who devoted a significant part of his life to the Group's projection and expansion. For over 30 years, he contributed his wisdom, leadership and vast business experience to positioning ACS as a world leader in infrastructure; those of us who are part of this project will always be deeply grateful and we will never forget him.

In this context, the professionalism, dedication and commitment of the more than 190,000 employees of the ACS Group, together with our efficient organizational structure and strong financial capacity, give us the confidence to be able to cope with the current impact and that of the coming years. These characteristics allow us to continue to create value for society in general and for our shareholders in particular, as shown by the results obtained in 2019 in terms of operational, financial, social and environmental aspects.

Specifically, as regards financial developments, the ACS Group closed the 2019 fiscal year with a net profit of 962 million euro, 5.1% higher than the previous year. The gains obtained from the sale of some renewable energy assets in Spain, in line with the Group's strategy, managed to virtually neutralize the negative impact of CIMIC's decision to cease its activities in the Middle East and leave the region, making provision for all the associated risks.

Sales reached 39,049 million euro, 6.5% more than the previous year. Half of these were generated in North America, followed by Europe and Oceania with 20% and 19%, respectively. The rest are divided between Asia and South America, with 5% each, while Africa did not reach 1% of sales. By countries, the most important continue to be the United States, Australia, Spain, Canada and Germany, which together represent 82% of the Group's total sales.

In terms of operating results, earnings before interest, taxes, depreciation and amortization (EBITDA) stood at 3,148 million euro and earnings before interest and taxes (EBIT) at 2,126 million euro, growing by 7.0% and 3.7% respectively compared to the previous year. Operating margins evolved according to the strategic transition we have adopted, directed toward an increasingly integrated business model and with a low risk profile, based on:

- Greater integration throughout the value chain of the infrastructure business, from the design, construction and maintenance of new projects to their operation.
- The introduction of new contractual relationship models with our customers that allow greater balance and transparency in the management of new projects.
- The focus on developed markets that provide a stable framework in operational, financial and legal terms.
- The continuity of a fully decentralized, flexible and dynamic organizational model that allows us to adapt to the needs required by the sector.

This strategic approach of the Group is intended to achieve a greater cash-generating capacity, with greater diversification while improving the visibility and recurrence of our benefits. In 2019, the flows of funds from operations reached 2,400 million euro, which enabled us to handle the significant investment effort made, mainly in renewable energy projects, while keeping the Group's net indebtedness virtually non-existent.

As for the evolution of ACS in the capital market over the past year, the share was revalued by 5.4%, which, in addition to the 1.89 euro per share paid as a dividend, represents a total shareholder remuneration of 11%. This data is in line with the profitability obtained in the last four years, which has accumulated 46.4% compared to 13.6% of the IBEX-35 and 35.9% of the Euro Stoxx 50.

For the future, we have a robust and diversified portfolio of projects of 77,756 million euro, mainly in the most significant strategic markets. In particular, North America, Europe and Australia account for over 85% of the total portfolio. All this with a sound financial position.

Our commitment to sustainability is firm and unwavering, and our results in this area show as much. The Group has made significant progress during 2019 in the environmental, social and governance models we have provided, which has resulted in recognition by the main organizations and specialized media. As proof, ACS has been included in the Dow Jones Sustainability World Index.

In particular, in terms of the environment, we have managed to reduce our total emissions by over

6% in 2019, reaffirming our global objectives related to energy efficiency and the fight against climate change. In the social area, we continue to strive to strengthen our occupational health and safety policies, involving training and prevention plans that are fundamental to our activity. In this respect, in 2019 we increased training hours by 58%. Finally, the governance model has recently been strengthened by a surge in ethics and integrity training, increasing the number of employees who have received courses related to corporate compliance by 26%.

I cannot conclude without conveying my confidence in our future. We are a great nation and we are part of a responsible, prepared and committed community. We have the means and determination to successfully deal with this global health crisis. I am convinced that, despite the magnitude of its direct impact and side effects that are still difficult to quantify, normalcy will be restored and we will be able to reverse most of the damage suffered. At ACS Group, we will continue to act responsibly and diligently, making ourselves available to our customers, suppliers and other stakeholders, to overcome this extreme situation and continue to do what we do best: building infrastructures that help make a better world.



Florentino Pérez
Chairman of the ACS Group



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1. GOVERNING BODIES

- 1.1. BOARD OF DIRECTORS
- 1.2. MANAGEMENT COMMITTEE
- 1.3. MANAGEMENT TEAM





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1.1. BOARD OF DIRECTORS



- Executive
- Proprietary
- Independent
- Other external

- Member of the Executive Committee
- Member of the Audit Committee
- Member of the Appointments Committee
- Member of the Remuneration Committee
- Secretary (non-member)

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Mr. Florentino Pérez Rodríguez
Executive Chairman
Civil Engineer
Chairman of the ACS Group since 1993
Member of the ACS Group's Board of Directors since 1989

Mr. Marcelino Fernández Verdes
Chief Executive Officer
Civil Engineer
Member of the ACS Group's Board of Directors since 2017
Chairman of HOCHTIEF AG
Executive Chairman of CIMIC
Chairman of Abertis

Mr. Antonio García Ferrer
Vice Chairman
Civil Engineer
Member of the ACS Group's Board of Directors since 2003

Mr. José María Loizaga Viguri †
Vice Chairman
Economist
Member of the ACS Group's Board of Directors since 1989
Director of Cartera Industrial REA
Vice Chairman of Zardoya Otis
Vice Chairman of Inversiones Europeas, S.L.
Director of Moira Capital Partners, SGEIC, S.A. and its subsidiaries

Mr. Agustín Batuecas Torrego
Director
Civil Engineer
Member of the ACS Group's Board of Directors since 1999

Mr. Antonio Botella García
Director
Bachelor of Laws. Lawyer
State Lawyer (retired)
Member of the ACS Group's Board of Directors since 2015

Mr. Javier Echenique Landiribar
Director
Bachelor of Economics
Member of the ACS Group's Board of Directors since 2003
Vice Chairman of Banco Sabadell
Vice Chairman of Telefónica, S.A.
Director of the Ence Group

Ms. Carmen Fernández Rozado
Director
Bachelor of Economics and Business Administration and in Political Sciences and Sociology.
PhD in Public Finance.
State Treasury Inspector.
Auditor.
Member of the ACS Group's Board of Directors since 2017
Director of EDP

Mr. Emilio García Gallego
Director
Civil Engineer and Bachelor of Laws
Member of the ACS Group's Board of Directors since 2014

Mr. Joan-David Grimà i Terré
Director
PhD in Economics and Business Administration
Member of the ACS Group's Board of Directors since 2003

† Mr. José María Loizaga passed away on March 22, 2020.

Mr. Mariano Hernández Herreros
Director
Bachelor of Medicine and Surgery
Member of the ACS Group's Board of Directors since 2016

Mr. Pedro López Jiménez
Director
Civil Engineer
Member of the ACS Group's Board of Directors since 1989
Chair of the Supervisory Board, Human Resources Committee and the Appointment Committee at HOCHTIEF
Member of the Board of Directors, Remuneration and Appointments Committee, and Ethics, Compliance and Sustainability Committee at CIMIC
Director of Abertis

Ms. Catalina Miñarro Brugarolas
Director
Bachelor of Law and State Attorney
Member of the ACS Group's Board of Directors since 2015
Director (2nd Vice Chairwoman and Coordinator) at MAPFRE, S.A.
Member of the Delegate Committee and Chair of the Appointments Committee at MAPFRE, S.A.
Director and Member of the Board of Directors at MAPFRE ESPAÑA, S.A.
Director of MAPFRE INTERNACIONAL, S.A.

Ms. María Soledad Pérez Rodríguez
Director
Bachelor of Science in Chemistry and Pharmacy
Member of the ACS Group's Board of Directors since 2014

Mr. Miquel Roca i Junyent
Director
Director
Lawyer
Member of the ACS Group's Board of Directors since 2003
Director of Endesa
Director of Aguas de Barcelona
Secretary (non-director) of the Board of Directors at Abertis Infraestructuras
Secretary (non-director) of the Board of Directors at Banco de Sabadell
Secretary (non-director) at TYP SA
Secretary (non-director) at WERFENLIFE

Mr. José Eladio Seco Domínguez
Director
Civil Engineer
Member of the ACS Group's Board of Directors since 2016

Mr. José Luis del Valle Pérez
Director - Secretary General
Bachelor of Laws and State Lawyer
Member of the ACS Group's Board of Directors since 1989
Member of the Supervisory Board at HOCHTIEF
Member of the Board of Directors at CIMIC



For further information:
Online access to their biography
www.grupoacs.com

1.2. MANAGEMENT COMMITTEE



MR. ÁNGEL GARCÍA ALTOZANO

Managing Director

Born in 1949
Civil Engineer and MBA

He began his professional career in the construction sector. He has been Managing Director of the National Institute of Industry (INI) and Chairman of Bankers Trust for Spain and Portugal. He joined the ACS Group in 1997 as Corporate Managing Director, responsible for the economic and financial areas (CFO), corporate development and investee companies.

MR. JOSÉ LUIS DEL VALLE PÉREZ

Secretary General

Born in 1950
Bachelor of Laws and State Attorney

From 1975 to 1983, he served as a member of the Public Administration and was a deputy of the General Courts between 1979 and 1982 and Deputy Secretary of the Ministry of Territorial Administrations. He has been a member of the ACS Group's Board of Directors since 1989, and has also been its Secretary General since 1997.

MR. ANTONIO GARCÍA FERRER

Vice Chairman

Born in 1945
Civil Engineer

He began his professional career at Dragados y Construcciones, S.A. in 1970. After holding several positions of responsibility in the construction company, he was appointed Regional Director for Madrid in 1989, Director of Building in 1998, and Managing Director of the Industrial and Services divisions in 2001. In 2002, he became Chairman of Grupo Dragados, S.A. and since December 2003, he has been Vice Chairman of the ACS Group.



MR. FLORENTINO PÉREZ RODRÍGUEZ

Executive Chairman
Born in 1947
Civil Engineer

He began his professional career in the private sector. From 1976 to 1983, he held several positions in the Public Administration, where he was the Delegate for Sanitation and the Environment on the Madrid City Council, Managing Sub-Director for the Promotion of the Center for the Development of Industrial Technology (CDTI) of the Ministry of Industry and Energy, Managing Director of Transport Infrastructures of the Ministry of Transport, and Chairman of the National Institute for Agricultural Reform and Development (IRYDA) of the Ministry of Agriculture. In 1983, he returned to the private sector and since 1984 has been the top executive of Construcciones Padrós, S.A., as its Vice Chairman and CEO, and is also one of its main shareholders. Since 1987, he has been the Chairman and CEO of Construcciones Padrós, S.A. Since 1993, he has been the Chairman and CEO of OCP Construcciones S.A., the result of the merger of Construcciones Padrós S.A. and OCISA. Since 1997, he has been Executive Chairman of the ACS Group, the result of the merger of OCP Construcciones S.A., Ginés Navarro, S.A. and Auxini, S.A.

MR. MARCELINO FERNÁNDEZ VERDES

Chief Executive Officer
Born in 1955
Civil Engineer

He joined the Group in 1987, and was appointed Managing Director of OCP Construcciones in 1994. In 1998, he was hired as the Chief Executive Officer of ACS Proyectos, Obras y Construcciones S.A., and in 2000 he was appointed the company's Chairman. In 2004, he was appointed the Chairman and CEO of Dragados, as well as the Director of the Construction division. In 2006, he was appointed Chairman and CEO of ACS Servicios y Concesiones, as well as Director of the Group's Concessions and Environment divisions up until March 2012.

In April 2012, he was appointed as a member of the Executive Committee at Hochtief AG and Chair of the Committee in November of that same year, a position he holds to this day. He also assumed responsibility for the HOCHTIEF Asia Pacific division. From March 2014 to October 2016, he was the Chief Executive Officer of CIMIC, belonging to the Australian HOCHTIEF group, and has been the Executive Chairman at CIMIC since June 2014. In May 2017, he was appointed the CEO of ACS Group. In May 2018, he was appointed the Chairman of Abertis.

MR. EUGENIO LLORENTE GÓMEZ

Chairman and CEO of the Industrial Services division
Born in 1947
Technical Industrial Engineer, MBA from Madrid Business School

He began his professional career at Cobra Instalaciones y Servicios, S.A. in 1973. After holding several management positions, in 1989 he was appointed Director of Zona Centro. He was later promoted to Managing Director in 1998 and to CEO in 2004. He is currently the Chairman and CEO of ACS Servicios, Comunicaciones y Energía.

1.3. MANAGEMENT TEAM*

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

Mr. Florentino Pérez Rodríguez

Executive Chairman

Mr. Marcelino Fernández Verdes

Chief Executive Officer

Mr. Antonio García Ferrer

Vice Chairman

Mr. Ángel García Alrozano

Managing Director

Mr. José Luis del Valle Pérez

Secretary General

Mr. Ángel Muriel Bernal

Deputy General Manager
to the CEO

INFRASTRUCTURE

HOCHTIEF

Mr. Marcelino Fernández Verdes

Chairman of Vorstand⁽¹⁾ at
Hochtief AG. Chief Executive
Officer

Executive Chairman of CIMIC
Group

Mr. Peter Sassenfeld

Member of Vorstand⁽¹⁾ at
Hochtief AG. Chief Financial
Officer

Mr. José Ignacio Legorburo Escobar

Member of Vorstand⁽¹⁾ at
Hochtief AG. Chief Operating
Officer

Mr. Nikolaus Graf von Matuschka

Member of Vorstand⁽¹⁾ at
Hochtief AG. Chief Executive
Officer of Hochtief Solutions

Mr. Peter Coenen

Managing Director of Hochtief
PPP Solutions

Mr. Michael Wright

Chief Executive Officer of CIMIC
Group

Mr. Ignacio Segura Suriñach

Deputy Chief Executive Officer of
CIMIC Group

Mr. Diego Zumaquero García
Chief Operating Officer of CIMIC
Group

Mr. Stefan Camphausen

Chief Financial Officer of CIMIC
Group

Mr. Juan Santamaría Cases
General Director of CPB
Contractors

Mr. Douglas Thompson
General Director of Thiess

Mr. Geoff Sewell
General Director of EIC Activities

Mr. Jason Spears
General Director of UGL

Mr. Emilio Grande
Chief Financial Officer of UGL

Mr. Peter Davoren
Chairman and CEO of Turner
Construction

Mr. John DiCiurcio
Chairman and CEO of Flatiron

DRAGADOS

Mr. Adolfo Valderas

Chief Executive Officer

Mr. Román Garrido

Canada Manager

Mr. Luis Nogueira Miguelanz

Secretary General

Mr. Gonzalo Gómez Zamalloa

Latin America Manager

Mr. José Luis Méndez

United States Manager

Mr. Santiago García Salvador

Europe Manager

IRIDIUM

Ms. Nuria Haltiwanger

Chief Executive Officer (CEO)

*At December 31, 2019.

1. Management Committee.

INDUSTRIAL SERVICES

Mr. Eugenio Llorente Gómez
Chairman and CEO

Mr. José María Castillo Lacabex
Chief Executive Officer (CEO) of
Cobra

Mr. José Alfonso Nebrera García
General Manager

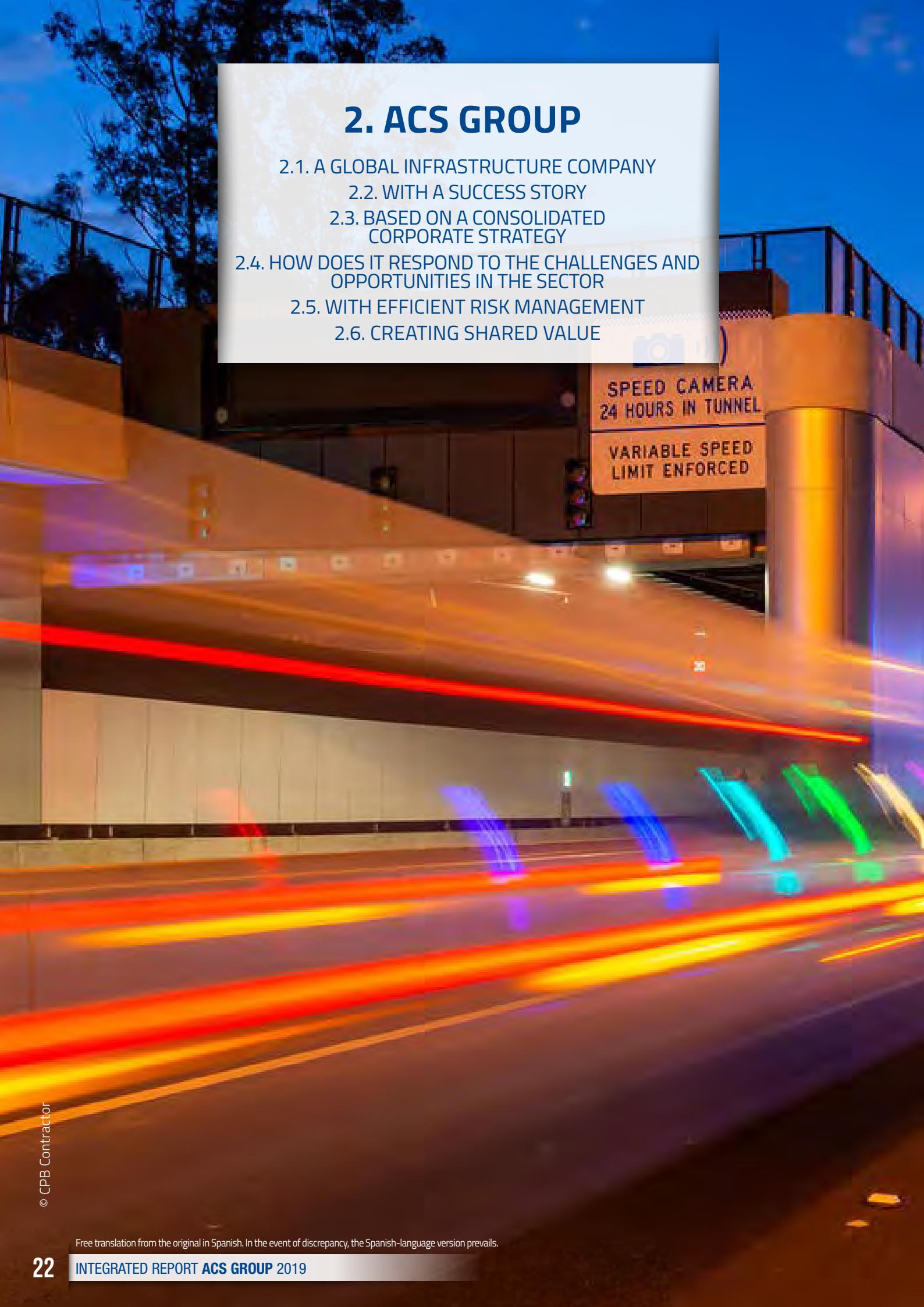
Mr. Epifanio Lozano Pueyo
Corporate General Manager

Mr. Cristóbal González
Wiedmaier
Finance Manager

SERVICES

Mr. Cristóbal Valderas
Chief Executive Officer (CEO) of
Clece





2. ACS GROUP

- 2.1. A GLOBAL INFRASTRUCTURE COMPANY
- 2.2. WITH A SUCCESS STORY
- 2.3. BASED ON A CONSOLIDATED CORPORATE STRATEGY
- 2.4. HOW DOES IT RESPOND TO THE CHALLENGES AND OPPORTUNITIES IN THE SECTOR
- 2.5. WITH EFFICIENT RISK MANAGEMENT
- 2.6. CREATING SHARED VALUE



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2.1. A GLOBAL INFRASTRUCTURE COMPANY

ACS GROUP² IS A GLOBAL BENCHMARK IN CONSTRUCTION AND SERVICE ACTIVITIES

A group of leading companies involved in the development of key sectors for the world economy in an increasingly complex, competitive, demanding and global market. A multinational company committed to the economic and social progress of the countries where it has a presence.

ENR THE TOP 250 INTERNATIONAL CONTRACTORS

The Top 250 List

RANK 2019	2018 FIRM	2018 REVENUE \$ MIL.		2018 NEW CONTRACTS \$ MIL									
		INT'L	TOTAL		GENERAL BUILDING	MANUFACTURING	POWER	WATER SUPPLY	SEWER/WASTE	INDUS./PETROLEUM TRANSF.	HAZARDOUS WASTE	TELECOM	
1	1 ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA, Madrid, Spain†	38,041.0	44,188.2	43,860.7	35	1	8	3	1	7	30	0	5
2	2 HOCHTIEF AKTIENGESELLSCHAFT, Essen, NRW, Germany†	27,797.0	29,121.0	31,660.0	44	1	2	1	1	5	25	0	6
3	3 CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD., Beijing, China†	22,727.4	83,278.3	35,968.3	7	10	0	2	0	0	80	0	0
4	4 VINCI, Rueil-Malmaison, Hauts-de-Seine, France†	22,207.0	52,139.0	24,049.6	6	0	19	2	0	6	41	1	12
5	5 STRABAG SE, Vienna, Austria†	15,779.0	18,689.0	15,852.0	35	0	0	3	2	7	52	0	0
6	7 BOUYGUES, Paris, France†	15,582.0	32,023.0	17,728.0	23	1	5	0	0	3	62	1	1
7	10 POWER CONSTRUCTION CORP. OF CHINA, Beijing, China†	13,775.4	52,982.8	32,993.1	9	0	65	5	1	0	18	0	0
8	9 SKANSKA AB, Stockholm, Sweden†	13,583.0	17,124.0	13,317.0	47	5	5	2	1	3	35	0	0
9	8 CHINA STATE CONSTRUCTION ENGINEERING CORP. LTD., Beijing, China†	12,812.5	170,435.3	23,114.0	55	0	1	2	1	0	39	0	0
10	11 FERROVIAL, Madrid, Spain†	11,892.0	15,288.0	17,684.4	20	0	10	5	10	0	50	0	0

Source: ENR The top 250 global contractors.

EBITDA 2019
3,148
MILLION EURO

8.1%
MARGIN

EBIT 2019
2,126
MILLION EURO

5.4%
MARGIN

NET PROFIT 2019
962
MILLION EURO

+5.1%
COMPARED TO 2018

EMPLOYEES
190,431

2. Its parent company is ACS, Actividades de Construcción y Servicios S.A., with registered offices in Madrid, Spain

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A global company committed to the economic and social progress of the countries where it has a presence, with regard to the environment, combatting climate change, and the prevention of occupational risks, carrying out its activity under the fundamental principles of information transparency, ethics and integrity.

96.2% LOCAL EMPLOYEES	78.5% LOCAL SUPPLIERS	13.1 MN € +7.1% COMPARED TO 2018 INVESTMENT IN SOCIAL ACTION	34.6 MN € +4.0% COMPARED TO 2018 INVESTMENT IN TRAINING	2,990,789 +16.2% COMPARED TO 2018 TOTAL TEACHING HOURS PROVIDED
67,260 +26.1% COMPARED TO 2018 NUMBER OF EMPLOYEES TRAINED IN ETHICS AND COMPLIANCE	91.3% EMPLOYEES COVERED BY THE OHSAS 18001 CERTIFICATION	72.4% OF EMPLOYEES WHO HAVE RECEIVED TRAINING IN HEALTH AND SAFETY DURING THE YEAR	75.6% REVENUES CERTIFIED BY ISO 14001	58,399 23,771 IN 2018 MWh FROM RENEWABLE SOURCES

2.1.2. A GROUP INVOLVED IN THE DEVELOPMENT OF KEY SECTORS FOR THE WORLD ECONOMY



THE ACS GROUP ACTIVITIES

INFRASTRUCTURE

Civil engineering, construction, infrastructure and mining services, from the project design stage to financing, construction, commissioning and operation.

SERVICES INDUSTRIALES

For energy, industrial and mobility infrastructures, including the development, construction, maintenance and operation phases.

SERVICES

Focused on people, building maintenance, and the city and surroundings.

REVENUES
39,049
MILLION EURO

● INFRASTRUCTURE 79%
● INDUSTRIAL SERVICES 17%
● SERVICES 4%

BACKLOG
77,756
MILLION EURO

● INFRASTRUCTURE 83%
● INDUSTRIAL SERVICES 13%
● SERVICES 4%

2.1.3. A GLOBAL GROUP COMMITTED TO THE ECONOMIC AND SOCIAL PROGRESS OF THE COUNTRIES WHERE IT CARRIES OUT ITS ACTIVITY

All the Group's activities are distinctly focused on the customer, in the spirit of service and acting as a guarantee for the future, developing a solid, long-term relationship of trust based on mutual understanding.

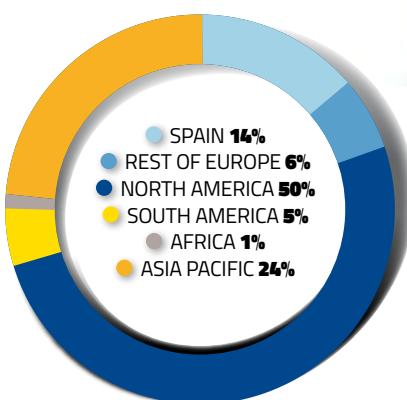
The Group's flexible and decentralized organization promotes employee responsibility and initiative, which is a basic tool to generate maximum **profitability** and promote the **excellence** needed to offer the best services and products to customers.

ACS upholds an undeniable commitment to **sustainable development**, through its Corporate Social Responsibility Policy and according principles showed throughout this report, serving society in an efficient and ethically responsible way through its ability to generate value for the company and all of its stakeholders, demanding the highest standards of **integrity** from its employees and collaborators.

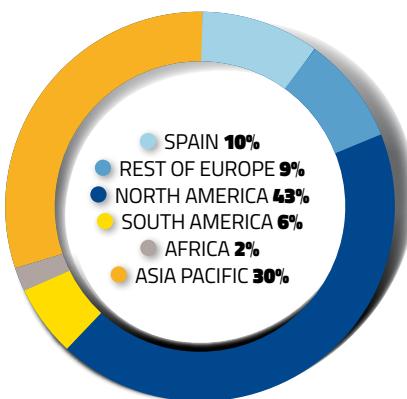
These values, which have been part of the Group's culture since its inception, have generated the main competitive advantages that are the basis of past and future growth.

MAIN MARKETS IN WHICH ACS GROUP OPERATES THROUGH THE FOLLOWING ACTIVITY AREAS

REVENUES
39,049
MILLION EURO



BACKLOG
77,756
MILLION EURO



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ACS GROUP VALUES



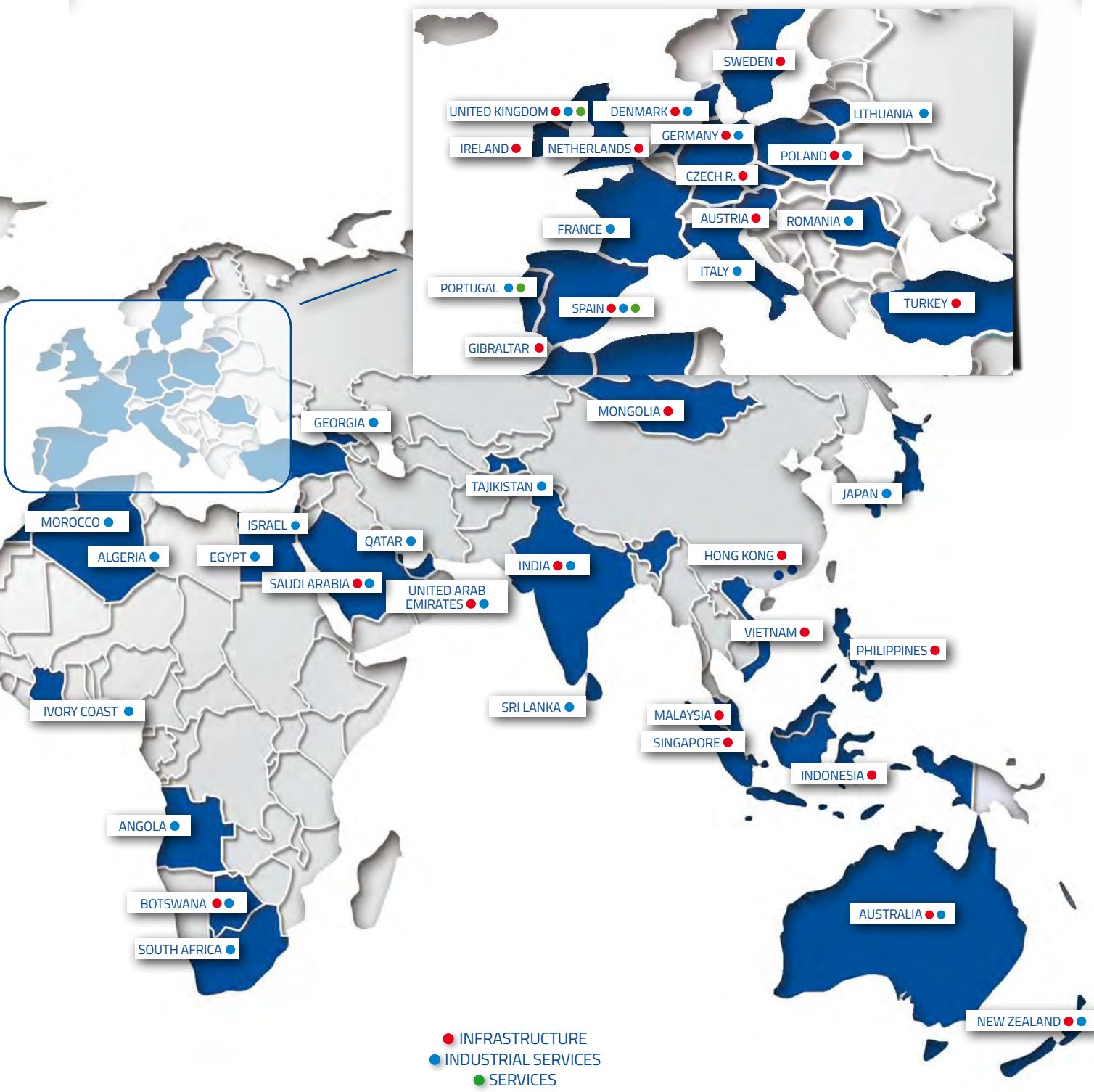
PROFITABILITY

SUSTAINABILITY

INTEGRITY

EXCELLENCE

TRUST



Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

2.2. WITH A SUCCESS STORY

The Group's success story is based on efficient organization and dynamic and enterprising management, implemented through successive mergers, acquisitions and strategic plans committed to maximizing profitability for its shareholders. The ability to integrate, assimilate and develop a common culture has enabled the Group to consolidate its position as an international leader in infrastructure development.



Founded in 1968

Construction company based in Badalona, Spain, which was restructured following its acquisition and relaunched. It is the seed from which ACS Group grew into what it is today.



Founded in 1942

Spanish construction company, the acquisition of which represented a large expansion for the Group in the 1980s.



Founded in 1919

Company specializing in power lines and the developer of the Spanish electricity grid; represented the first diversification in industrial services.



Founded in 1948

Industrial services company; a leader in Spain and Latin America, it was a stock exchange acquisition that lead the Group's expansion in this area.



Founded in 1992

Formed from the merger of Ocisa and Construcciones Padrós, it was one of the 10 largest companies in the country at that time.



Founded in 1945

A state-owned construction company, it increased the Group's national presence.



Founded in 1930

One of the most important construction companies in Spain, specializing in civil engineering projects.



Founded in 1928

One of the most experienced railway development companies in Spain, with more than 80 years of experience. It joined the ACS Group as a subsidiary of Ginés Navarro.



1997

2003

2003

2011

2011

2011

2018



Founded in 1997

World leader in infrastructure development. It was the result of a merger between OCP and Ginés Navarro in 1997.



Founded in 1941
Leader in Spain and a very diversified company. By merging with ACS, it created one of the five largest companies in the world and laid the foundation for the Group's future growth.



Founded in 1992
Initially focused on providing cleaning services to public entities, it has become the benchmark multi-service company in Spain.



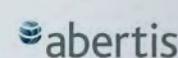
Founded in 1873
A leading company in Germany with a presence in over 50 countries, it is the ACS Group's international growth platform.



Founded in 1902
A HOCHTIEF subsidiary since 1999, America's leading "General Contractor" is present practically throughout the entire country, developing large, non-residential building projects.



Founded in 1949
A HOCHTIEF subsidiary acquired in 1983, as of 12/31/19 it holds 72.68% of the company's shares. It is Australia's leading construction company and a world leader in mining concessions.



Founded in 2003
Abertis is one of the leading operators in toll road management, with over 8,600 kilometers (5,300 miles) of roads in 15 countries, with the ACS Group having approximately a 50% stake.

2.3. BASED ON A CONSOLIDATED CORPORATE STRATEGY

The ACS Group operates in an increasingly complex and competitive environment, with numerous risks as well as opportunities for its businesses. To meet these challenges, the Group has developed a strategy that ensures sustainable profitability for its shareholders and the generation of value for all of its stakeholders.

The strategy of the ACS Group is focused on the various companies that it comprises and that individually contribute to the achievement of the Group's overall objectives.

The pillars that contribute to this sustainable and profitable growth are based on the constant reinforcement of global leadership in the infrastructure sector through diversification of geographical areas and activities, optimization of available resources and promoting trust relationship with the client and the different stakeholders.



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GEOGRAPHICAL AND ACTIVITIES DIVERSIFICATION

- In stable environments and with potential growth.
- Set of activities with a balanced risk profile.
- Selectively investing to increase the range of services and activities offered.



GLOBAL LEADERSHIP

- Positioning itself as leader in strategic markets.
- Sectorial reference in different segments of activity.
- Commitment to innovation and continuous improvement.



RESOURCES OPTIMIZATION

- Operational decentralisation.
- Exhaustive management control systems.
- Financial strength which allows obtaining low cost resources.



PROXIMITY TO THE CUSTOMER

- All of the Group's activities are distinctly customer oriented, with a spirit of service and an eye to the future.
- Solid long-term relationships based on trust and mutual knowledge and interests alignment.

SUSTAINABLE AND PROFITABLE GROWTH



CREATING SHARED VALUE



CONTRIBUTE TO THE DEVELOPMENT OF THE AREAS OF OPERATION

- Creating employment and welfare, acting as an economic engine for society
- Prioritization of local resources
 - Knowledge exchange and technology transfer



RESPONSE TO GLOBAL CHALLENGES

- Of the different environments: economic and social, including those related to climate change
- Search for innovative and sustainable solutions

COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

2.4. HOW DOES IT RESPOND TO THE CHALLENGES AND OPPORTUNITIES IN THE SECTOR

THAT RESPONDS TO GLOBAL AND INTERRELATED CHALLENGES

URBAN GROWTH,
CONCENTRATION
AND
INTERCONNECTION

DIGITAL
TRANSFORMATION

CLIMATE
CHANGE AND
ENVIRONMENTAL
SUSTAINABILITY

GLOBALIZATION
AND GREATER
COMPETITIVENESS
IN THE SECTOR

INVESTMENT
NEEDS

Population growth worldwide.
Migratory movements
Economic and social development of emerging regions

Irruption of new technological systems
Social and demographic changes
Disruptive impact on certain businesses, sectors and business organizations

Scientific evidence on global warming and the effects of pollution
Increased regulatory requirements and regulatory changes, mainly in terms of sustainability (energy model transition)
Greater awareness of society about the need to respect the planet

Increasingly selective and sophisticated demand
Concentration of supply and demolition of barriers to market entry

Budgetary austerity and limited public resources
Tightening of financial conditions in bank financing and new requirements, particularly on sustainability area

Congestion of large cities and peripheral expansion

New emerging cities without infrastructure network

Obsolete and inadequate infrastructures to new technological advances

Need for new innovative and sustainable solutions for infrastructures

Shortage of natural resources and need for new sustainable materials

Increase in extreme weather events caused by climate change

Demand of more complex and leading edge projects

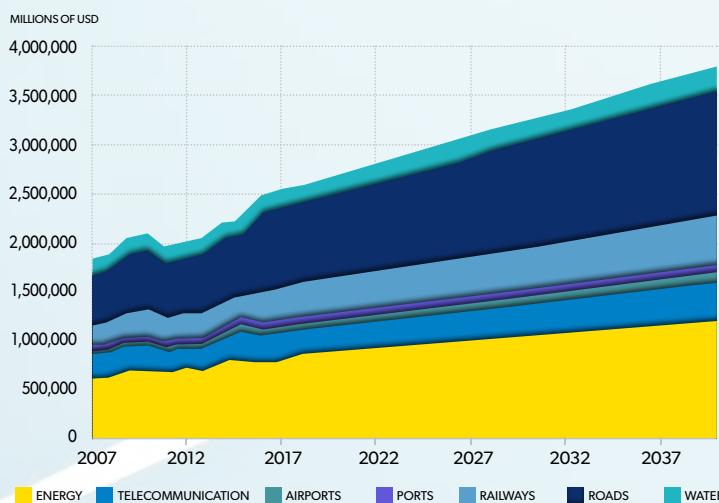
More competitive margins in the sector

Investment capacity shortage in the infrastructures sector

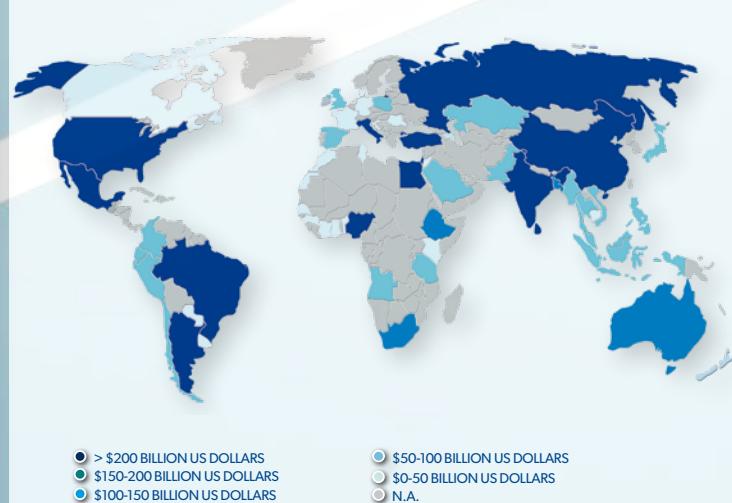
Alignment of the financial sector with climate change and ESG criteria

CHALLENGES AND UNCERTAINTIES IN A GLOBAL CONTEXT

INFRASTRUCTURE INVESTMENT AT CURRENT TRENDS FOR EACH SECTOR



TOTAL FORECAST INFRASTRUCTURE INVESTMENT GAPS TO 2040



Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails. Source: Global Infrastructure Hub.

GENERATING BUSINESS OPPORTUNITIES AND PROVIDING INNOVATIVE AND SUSTAINABLE SOLUTIONS

Renewal and extension of the infrastructures' network in big cities with growing population

Improvement in interregional and interstate connection infrastructures

Development of social infrastructures with new technologies more efficient and advanced (ie; Smart-Green buildings; development systems and sustainable mobility management, Smart Cities)

Investment increase and development of renewable energy projects supporting the economy decarbonisation process, as well as R&D projects in order to improve green technologies efficiency

Adaptation of infrastructures to new sustainability regulations. Need for sustainable, efficient and resilient infrastructures against climate change

Growing use of PPP models for infrastructures project's development which mean and increase of the investment capacity together with a substantial improvement of efficiency in the development of projects

Growing interest of private capital for socially responsible investment ("sustainable finance", "impact investing", "Green and social bonds")

ACS Group has a PPP projects backlog worth more than 230,000 million euro to develop in the next four years in the Group's strategic regions

ACS Group has a very positive outlook in the renewable energy field with an on-going pipeline of 6,200 MW. The Group has long experience in the development of PV, thermosolar and wind integrated projects

ACS Group holds the market leading position in the development of "Green Buildings" in the USA and sustainable infrastructures in Australia. In 2019 different projects were developed in this segment worth approximately 8,700 million euro

Business model integration in all the value chain, from design, construction, maintenance of new infrastructure projects to their operation

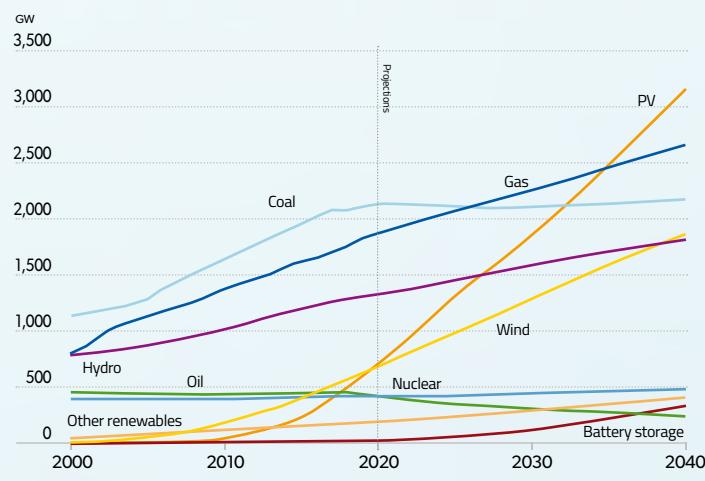
Evolution of our clients contractual models which allow defining the undertaken risks in the construction and development of new projects. The Group is world leader in building under the modality of "construction management"

Starting with green bonds issuing linked to the development of renewable energy projects. First Group's issuing in 2018 worth 750 million euro

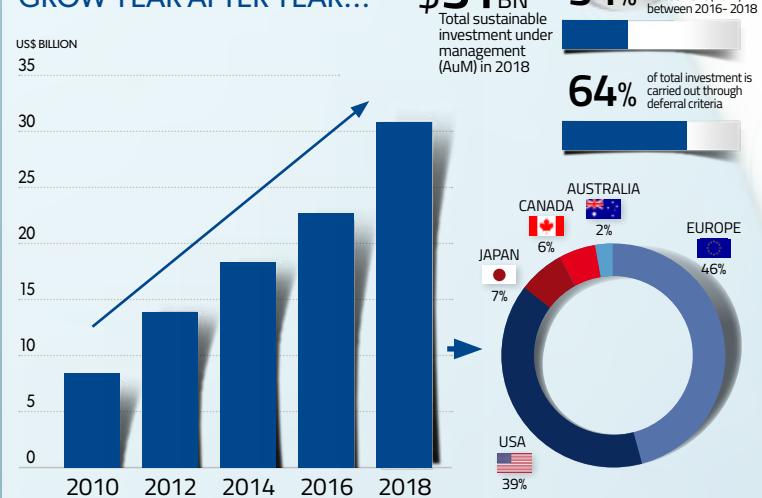
HIGH DEMAND FOR INFRASTRUCTURE AND COMPETITIVE ADVANTAGES

INSTALLED POWER GENERATION CAPACITY BY SOURCE IN THE STATED POLICIES SCENARIO, 2000 – 2040

UPDATED ON JANUARY 29, 2020



SUSTAINABLE FUNDS GROW YEAR AFTER YEAR...



Source: International Energy Agency (IEA)

Source: Global Sustainable Investment Alliance, 2018. Spanish-language version prevails.

2.5. WITH EFFICIENT RISK MANAGEMENT

THE TWO-TIERED SYSTEM OF CONTROL AND MONITORING OF RISKS

The ACS Group conducts business activities in different sectors, countries and socio-economic and legal environments that involve exposure to different levels of risk inherent to the businesses in which it operates.

The ACS Group's risk control system is based on a range of strategic and operational actions to mitigate these risks and meet the objectives set by the Board of Directors. The Corporation is responsible for the definition of the basic guidelines, in order to homogenize the operating criteria in each of the divisions to ensure an adequate level of internal control. It is the societies and divisions that make up the Group that are responsible for developing the necessary and appropriate internal regulations so that, depending on the peculiarities of their activity, they implement internal control to guarantee their optimum level.

In order to respond to the need for comprehensive and uniform risk management, the Corporation has established a model that includes the identification, assessment, classification, estimation, management and monitoring of risks at the Group level and the operational divisions level. These identified risks are used to create a risk map that is regularly updated based on the different variables that comprise it and on the Group's activity areas.

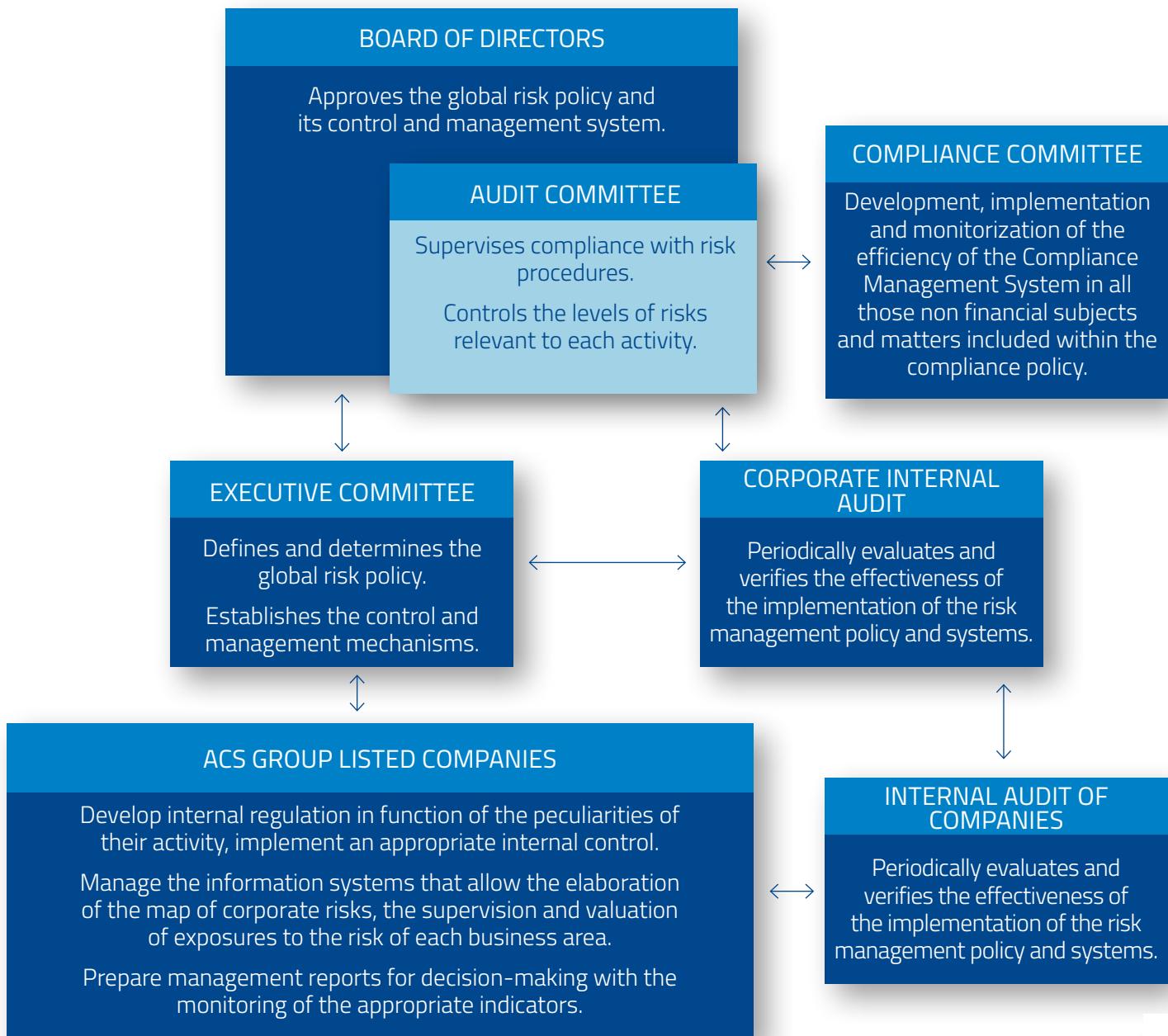
The risk control systems adopt the characteristic decentralized model of the Group, which allows each business unit to exercise its risk control and evaluation policies under a few basic principles. These principles are the following:

- Definition of the maximum risk limits that can be assumed by each business according to its characteristics and expected profitability, with these being implemented at the time the contract is signed.
- Establishment of procedures for the identification, approval, analysis, control and information of the different risks for each business area.
- Coordination and communication to ensure that the risk policies and procedures for activity areas are consistent with the Group's global risk policy.

The systems provide the information required to monitor the risk exposures in each business area and for their estimation, as well as the creation of the corresponding management information for decision-making by monitoring the appropriate indicators.



GOVERNANCE OF THE RISK FUNCTION



The ACS Group's Risk Management System identifies and evaluates various risk scenarios grouped into two categories: business risks and corporate risks.

BUSINESS RISKS

are those that specifically affect each business and vary depending on the uniqueness of each activity, and may be financial or non-financial in nature. They are grouped into:

- **Operational risks**

which correspond to risks associated with the key business processes, including risks related to contracting and bidding on works and projects, planning and control of the execution of different works and projects, the relationship with the customer and credit with them, product quality, environmental and climate-change risks, and procurement and subcontracting.

- **Non-operational risks**

which correspond to risks associated with business support processes, including risks related to prevention, health and safety at work, Human Resources, compliance with legislation and specific taxation applicable to businesses, the reliability of accounting and

financial information, and the management of financial resources and indebtedness.

CORPORATE RISKS

affect the Group as a whole and the listed Company in particular, and are divided into:

- **Strategic risks**

which are risks that may arise as a result of choosing a particular strategy, which may significantly influence, directly or indirectly, the achievement of the ACS Group's long-term objectives.

- **Policy or regulatory or compliance risks**

which include those derived from Corporate Governance (including, but not limited to, those derived from the reliability of published Financial Information), Company litigation, securities market regulations, the Data Protection Act, possible changes in tax regulations (national and international), and civil liability for the integrity of assets. This risk includes tax-related risks (a Corporate Tax Policy has been approved), which can be one of two types:

- On the one hand, there is the risk of changes in tax legislation which either could not be



foreseen at the time when investment decisions involving a relevant tax factor were taken, thus impacting the attainment of objectives, or which affect the effective application of tax credits carried forward, in turn affecting forecasts of future taxes payable.

- On the other hand, tax regulations are frequently subject to differing interpretations, which can result in additional adjustments by the tax authorities, even though the corporate tax policy established by ACS prioritizes prudence in the tax practices followed.

- **Financial risks**

which include the level of indebtedness, liquidity risk, credit risks, risks resulting from fluctuations in exchange rates, risks deriving from the fluctuation of interest rates, risks from the use of derivative financial instruments, market risks from investments, and exposure to risk from variable yields from investments made in listed companies.

- **Reputational risks**

which are risks with a potentially negative impact that may affect the image and reputation of the Group, as well as the transparency and relationship with analysts, investors and

other stakeholders, with expectations about the conduct of the company and the Group. However, without prejudice to internal rules, procedures and investigations, or cooperation with authorities as required, it cannot be guaranteed that this will always be sufficient in preventing violations by people or entities who may be held liable, and although it may be deemed that the potential effects may not have a material impact on the Group's financial situation, they may eventually affect the Group's image and reputation and therefore its businesses.



Financial risks description, see:
4.4. Description of main financial risks
and uncertainties



Non-financial risks description, see:
5. Consolidated Non-Financial
Information Statement



2.6. CREATING SHARED VALUE

The ACS Group has consolidated a business model that guarantees maximum profitability to its shareholders while generating value in the form of social and economic development in the environments where the Group's companies operate.

The ACS Group is characterized by a highly decentralized structure in its three areas: Infrastructures, Industrial Services and Services, which operate through dozens of specialized companies that ensure the Group's presence in the entire value chain of the infrastructure business. This complex yet highly efficient organization encourages the Group's companies to compete and carry out their work independently, while sharing common guidelines that provide value to their activity.

Each of the ACS Group's companies is managed and operated autonomously, with independent functional management and flexible and sovereign executive bodies with common values and culture. This allows each company to individually provide a multitude of valid and cost-effective management formulas thanks to the multiple factors involved in their decisions that generate independent knowledge and good practices.

INPUTS

GROSS OPERATIONAL INVESTMENTS

742 MN €

GROSS INVESTMENT IN PROJECTS AND FINANCIAL INVESTMENTS

1,043 MN €

EMPLOYEES

190,431

GRADUATES AND STUDENTS WITH DIPLOMAS

17.0%

INVESTMENT IN R&D

38 MN €

R&D PROJECTS IN PROGRESS

141

DIALOGUE WITH STAKEHOLDERS

NUMBER OF MATERIALITY ANALYSIS SURVEYS (2018/2019)

1.763

MEETINGS ORGANIZED BY INVESTOR RELATIONS

309

CALLS/EMAILS FROM SHAREHOLDERS ANSWERED

514

CONSUMPTION

WATER

26,537,292 m³

TOTAL ENERGY CONSUMPTION (MWh)

12,112,391 MWh

TOTAL WOOD PURCHASED

2,177,575 m³

TOTAL STEEL PURCHASED

610,057 t

TOTAL CONCRETE PURCHASED

6,107,430 m³

...INTEGRATES LEADING COMPANIES...

DRAGADOS

HOCHTIEF

IRIDIUM

CIMIC

cobra GRUPO

Turner

Dragados Industrial

Clece

abertis

CONSTRUCTION/ENGINEERING



PROJECT DEVELOPMENT



PROMOTION FINANCING

(201-1) GENERATED, DISTRIBUTED, AND WITHHELD ECONOMIC VALUE

	2018	2019
MILLION EURO		
Total production value	36,659	39,049
Financial income	155	205
Divestments*	3,264	532
(1) Economic value generated	40,078	39,786
Operating and purchasing expenses	26,435	28,383
Personnel expenses	7,910	8,394
Income Tax**	389	-84
Dividends	316	486
Financial expenses	451	497
Investment in Social Action	12	13
(2) Distributed economic value	35,513	37,689
Withheld economic value (1-2)	4,564	2,097

* Divestments in 2018 mainly corresponding to the sale of a minority stake in Hochtief included within the acquisition of Abertis, which increased the gross investments made.

** Fiscal credit derived from the provision of BICC is included in 2019. The income tax paid was 208 million euro.



SHAREHOLDER/INVESTOR

INVESTMENT DIVIDENDS



...THAT OPERATE UNDER
A COMMON CULTURE...

Operational decentralisation
Proximity to the customer
Optimising returns on resources
Control management
Sustainable growth



...DEVOTED TO THE
INFRASTRUCTURE SECTOR...

**INDUSTRIAL
SERVICES**

**OTHER
SERVICES**



...AND WITH PRESENCE IN ALL THE
CHAIN VALUE...



CONSTRUCTION



OPERATION/
MAINTENANCE



EXPLOITATION

OUTPUTS

REVENUES
39,049 MN €

NET PROFIT
962 MN €

DIVIDENDS PAID AND
TREASURY SHARES
1,054 MN €

PERSONNEL EXPENSES
8,394 MN €

% LOCAL EMPLOYEES
96.2%

BACKLOG
77,756 MN €

COMMUNITY CONTRIBUTION

INVESTMENT IN SOCIAL ACTION
13.1 MN €

% PROCUREMENT FROM LOCAL
SUPPLIERS
78.5%

CONSUMPTION

VARIATION IN THE INTENSITY
OF SCOPE 1 EMISSIONS
(VS 2018)
-9.3%

VARIATION IN THE INTENSITY
OF SCOPE 2 EMISSIONS
(VS 2018)
-2.3%

VARIATION IN THE INTENSITY
OF SCOPE 3 EMISSIONS
(VS 2018)
-17.3%

VARIATION IN INTENSITY
OF EMISSIONS
(TOTAL SCOPE
1+2+3 EMISSIONS/SALES)
-12.8%

2.6.1. ACHIEVING STRONG FINANCIAL AND OPERATIONAL RESULTS FOR FINANCIAL YEAR 2019

1. Solid Business Performance

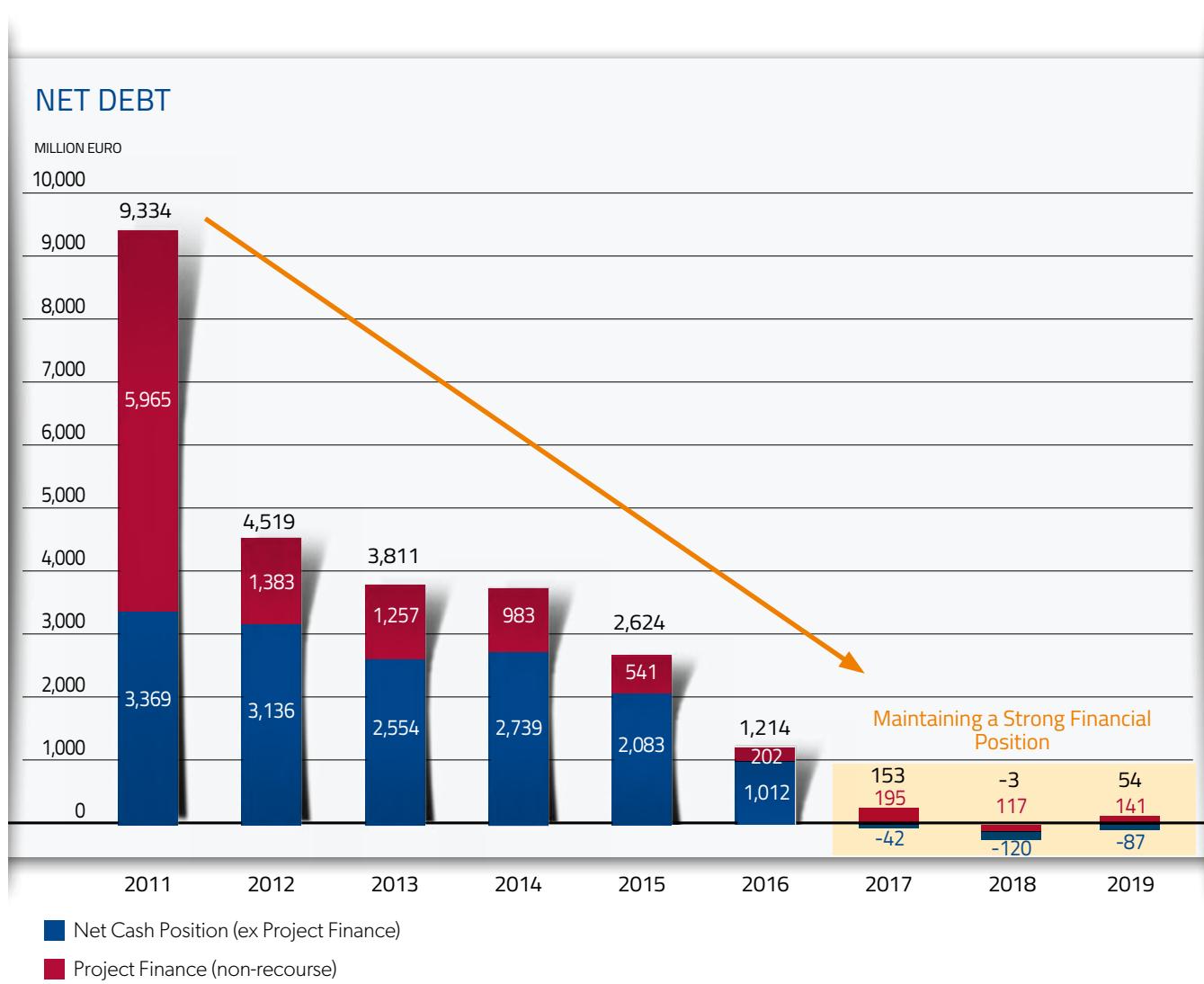
The Group has shown good performance in all of its activity areas during financial year 2019.

- Sales were 39,049 million euro, 6.5% higher than the previous year.
- The Gross Operating Profit or EBITDA was 3,148 million euro, 7.0% higher than the previous year.
- EBIT reached 2,126 million euro, an increase of 3.7%.
- The attributable net profit in 2019 amounted to 962 million euro, 5.1% higher than in 2018.

- Finally, the Flow of Operating Funds before investment is approximately 2,400 million euro, 2.5% more than last year.

2. Maintaining a Strong Financial Position

The generation of cash flow in these most recent periods has largely compensated for the large investment effort in concession activity and the increase in remuneration to our shareholders, maintaining the credit rating in the "investment grade" category with a 'BBB' rating awarded by Standard & Poor's.



Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.



At the end of 2019, the ACS Group presented a net debt balance of 54 million euro, equivalent to 0.02x the EBITDA, maintaining a debt level similar to that of the previous two years, i.e. practically non-existent.

Without taking into account project financing, without recourse to the shareholder, the Group presented a net cash position in the last three years, closing 2019 with 87 million euro of net operating cash.

This strong financial position allows the Group to strengthen its strategic plan by investing in new concession projects as well as other growth

opportunities, ensuring sustainable growth and continuing to drive the creation of value for its shareholders.

3. Sectorial Leadership With a Diversified Risk Profile and Good Growth Prospects

The ACS Group continues to demonstrate its overall leadership in the infrastructure sector, mainly in developed countries. This is demonstrated by the ACS Group being ranked as the top international contractor for yet another year in the ENR rankings, a position it has held since 2013.

TOP 1 DURING 7 CONSECUTIVE YEARS

ENR THE TOP 250 INTERNATIONAL CONTRACTORS

RANK 2019	RANK 2018	FIRM	2018 REVENUE \$ MIL. INT'L	TOTAL
1	1	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS SA, Madrid, Spain†	38,041.0	44,188.2
2	2	HOCHTIEF AKTIENGESELLSCHAFT, Essen, NRW, Germany†	27,797.0	29,121.0
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5	5	STRABAG SE, Vienna, Austria†	15,779.0	18,689.0
6	7	BOUYGUES, Paris, France†	15,582.0	32,023.0
7	10	POWER CONSTRUCTION CORP. OF CHINA, Beijing, China†	13,775.4	52,982.8
8	9	SKANSKA AB, Stockholm, Sweden†	13,583.0	17,124.0
9	8	CHINA STATE CONSTRUCTION ENGINEERING CORP. LTD., Beijing, China†	12,812.5	170,435.3
10	11	FERROVIAL, Madrid, Spain†	11,892.0	15,288.0
11	6	TECHNIPPMC, London, U.K.†	11,149.9	11,643.6
12	13	FLUOR CORP., Irving, Texas, U.S.A.†	8,844.9	15,593.5
13	12	BECHTEL, Reston, Va., U.S.A.†	7,260.0	16,837.0
14	14	CHINA RAILWAY CONSTRUCTION CORP. LTD., Beijing, China†	6,695.0	111,656.0
15	16	HYUNDAI ENGINEERING & CONSTRUCTION CO. LTD., Seoul, South Korea	6,638.0	15,731.8
16	15	SALINI IMPREGILIO SPA, Milan, Italy†	6,462.8	7,044.3
17	18	CONSOLIDATED CONTRACTORS GROUP, Athens, Attica, Greece†	6,208.5	6,208.5
18	17	CHINA RAILWAY GROUP LTD., Beijing, China†	6,181.9	140,090.0
19	25	CHINA NATIONAL MACHINERY INDUSTRY CORP., Beijing, China†	5,449.3	7,186.8
20	24	ROYAL BAM GROUP NV, Bunnik, The Netherlands†	5,308.0	8,509.0

Sectorial leadership in infrastructure development

ENR The Top 10 by Market

RANK 2019	RANK 2018	TRANSPORTATION	RANK 2019	RANK 2018	BUILDINGS	RANK 2019	RANK 2018	POWER
1	1	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS SA, Madrid, Spain†	2	2	HOCHTIEF AKTIENGESELLSCHAFT	4	1	POWER CONSTRUCTION CORP. OF CHINA
2	2	CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD.	3	3	CHINA STATE CONSTRUCTION ENGR'G CORP. LTD.	5	2	VINCI
3	4	BOUYGUES	4	4	SKANSKA AB	6	3	CHINA ENERGY ENGINEERING CORP. LTD.
4	3	VINCI	5	5	STRABAG SE	7	4	ACCS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS SA
5	6	STRABAG SE	6	6	LENOLEAS	8	5	CHINA NATIONAL MACHINERY INDUSTRY CORP.
6	7	HOCHTIEF AKTIENGESELLSCHAFT	7	7	BOUYGUES	9	6	LARSEN & TOUBRO LTD.
7	8	FERROVIAL	8	9	ROYAL BAM GROUP NV	10	7	HYUNDAI ENGINEERING & CONSTRUCTION CO. LTD.
8	9	CHINA STATE CONSTRUCTION ENGINEERING CORP. LTD.	9	8	KAJIMA CORP.	1	8	FERROVIAL
9	10	SKANSKA AB	10	10	PCL CONSTRUCTION ENTERPRISES INC.	2	9	CHINA ZHONGYUAN ENGINEERING CORP.
10	10	CHINA RAILWAY CONSTRUCTION CORP. LTD.				3	10	EIFFAGE
RANK 2019	RANK 2018	INDUSTRIAL	RANK 2019	RANK 2018	WATER	RANK 2019	RANK 2018	TELECOMMUNICATIONS
1	4	FLUOR CORP.	2	1	SALINI IMPREGILIO SPA	1	1	VINCI
2	1	DANIELI & C. O.M. SPA	3	2	OBAYASHI CORP.	2	2	ACCS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS SA
3	3	CHINA METALLURGICAL GROUP CORP.	4	3	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS SA	3	3	HOCHTIEF AKTIENGESELLSCHAFT
4	2	BECHTEL	5	4	POWER CONSTRUCTION CORP. OF CHINA	4	4	BOUYGUES
5	5	CHINA NATIONAL CHEMICAL ENGR'G GROUP CORP. LTD.	6	5	FERROVIAL	5	5	STO BUILDING GROUP INC.
6	6	STRABAG SE	7	6	CHINA NATIONAL MACHINERY INDUSTRY CORP.	6	6	CHINA GENERAL TECHNOLOGY (GROUP) HOLDING CO. LTD.
7	**	HOCHTIEF AKTIENGESELLSCHAFT	8	7	CHINA ENERGY ENGINEERING CORP. LTD.	7	7	EIFFAGE
8	**	HOCHTIEF AKTIENGESELLSCHAFT	9	8	STRABAG SE	8	8	FLUOR CORP.
9	**	SINOESTEEL EQUIPMENT & ENGINEERING CO. LTD.	10	9	CHINA COMMUNICATIONS CONSTR. GROUP LTD.	9	9	KINDEN CORP.
10	8	VINCI			ACCONA INFRASTRUCTURE	10	10	SKANSKA AB

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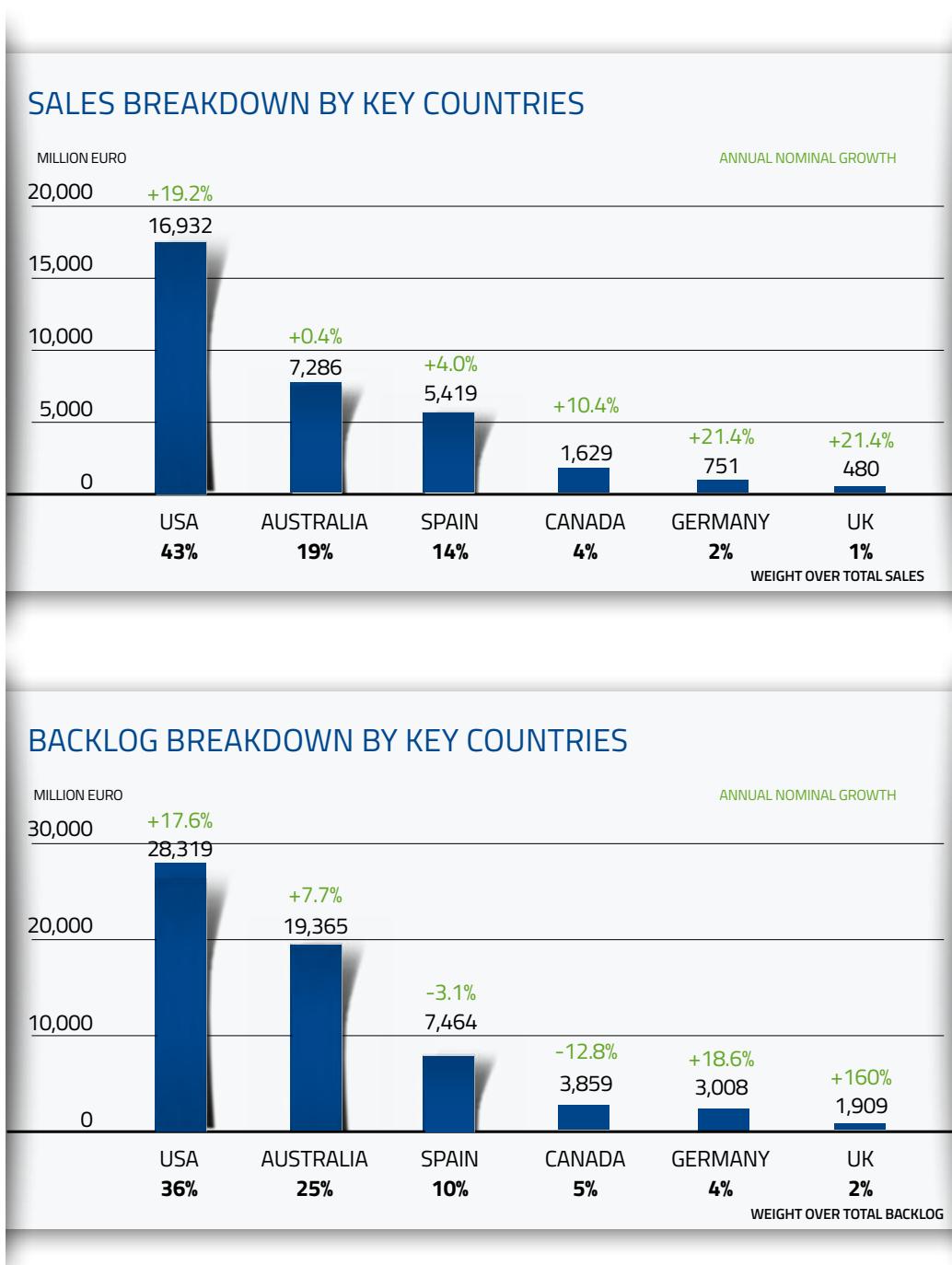
The current project portfolio totals 77,756 million euro, growing 7.7% year on year, with wide diversification across regions and activities, as well as focusing on regions with growth potential and safe environments.

The ACS Group's current geographical diversification facilitates mitigation of adversity in the macroeconomic environment and the cyclical nature of construction activity in small markets, thus taking advantage of growth opportunities in more favorable environments and consolidating its presence in countries with greater potential for stable growth.

In addition, the ACS Group's business model is increasingly integrated into the entire infrastructure value chain, which was strengthened with the

acquisition of Abertis in 2018. In this regard, the ACS Group has identified a portfolio of more than 150 public-private participation (PPP) projects with a total value of 230 billion euro to be developed over the next four years and located in the Group's strategic regions, as demonstrated by the recent changes in our project portfolio.

Likewise, the ACS Group is in a very competitive position for the development of energy infrastructures. Currently, the project portfolio contains approximately fifty different energy assets; renewable energy totaling around 2,000 MW, 7,300 km (4,500 mi) of transmission lines, and desalination, irrigation and water purification projects, among others.



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2019 RELEVANT FACTS

FEB

DIVIDENDS

Payment of interim dividend at 0.45 euro per share.

CORPORATE GOVERNANCE

Amendment of Articles 3, 24, 26 and 27 of the Regulations of the Board of Directors.

TRANSFERS AND ACQUISITIONS OF SHARES

Finalization of the purchase of 49% of Bow Power SL for 96.8 million US dollar, becoming the shareholder with a 100% stake the company and integrating its assets into Zero-E.

APR

OTHER

Presentation to investors and analysts on the Industrial Services division of ACS Group.

MAY

CORPORATE GOVERNANCE

Holding of the General Shareholders' Meeting.

JUL

DIVIDENDS

Payment of the final dividend at an amount of 1.44 euro per share.

TRANSFERS AND ACQUISITIONS OF SHARES

Sale of the 50% stake (25% via Iridium and 25% via Hochtief PPP) in the Canadian company Northeast Anthony Henday, the concession company for the Capital CityLink Bypass.

NOV

LOANS, CREDITS AND OTHER FINANCIAL TRANSACTIONS

Renewal of the financing contract for a total amount of 2,100 million euro which expires on October 13, 2024.

TRANSFERS AND ACQUISITIONS OF SHARES

Notification of the sale to the Hermes Fund of a 74% stake in six shadow toll road concessions from Iridium, which are: In Catalonia, Eix Diagonal and Reus-Alcover; in Castilla La Mancha, Autovía de la Mancha; in Castile and León, Autovía de los Pinares; in Navarra, Autovía del Pirineo; and in Galicia, Santiago-Brion.

CORPORATE GOVERNANCE

Mr. Manuel Delgado Solís resigned as advisor to ACS Actividades de Construcción y Servicios S.A.

DEC

TRANSFERS AND ACQUISITIONS OF SHARES

Sale of 75% of Iridium's 50% stake in the concession company I-595 Express, LLC in Florida, United States, to the owner of the other 50% stake.

SUBSEQUENT EVENTS



Link to the relevant facts on the website

- On January 3, 2020, the ACS Group announced an initial agreement through its subsidiary ACS Servicios, Comunicaciones y Energía, S.L., for the partial sale of photovoltaic energy projects in Spain.
- On January 22, 2020, the ACS Group reached a definitive agreement with the Galp Energía Group, subject to the usual authorizations in this type of contract, for the sale of its participation in these photovoltaic energy projects located in Spain, along with those expected to be developed and operated in 2020–23, with a total installed power of 2,930 MW. The company is expected to achieve a total value of around 2,200 million euro, generating total net profit for the Group of approximately 330 million euro, of which 250 million euro corresponds to financial year 2019.
- On January 23, 2020, the ACS Group announced CIMIC's decision to cease operations in the Middle East through its holdings in BlC Contracting LLC (BICC). Consequently, CIMIC has withdrawn financial support to BICC, creating a provision for all risks incurred with the company, which amounted to 1,800 million Australian dollar net of taxes attributable to financial year 2019 and an expected cash outflow of 700 million Australian dollar during financial year 2020.

The Group stated that the provision by CIMIC would have a single and isolated negative impact on the consolidated accounts of the ACS Group of approximately 420 million euro for financial year 2019, which would be offset mainly by improvements in operating results and by the gains obtained in 2019. Thus, the ACS Group would achieve a net profit of more than 950 million euro.

Both ACS and HOCHTIEF maintain their dividend policy with a 65% payout, while CIMIC has suspended payment of the full 2019 dividend.

- On February 4, 2019, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second share capital increase from reserves approved by the Ordinary General Shareholders' Meeting held on May 10, 2019. The purpose of the transaction is to implement a flexible formula for remuneration to shareholders ("optional dividend"), so that shareholders can choose to continue to receive cash remuneration or to receive new shares from the Company.

Also, the Company agreed to implement the second share capital reduction through redemption of own shares approved in the same General Meeting for a maximum amount equal to the amount by which the share capital is actually increased as a result of the second share capital increase referred to in the previous paragraph.

- The maximum number of new shares to be issued in the second share capital increase from reserves agreed upon by the General Board on May 10, 2019 (through which an optional dividend in shares or cash is implemented) has been set at 4,696,486.
- The price at which ACS, Actividades de Construcción y Servicios, S.A. has committed to buy from its shareholders the rights of free allocation corresponding to said second share capital increase has been set at a fixed gross amount of 0.449 euro for each right.
- The second share capital reduction through the redemption of own shares, which was approved at the same General Meeting of May 10, 2019, has been fixed at the same amount as the second share capital increase and will occur at the same time. Therefore, it will also be for a maximum of 4,696,486 shares.

- On February 24, 2020, ACS Actividades de Construcción y Servicios S.A. agreed to launch a buyback program of own shares (the "buyback program") in accordance with the authorization granted by the General Shareholders' Meeting. The maximum number of shares to be acquired under the buyback program is fixed at 10,000,000 ACS shares, representing approximately 3.18% of ACS's share capital as of the date of this communication. For its part, the maximum investment will be 370 million euro. The Buyback Program begins on February 24, 2020, and will remain in effect until September 30, 2020.
- On March 18, 2020, ACS Actividades de Construcción y Servicios, S.A. (ACS) has signed a binding Term Sheet of derivatives on its own shares with a financial institution for a total maximum of 12,000,000 shares, with a Call Option in favor of ACS at a strike price per share of 14.00 euro and a Put Option in favor of the financial institution at a strike price per share of 10.00 euro, adjusted for future dividends and adjustable for the final execution price, with maturity from November 2, 2020 to March 31, 2021 at the rate of 115,385 shares each day.
- On March 11, 2020, the World Health Organization declared the outbreak of Coronavirus COVID-19 a pandemic, due to its rapid spread throughout the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, including: isolation, confinement, quarantine, and restriction on the free movement of people, closure of public and private premises, except for basic necessities and sanitary facilities, closure of borders and reduction drastic air, sea, rail and land transport.

This situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease of long-term interest rates.

The consequences derived from COVID-19 are considered a subsequent event that does not require an adjustment in the annual accounts for the 2019 financial year, without prejudice that the same should be recognized in the annual accounts of the financial year 2020.

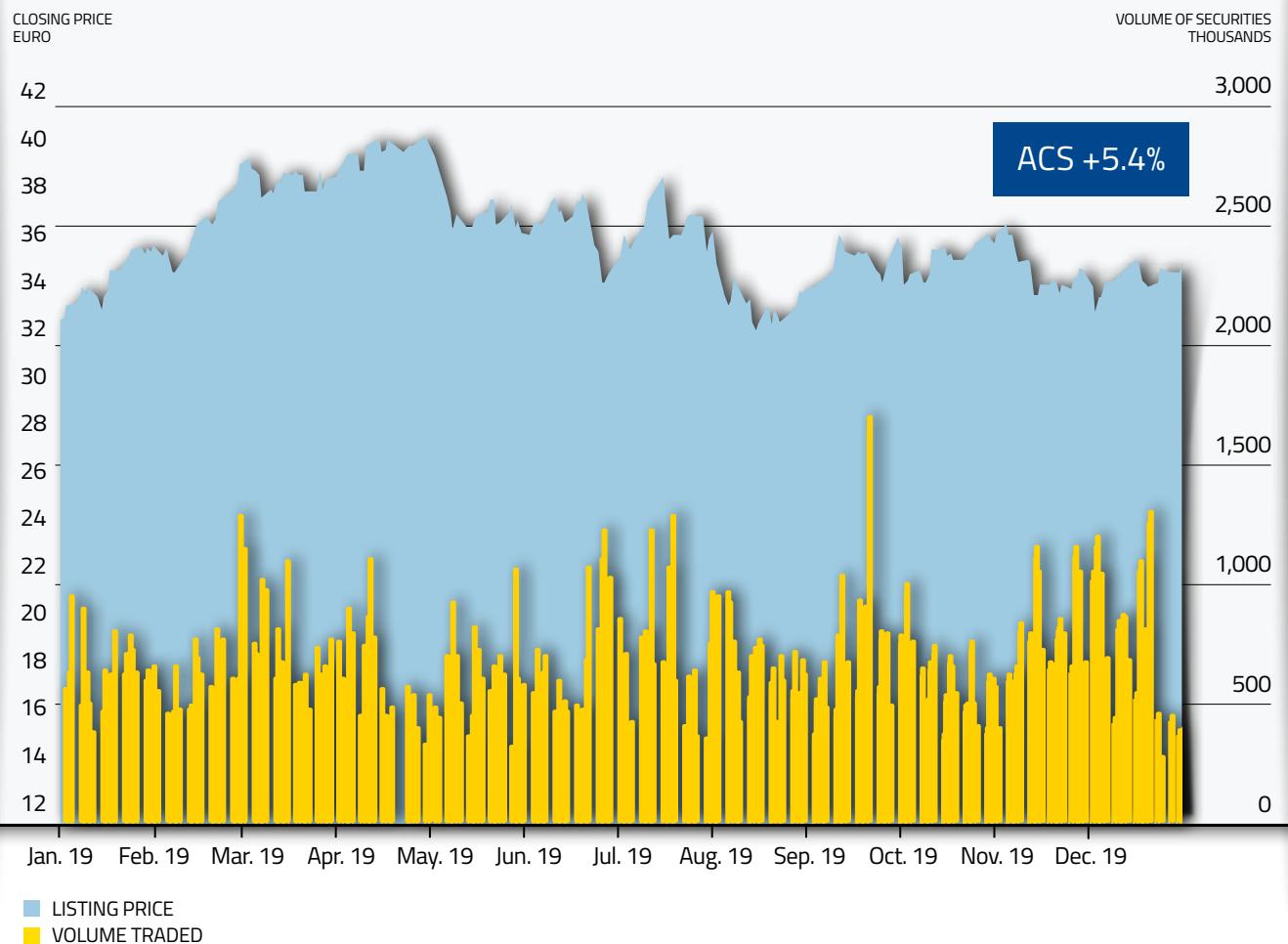
Taking into account the complexity of the markets due to the globalization and the absence of an effective medical treatment against the virus, as of yet, it is premature to make a reliable estimate of the possible impacts at the date of formulation of these Annual Accounts. However, as far as it can be known, there have not been any consequences that could be considered significant, since these will depend to a large extent on the evolution and spread of the pandemic in the coming months, as well as the reaction and adaptation capacity of all the economic agents impacted, therefore it is not possible to make a reliable estimate. In any case, the Directors consider that the possible impact that this aspect might have for the Company could be mitigated, with the different contractual mechanisms available in each case.

Lastly, it should be noted that the Company's Administrators and Management are constantly monitoring the evolution of the situation, in order to face with guarantees the possible financial and non-financial impacts that may occur.

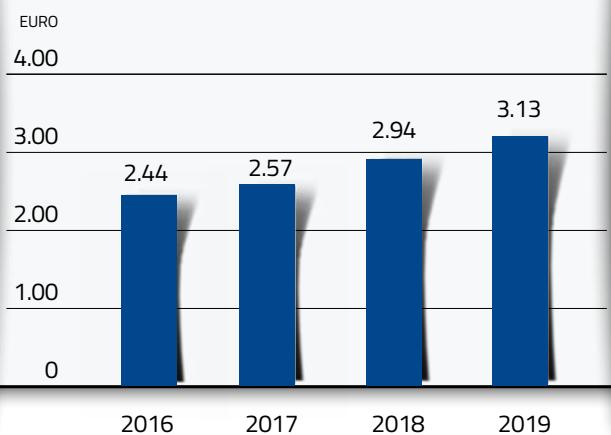
The Company will assess the impact of these events on the equity and financial situation during the financial year 2020 and on the results of its operations and the cash flows corresponding thereto.

2.6.2. THROUGH CAPITAL MARKETS

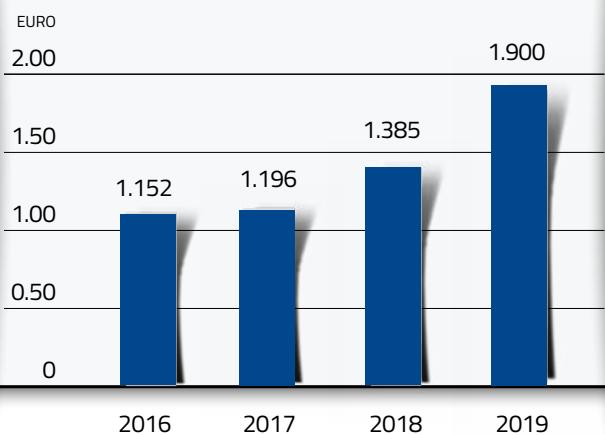
EVOLUTION OF ACS SHARES IN 2019



EARNINGS PER SHARE



DIVIDEND PAID PER SHARE



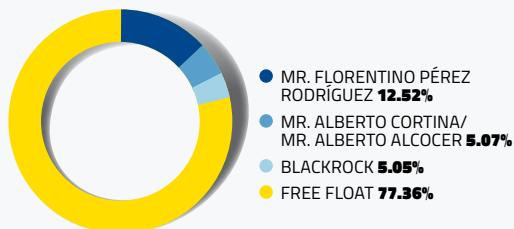
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ACS SHARE DATA

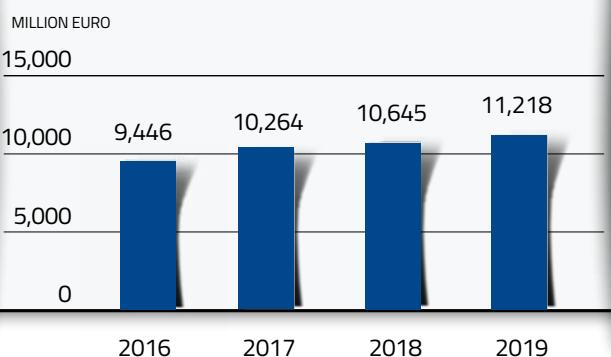
	2016 Jan-Dec	2017 Jan-Dec	2018 Jan-Dec	2019 31-dec
Closing price at the end of the period	30.02 €	32.62 €	33.83 €	35.65 €
Revaluation of the period	11.12%	8.66%	3.71%	5.38%
Revaluation of the IBEX during the period	-2.01%	7.40%	-14.97%	11.82%
Revaluation of the period compared to the IBEX	13.41%	1.18%	21.97%	-5.76%
Period maximum	30.33 €	36.75 €	37.83 €	40.93 €
Maximum date of the period	Dec 20	Jun 19	Sep 21	Apr 30
Period minimum	19.31 €	28.34 €	27.10 €	32.79 €
Minimum date of the period	Feb 11	Jan 31	Mar 6	Aug 15
Average of the period	25.88 €	32.49 €	33.73 €	36.51 €
Total volume of traded securities (thousands)	220,750	189,001	175,727	171,395
Total capital turnover	70,27%	60,07%	55,85%	54.47%
Average daily volume of traded securities (thousands)	858.95	738.28	689.13	672.14
Average daily capital turnover	0.27%	0.23%	0.22%	0.21%
Total traded cash (million euro)	5,714	6,140	5,928	6,258
Average daily cash traded (million euro)	22.23	23.99	23.25	24.54

SHAREHOLDER STRUCTURE

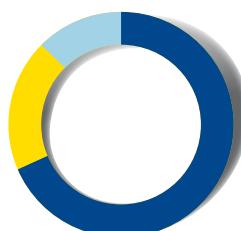
Shareholder name or company name	%
Mr. Florentino Pérez Rodríguez	12.52%
Mr. Alberto Cortina/ Mr. Alberto Alcocer	5.07%
Blackrock	5.05%
Free Float	77.36%



MARKET CAPITALIZATION



FINANCIAL ANALYST RECOMMENDATIONS



BLOOMBERG
TARGET PRICE
(12/31/2019)
41.60
EURO/SHARE
(SOURCE: BLOOMBERG)

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2.6.3. IN A SUSTAINABLE AND RESPONSIBLE MANNER

The ACS Group's commitment to Corporate Social Responsibility (CSR) is summarized in four areas of action:

- Respect for ethics, integrity and professionalism in the Group's relationship with its stakeholders.
- Respect for the economic, social and environmental landscape.
- Promotion of innovation and research as these apply to infrastructure development.
- Creation of employment and well-being as an economic driver for society.



To meet the ACS Group's Corporate Social Responsibility challenge, given its characteristics of decentralized operations and extensive geographical spread, a functional, strategic and operational paradigm related to ACS Group's Sustainability has been developed called Project One.

Project One seeks to promote good management practices and evaluate the common principles and objectives defined in ACS Group's Corporate Social Responsibility Policy, and it falls under the scope of the Group's overall strategy, focused on strengthening its global leadership.

The promotion of good management practices focuses on the following main sections:

THE GROUP'S POSITION IN TERMS OF ETHICS.



IN TERMS OF EFFICIENCY, INVOLVING CLIENT, QUALITY, SUPPLIER, ENVIRONMENTAL AND R&D+I POLICIES.



IN TERMS OF EMPLOYEES, PERSONNEL, HEALTH AND SAFETY AND SOCIAL ACTION POLICIES OF THE ACS GROUP.



Thus, ACS Group's Corporate Social Responsibility effort is a combination of contributions from various companies that define their policies of acting independently and that manage their resources in the most efficient way possible, always guided by the common principles and objectives defined in ACS Group's Corporate Social Responsibility Policy adopted on February 26, 2016. This Policy sets out the basic and specific principles of action in this area, as well as in the Group's relationship with its environment, while also pursuing the objectives defined in the Plan 20-20 for non-financial matters.

This Plan sets out the commitments and objectives for 2020 related to the relevant issues identified in the materiality analysis linked to the sustainable development area. Within the established commitments, each of the ACS Group's companies must independently define the most appropriate measures and courses of action according to their business characteristics, which will enable them to meet the commitments established by the Group.

Plan 20-20 is aligned with the main management and monitoring indicators related to the ACS Group's contribution to the Sustainable Development Goals (SDGs).

Currently, the ACS Group is working on creating and defining the objectives for a new strategic plan, thus reaffirming the Group's long-term commitment to creating shared value in a sustainable and responsible manner.



For further information:
5. Consolidated
Non -Financial Information
Statement.

ACS GROUP'S 20-20 PLAN

COMMITMENTS	2020 Objective	Evolution	2019	SDG Related
Health and Safety				
Reduction of accident rates among its own employees	Increase employee certifications in Occupational Health and Safety	Percentage of total employees covered by OHSAS18001 certification (Occupational Health and Safety)	91% Base year 2015: 83%	SDG 8
	Increase employee training in health and safety matters and 100% of employees have attended at least one health and safety course in 2020.	Percentage of the total number of employees who have received at least one occupational health and safety course during their professional career	99.2% Base year 2015: 99.5%	SDG 8
		Investment in occupational health and safety per employee (euro/employee)	778 Base year 2015: 754	SDG 8
HR, Ethics and Social Action				
Remain committed to advocacy, strengthening and control for issues related to ethics and integrity through measures to prevent, detect and eradicate bad practices.	All new Group companies must commit to the Code of Conduct	Companies committed to the Code of Conduct	100% Base year 2015: 98%	SDG 5 SDG 8 SDG 10
	Increased employee training in matters related to ethics and integrity	Percentage of employees trained during the year in Human Rights, Ethics, Integrity or Conduct	37% Base year 2015: 13%	SDG 5 SDG 8 SDG 10
Improving professional performance	Increase investment in employee training	Investment in training/employee (millions of euro/employee)	185.4 Base year 2015: 170.9	SDG 8
Greater contribution to the development of society	Increase actions and funds that contribute to the generation of shared value for the company through its own business strategy	Funds allocated to Social Action (million euro)	13.1 Base year 2015: 9.4	SDG 10
Environment				
Improved eco-efficiency and use of resources	Increase environmental certifications in sales	Percentage of its sales covered by the ISO 14001 Certification	76% Base year 2015: 71%	SDG 11 SDG 12
	Rationalise waste generation	Ratio of waste sent for management (hazardous and non-hazardous) over revenues (t/millions of euro) ⁽¹⁾	332 Base year 2015: 152	SDG 11 SDG 12
	Decrease water consumption	Water over sales (m3/ millions of euro) ⁽²⁾	702 Base year 2015: 777	SDG 6 SDG 11 SDG 12
	Rationalisation and efficient use of energy products	Scope 1 emissions/millions of euro in revenues	79.4 Base year 2015: 99.9	SDG 11 SDG 12 SDG 13
		Scope 2 emissions/millions of euro in revenues	7.4 Base year 2015: 8.2	SDG 11 SDG 12 SDG 13
Suppliers				
Continue to work with qualified suppliers in CSR areas	Increase the inclusion of non-financial criteria in supplier approval and include the Code of Conduct in the supplier evaluation criteria in all instances.	Inclusion of compliance with the Code of Conduct in the evaluation criteria (% above total expenses) ⁽³⁾	100% Base year 2015: 77%	SDG 8 SDG 12
Quality				
Improvement of the quality of the services offered	Obtain and extend the scope of certifications	Percentage of sales derived from ISO 9001 certified activities (%) ⁽⁴⁾	55% Base year 2015: 61%	SDG 9
	Implement management improvement tools	Ratio of Investments and expenses of the Quality Department or those earmarked for improvements in quality, management processes on sales (excluding personnel expenses, euro/ million euro in billing)	63 Base year 2015: 180	SDG 9
	Increase the number and capacity of internal quality auditors	Number of quality audits performed for every million euro in billing	0.32 Base year 2015: 0.06	SDG 9
Improvement of non-financial information reporting				
Improvement of quality homogeneity and reporting of non-financial indicators.	Increase the scope of information on financial indicators through the implementation of management systems		See Annex 7.3.3	
Customers				
Continue to improve customer relationship management	Measuring customer satisfaction and establishing plans for its improvement	Percentage of "satisfied" or "very satisfied" customer responses	94.56% Base year 2015: 85.24%	SDG 9
		Ratio number of completed surveys received from customers/million euro in billing ⁽⁵⁾	0.031 Base year 2015: 0.026	SDG 9
Innovation				
It is committed to innovation and ongoing development	Increased investment and effort in R+D+i	R&D investment ratio (euro/million euro in billing) ⁽⁶⁾	3,946 Base year 2015: 2,392	SDG 9

(1) In 2019, 98.6% was non-hazardous waste (much of it from land extraction) of which 78.9% was recycled, reused or exploited.

(2) In 2018, the ACS Group approved a specific Code for Business Partners which is of mandatory compliance in the relationship with ACS, with which the current compliance is considered to be 100%.

(3) In 2019, and with retroactive character, the detail of the data reported at both the scope level and the extraction/dumping level has been improved, making comparison between the 2015 and 2019 data difficult. To see the progress, see point 5.1. in the table.

(4) The decrease in the indicator is due to the increase in activity in North America where this type of certification is less used. A way to report the quality efforts of these areas of activity is being sought after.

(5) The ratio is changed to the number of surveys conducted to surveys received to better reflect the operational management of this indicator.

(6) Scope of data in 2019, 30.5% of revenues.

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2.6.4. CONTRIBUTING TO THE FULFILLMENT OF THE SUSTAINABLE DEVELOPMENT GOALS

In September 2016, the UN General Assembly adopted Agenda 2030 for Sustainable Development, an action plan for people, the planet and prosperity, with the additional intention of strengthening universal peace and access to justice.

The new strategy will govern development programs over the next few years. By adopting it, the States committed themselves to mobilizing the means necessary for its implementation through partnerships focused especially on the needs of the poorest and most vulnerable.

The ACS Group, through the development of its activity focused on the development of infrastructure, both transportation and

energy, as well as the social dimension offered through the Services activity, contributes very significantly to achieving the objectives of the global agenda. This contribution is also reinforced by its dimension and international presence, both in developed and developing countries. The ACS Group contributes not only through its own activity, but through the initiatives carried out in the field of Social Action.

Given its activity, the ACS Group contributes to a large number of objectives and goals defined in the Global Agenda. However, some of these objectives have been identified as priorities given the particular relevance in both management and in the contribution the Group makes to them.



PRIMARY SUSTAINABLE DEVELOPMENT GOALS TO WHICH THE ACS GROUP CONTRIBUTES:

GOAL
5



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

CONTRIBUTION OF THE ACS GROUP

The ACS Group rejects any type of discrimination, in particular that due to gender, as well as age, religion, race, sexual orientation, nationality or disability. This commitment extends to its hiring and promotion processes. In addition, the ACS Group develops policies that promote the development of women's professional careers and allow them to attain a work-life balance.

The ACS Group has a Policy of Diversity and a Code of Conduct which are the axes on which the other companies develop their contribution.

MANAGEMENT AND MONITORING INDICATORS

- Women in management positions: 2,322
- Approval by the Board of Directors in 2018 of a new version of the Diversity Policy of the ACS Group.
- Work-life balance measures: in companies representing 83.88% of the Group's employees
- 71.96% of the Group's employees are covered by Equality Plans and in companies that represent 99.69% of the Group's employees there are protocols against sexual harassment. In 2019, the Dragados' Equality Plan has been updated and in early 2020 Clece's new Equality Plan has been approved.
- In companies that represent 28.19% of the Group's employees, have implemented specific development programs to promote female talents (such as training for women as managerial programs of Etra or Cimic programs), with 2,112 participants of the Group during 2019.
- Social action projects have been developed to promote equality among young people like the Romperoles project developed by Clece.
- For more information see points 5.2. and 5.6. of this report.

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GOAL 6



CONTRIBUTION OF THE ACS GROUP

The ACS Group through its Environmental Policy establishes the measures for the efficient and responsible use of water resources.

Furthermore through its Industrial Services business, which develops water desalination, purification and filtering infrastructure, the ACS Group contributes to guaranteeing access to potable water and improving waste water quality.

ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

MANAGEMENT AND MONITORING INDICATORS

- During 2019 the ACS Group has improved the information report related to water extraction sources and water discharge, to improve management systems.
- Number of water treatment infrastructures in which the ACS Group participates at 31 December 2019.

Name	% shareholding of ACS	Location	Status
Desalination plants			
Benisaf Water Company	51%	Algeria	Exploitation
Hydromanagement	80%	Spain	Exploitation
Al-Hamra Water Co	40%	Dubai	Construction
Caitan	50%	Chile	In development
Purification plants			
Purification plants of Lower Aragón	55%	Spain	Exploitation
SADEP	40%	Spain	Exploitation
SAPIR	50%	Spain	Exploitation
Taboada	100%	Peru	Exploitation
Provisur	100%	Peru	Under construction
Irrigation project			
Majes	100%	Peru	construction
WATER			

For more information see points 5.1. and 7.4.3 of this report.

GOAL 7



CONTRIBUTION OF THE ACS GROUP

The ACS Group, through its Industrial Services business, designs, constructs and manages various energy infrastructures that contribute to guaranteeing universal access to energy.

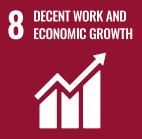
A portion of this activity focuses on renewable energy facilities (solar, wind and small hydro), certain of which are in developing countries. It also offers services to improve energy efficiency for its customers, thereby contributing through its activity to a more efficient use of energy and cleaner energy, in all areas.

ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

MANAGEMENT AND MONITORING INDICATORS

- Development of energy infrastructure projects, especially renewable lines and transmission lines:
 - o MW of renewable generation in investment projects as of December 31, 2019: 2,700 MW.
 - o Kilometers of transmission lines as of December 31 2019: 5,526 km.
 - o Pipeline of projects under development: 3,230 MW photovoltaic and 2,970 MW of wind
- R&D projects for the improvement of renewable technologies such as the Flotant project
- More information see points 3.2., 5.10 and 7.4.3. of this report.

**GOAL
8**



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

CONTRIBUTION OF THE ACS GROUP

The ACS Group has 190,431 employees in more than 60 countries. The Group also understands the relevance of the local rooting and sensitivity towards particularities of each territory for the success of the company. The companies of the Group maintain a commitment of permanence in the majority of the territories where they operate, actively contributing to economic and social development of these environments and promoting hiring local employees and executives.

Among the Group's commitments to its employees are training and professional development, as well as the commitment to the prevention of occupational risks with the target of achieving a zero accident environment.

Furthermore, the Group is an active defender of rights human and labor recognized by different international organizations. The company encourages, respects and protects the freedom of association and the right of association of their employees.

The ACS Group also generates value through its supply chain with more than 140,000 suppliers during the year 2019, of which 78.5% are local. These suppliers have to accept and adhere to the conditions included in the Code of Conduct for Business Partners.

INDICADORES DE GESTIÓN Y SEGUIMIENTO

- Number of employees: 190,431.
- % of local employees: 96.2%.
- Personnel expenses: 8,394 million euro.
- Number of training hours: 2,990,789.
- Employees who have received a safety and health course in the year: 72.4%.
- Local suppliers: 78.5%
- Approval of Corporate Due Diligence Protocol in Human Rights
- Increase of 26.1% of employees trained in Ethics and Compliance compared to 2018.
- For more information see points 5.2, 5.3, 5.4. and 5.7. of this report.

**GOAL
9**



BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

CONTRIBUTION OF THE ACS GROUP

Through its infrastructure and industry development activity, the ACS Group significantly contributes to the economic progress of societies and people's well-being.

Through its international business with a strong local focus, it contributes to developing the capabilities and the industry of the areas where it operates, where particular importance is placed on its commitment to remain.

The Group maintains a growing investment in R&D, which results in greater productivity, quality, occupational safety, as well as the development of new materials and products and the design of more effective production processes or systems.

MANAGEMENT AND MONITORING INDICATORS

- Revenue from infrastructure development in 2019 (civil works, building, mining and integrated projects): 33,738 million euro.
- Investment in R&D in Construction and Industrial Services in 2019: 36.8 million euro.
- For more information see points 3.1., 3.2. and 5.10. of this report.

GOAL 10



10 REDUCED INEQUALITIES

REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

CONTRIBUTION OF THE ACS GROUP

The ACS Group, through its infrastructure construction activities in developing countries, contributes to the reduction of inequalities between countries generating a favorable economic and social environment for their development.

Furthermore Clece, the ACS company dedicated to, among other things, providing services to people, has a distinct social nature and is committed to including and integrating people, thereby contributing to a reduction in inequality. In addition to providing services to vulnerable people, it also hires staff in such circumstances.

On the other hand, the Social Action activities carried out by companies of the Group are fundamentally focused on reducing inequalities. Additionally, the Foundation ACS has an Accessibility Programme for disabled persons, aimed at architects, engineers, urban developers and all professionals involved in design and universal accessibility.

4. Residences and day centres to care for the disabled, centres for minors at risk of exclusion, centres for the protection of women, occupational centres and other centres for the homeless.

MANAGEMENT AND MONITORING INDICATORS

- Clece, manages 212 centres for people with special needs.
- 11.8% of Clece employees (9,277) are from vulnerable groups.
- Investment in Social Action: 13.1 million euro.
- For more information see points 3.3. and 5.6. of this report.

GOAL 11



11 SUSTAINABLE CITIES AND COMMUNITIES

MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

CONTRIBUTION OF THE ACS GROUP

The ACS Group, through its various activities, provides services that contribute to creating more efficient and sustainable cities. Among these services, it is worth highlighting sustainable building, the construction of public transport systems, traffic management services, etc.

MANAGEMENT AND MONITORING INDICATORS

- Sustainable buildings built: 815 HOCHTIEF and 21 in Dragados portfolio.
- Group's portfolio of infrastructure concessions ACS: 94 concessions with 57,130 million euro of managed investment.
- R&D projects to improve resilience and efficiency of projects (Sogun project, Madame, BIM) and sustainable cities (Meister and Stardust).
- For more information see points 5.1.3, 5.10 and 7.4.2 of this report.

GOAL 12



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

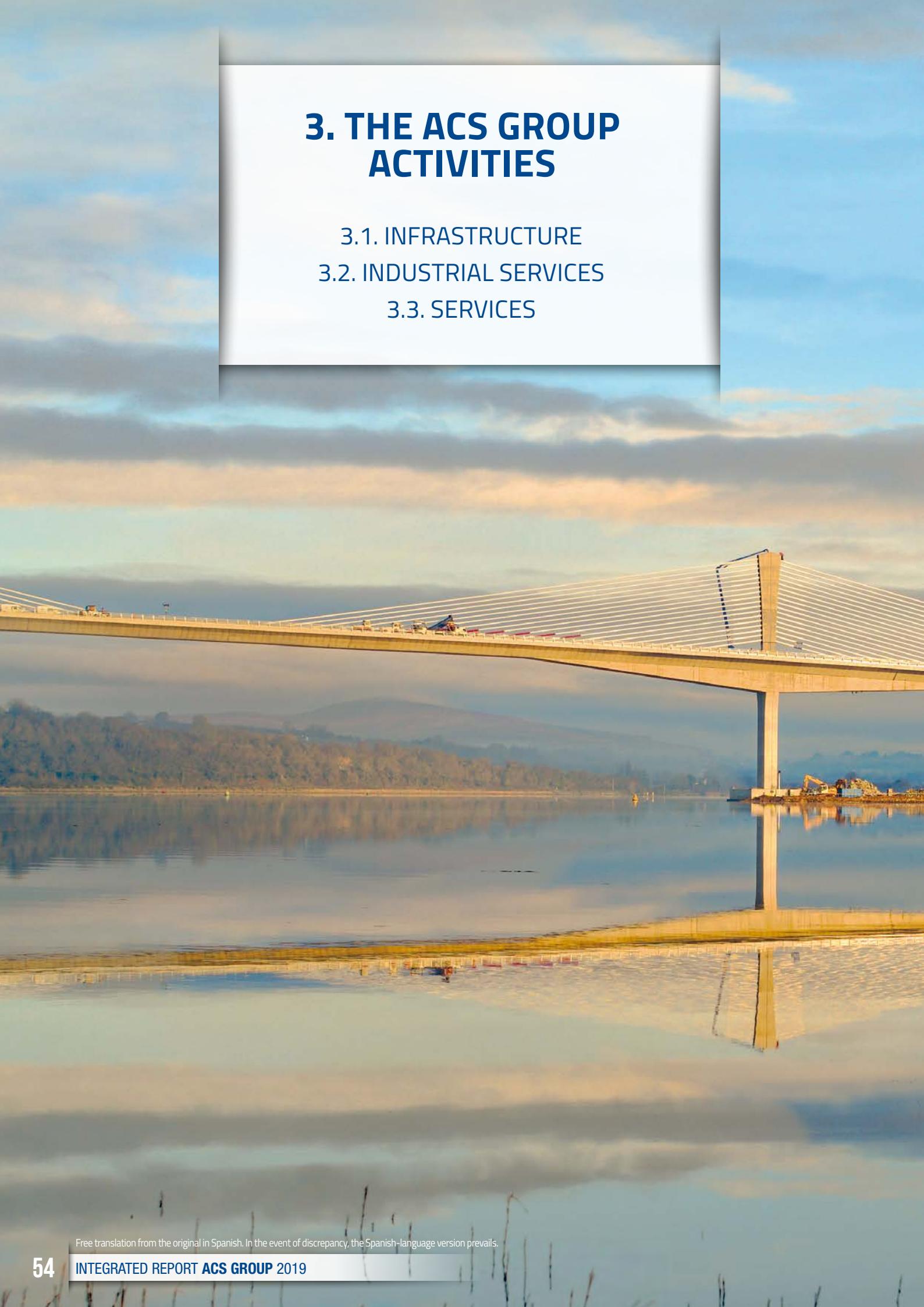
ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

CONTRIBUTION OF THE ACS GROUP

The ACS Group promotes efficient use of natural resources in all its projects, from design to execution, streamlining water consumption and energy, promoting the use of materials sustainable and managing correctly waste generated.

MANAGEMENT AND MONITORING INDICATORS

- Scope 1 emission intensity variation (vs 2018) -9.3%
 - Scope 2 emission intensity variation (vs 2018) -2.3%
 - Scope3 emissions intensity variation (vs 2018) -17.3%
 - MWh consumed from renewable energy: 58,399 (vs. 23,771 MWh in 2018)
 - Reuse and recycling of non-hazardous waste: 78.5%
- For more information see point 5.1.



3. THE ACS GROUP ACTIVITIES

3.1. INFRASTRUCTURE

3.2. INDUSTRIAL SERVICES

3.3. SERVICES



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3.1. INFRASTRUCTURE

THIS AREA COMPRISES CONSTRUCTION, THROUGH DRAGADOS AND HOCHTIEF, AS WELL AS CONCESSIONS, MAINLY THROUGH IRIDIUM AND THE STAKE IN ABERTIS

INFRASTRUCTURE LEADERS

This area comprises Construction, through Dragados and HOCHTIEF, as well as Concessions, mainly through Iridium and the stake in Abertis. The Infrastructure area focuses on carrying out all types of Civil Works projects (activities related to the development of infrastructures such as motorway, railway, maritime and airport works), Building (residential buildings, social infrastructure and facilities), infrastructure services (railway, transport, communications and technology, energy, resources, water and defense sectors), as well as activities related to the mining sector (carried out by CIMIC, mainly in Asia Pacific) and the development and operation of transport concessions.

These projects are carried out either through direct construction models for customers, both public and private, or through a public-private partnership

model, in which the ACS Group is involved in the entire value chain of the concession business, from the design of the project to its financing, construction, start-up, and operation. The geographic regions with the highest exposure in the Infrastructure area are North America, Asia Pacific and Europe, mainly operating in developed markets that are safe from a geopolitical, macroeconomic and legal perspective.

The development of this activity is based on the rigorous management of the risks associated with each project and the optimization of the company's financial resources. The decentralized structure of the Construction activity, together with the specialization of the different companies and the complementarity between them, allows the ACS Group to focus on larger and more complex projects in a more flexible and customer-centered way.

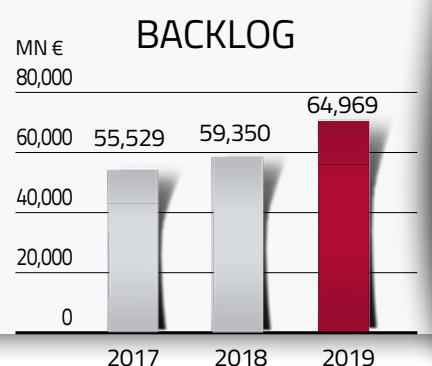
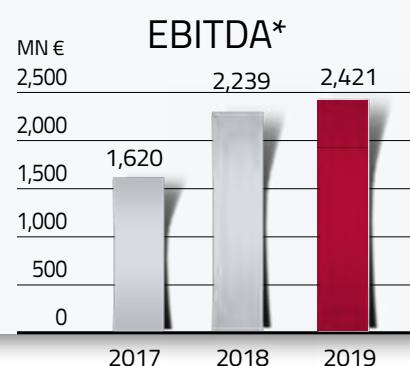
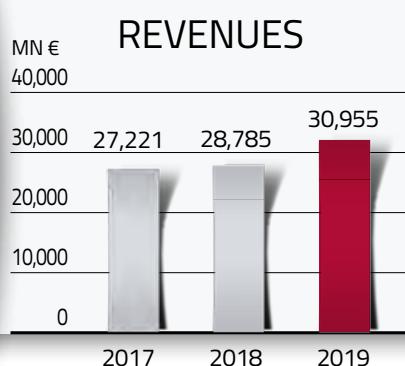
REVENUES
30,955
MILLION EURO

BACKLOG
64,969
MILLION EURO

EBITDA
2,421
MILLION EURO

NET PROFIT
193
MILLION EURO

EMPLOYEES
65,123



*In 2018 and 2019, it includes "Results from Equity Method of operating activities": the result corresponds to associates (including Abertis' contribution to the Group) and Joint Ventures which belong to the ordinary activity.

88.94%
EMPLOYEES COVERED BY THE
CERTIFICATION OHSAS18001

11,608,562
+3.8% COMPARED TO 2018
ENERGY CONSUMPTION (MWh)

5,815,314
-6.5% COMPARED TO 2018
TOTAL EMISSIONS (TCO₂)

94.6%
LOCAL EMPLOYEES

73.4%
LOCAL SUPPLIERS

5.7 MN €
SOCIAL ACTION INVESTMENT

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Dragados is a leading construction company founded at the beginning of the twentieth century that carries out civil engineering infrastructure development projects (highway, railway, marine, water and airport works) and both residential and non-residential building projects. Dragados is a world leader in the construction sector having participated in the execution of more than 7,000 kilometers of highways, 3,500 kilometers of roads, 1,500 bridges, 1,380 kilometers of tunnels, 545 maritime works, 250 dams and hydroelectric power stations, 2,700 kilometers of railways, rail transport and numerous railway facilities, in addition to 70 million square meters of buildings of different types such as airports, hospitals, museums, high-rise buildings and residential buildings.

Dragados is thus the leading construction company in Spain through its domestic subsidiaries, being a global point of reference as well as one of the largest contractors of public/private partnerships (PPP) in the world, after having executed the design and the construction of more than 100 tender projects around the world. Dragados is also involved in major infrastructure projects in other European countries such as the United Kingdom, Ireland and Poland, where it has established itself through its subsidiary PolAqua. In recent years, the United States and Canada has become the main area of business concentration for Dragados, as it continues to strengthen its position thanks to the work of its North American subsidiaries Schiavone, Pulice, John p. Picone, Prince Contracting and J.F.White Contracting, and its lead companies in North America, Dragados USA and Dragados Canada. It also has over thirty-five years' experience in carrying out projects in Latin America, especially in Chile, as well as Argentina, where it develops its activity through Dycasa.

REVENUES 5,015 MILLION EURO	BACKLOG 13,607 MILLION EURO	NET PROFIT 117 MILLION EURO
--	--	--



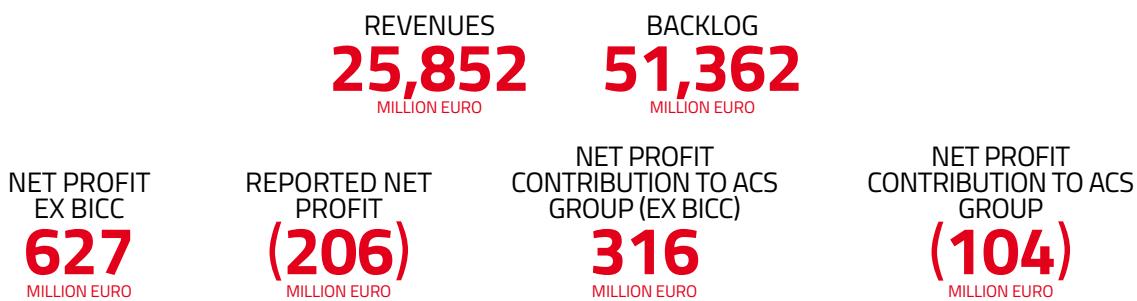
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HOCHTIEF is a leading global infrastructure group, through its construction and services and concession/public-private partnership (PPP) activities, focusing primarily on the Australian, North American and European markets.

For 145 years, HOCHTIEF has carried out highly complex projects for its customers based on its main activity, namely construction. The Group has geographically diversified its activities and has increased its experience through engineering, mining and maintenance service projects, as well as public-private partnership and concession projects in both the development phase (greenfield) and the operation and maintenance phase (brownfield). Today, HOCHTIEF is a leader in infrastructures in the developed

markets, involved in the entire value chain of the infrastructure sector. This diversification of both activities and markets gives HOCHTIEF a balanced business profile in terms of cash flow visibility, capital intensity and margins.

Hochtief's strategy is to further strengthen its position in its main geographic areas, focusing on the growth opportunities offered by the market, while maintaining profitability on the basis of a good cash position and a rigorous approach to risk management. Similarly, the company's flexibility allows it to adapt quickly to different market conditions, as well as invest in assets that offer strategic growth opportunities for the company, thus creating sustainable value for all stakeholders.



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HOCHTIEF AMERICAS

The companies forming the divisions of Hochtief Americas are mainly focused on the areas of building and transport infrastructure development. Hochtief Americas' main companies are Turner, Clark Builders, Flatiron and EE Cruz.

Turner, a New York-based company, is a market leader with 117 years of experience in the development of building projects.

In 2019, Turner was once again named by Engineering News-Record (ENR) as the leading general builder in the USA and in Green Building, in addition to leading the ranking in other building segments, thanks to its focus on developing efficient, high-quality projects based on innovation and the implementation of new technologies such as Building Information Modeling (BIM).

Clark Builders is focused on building projects, primarily in western and northern Canada, often in collaboration with Turner, which include institutional, business and health care projects, along with sports facilities.

Colorado-based Flatiron specializes in transportation and infrastructure projects including bridges, roads, railways/transit, airports, and water storage and treatment facilities. In 2019, Flatiron was ranked fourth on the ENR list of bridge builders and is among the top ten highway builders.

E.E. Cruz is HOCHTIEF's subsidiary in the states of New York and New Jersey.

HOCHTIEF ASIA PACIFIC

The activities of the HOCHTIEF Asia Pacific division are carried out by the CIMIC Group (in which HOCHTIEF has a 72.8% stake as of December 2019). The CIMIC Group is a leader in construction engineering, mining, services, and public-private partnership contracts, with the expertise to deliver value throughout the entire life cycle of infrastructure and mining assets.

Cimic's main areas of operation are Australia and Asia, but it also operates in countries in the Americas and Africa. In January 2020, Cimic announced its decision to abandon its 45% financial investment in BIC Contracting (BICC), a company operating in the Middle East region, as a result of an accelerated deterioration in local market conditions. This will enable CIMIC to focus its resources and capital allocation on growth opportunities in its core markets, covering all BICC-related risks.

In this way, the main companies through which CIMIC operates are: CPB Contractors, Thiess, Sedgman, UGL, Pacific Partnerships and EIC activities.

CPB Contractors, which also includes Leighton Asia and Broad Construction, is a leading international construction contractor that carries out projects covering all key sectors of the industry, such as roads, railways, tunnels, defense, construction and infrastructure.

Thiess offers its customers mining services for the development of projects, both underground and open pit, in Australia, Asia, Africa and America, with experience gained over more than 80 years in different segments of this activity.

Sedgman is one of the market leaders in the design, construction and operation of state-of-the-art mineral processing plants and in all the infrastructure associated with the world of mining.

UGL offers services for critical assets in energy, water, resources, transport, defense and security, and social infrastructure, providing value in the operation of these assets.

Pacific Partnerships develops, invests in, and manages infrastructure concession assets for the CIMIC Group, providing customers with end-to-end infrastructure development solutions through public-private partnership models, as well as infrastructure management.

EIC Actividades is the CIMIC Group's technical and engineering services business.

CIMIC also has a 47% stake in the Ventia service company.

HOCHTIEF EUROPE

HOCHTIEF Solutions AG is the managing company of the HOCHTIEF Europe division. Hochtief Europe is focused on construction activities and, in a complementary manner, on concessions, mainly in Germany, Poland, the Czech Republic, Austria, the Netherlands and the Scandinavian countries. In Europe, HOCHTIEF focuses on the transport infrastructure, energy, and social/urban infrastructure markets.

The companies operating in the HOCHTIEF Europe division offer a wide range of services through HOCHTIEF Infrastructure, responsible for the construction business, while HOCHTIEF PPP Solutions is involved in project development through public-private partnership (PPP) models in collaboration with other HOCHTIEF subsidiaries.

It also has HOCHTIEF Engineering, which is not only an engineering services provider, but through HOCHTIEF ViCon is also one of the leading providers of services in the field of virtual construction and Building Information Modeling (BIM). Finally, Synexis is actively involved in the management of facilities in the German market.

REVENUES
15,328
MILLION EURO

NET PROFIT
212
MILLION EURO

REVENUES
9,143
MILLION EURO

NET PROFIT
EX BICC*
307
MILLION EURO

REVENUES
1,233
MILLION EURO

NET PROFIT
45
MILLONES DE EURO

* Excluding impact due to provisions related to BICC.

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Iridium Concesiones de Infraestructuras is the ACS Group company that focuses its international activity on the infrastructure sector, mainly transport. As such, stakes in around 50 concession projects, representing an aggregate investment of more than 30,000 million euro, are managed through Iridium, mainly involving roads and highways (47% of the investment and more than 1,100 kilometers), and metros and railways (48% of this investment and about 300 kilometers of track under management). Geographically, 65% of this investment is located in the United States and Canada, focused on 16 projects (10 highways and 6 railway/metro projects); while Europe accounts for more than 20% of this investment, split between 14 road and highway projects, 3 railway and metro projects, and 12 projects involving public services and facilities, hospitals, parking lots, transport hubs, etc.

For Iridium, 2019 brought the great challenge of managing this portfolio since many projects were in the commissioning, refinancing or need for turnover

stages, among others. This challenge has been overcome to the extent that:

- Up to six projects have been successfully commissioned: Champlain Bridge in Montreal (Canada); Portsmouth Bypass in Ohio, USA; M11 Motorway in Ireland; Ottawa Light Rail (Canada); Libertadores border crossing in Chile; and Toledo Hospital (Spain). In addition, the N25 motorway in Ireland joined this list in the first few days of January 2020.
- Four projects have been refinanced: Príncipe Pío transport hub and Line 9 section 2 of the Metro in Barcelona, Spain; Lima Metro in Peru and the Paso Libertadores in Chile; and
- It has completely divested from the Northeast Anthony Henday project in Alberta (Canada) and partially from the I595 project in Miami and the Eix Diagonal and Reus Alcover projects in Catalonia (Spain), implementing the company's asset turnover strategy.

REVENUES
88
MILLION EURO

NET PROFIT
10
MILLION EURO



More information in
Annex 7.4.2. Iridium
concessions portfolio



Abertis is one of the leading international operators in toll road management, with over 8,000 kilometers of high-capacity, high-quality roads in 15 countries in Europe, America and Asia. Abertis is the leading national highway operator in countries such as Spain, Chile, and Brazil, and also has an important presence in France, Italy and Puerto Rico. The company has a stake in the management of more than 700 kilometers in the United Kingdom, Argentina and Colombia.

Thanks to the internationalization strategy developed by the Group in recent years, more than 70% of Abertis' revenue now comes from outside Spain, with a particularly strong contribution from France, Brazil and Chile.

For Abertis, driver safety is the priority. The company continually invests in technology and intelligent engineering to ensure that its customers have a safe, comfortable, fast and easy journey when they choose the Group's highways.

REVENUES
5,361
MILLION EURO

NET PROFIT
1,101
MILLION EURO

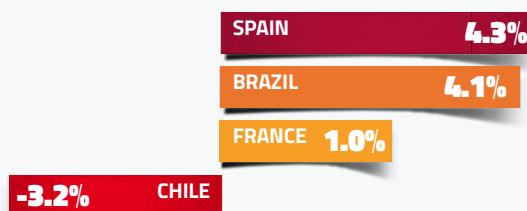
NET PROFIT CONTRIBUTION
TO ACS GROUP
245
MILLION EURO

Committed to research and innovation, Abertis combines advances in high-capacity infrastructure with new technologies to drive innovative solutions to meet the challenges of the mobility of the future.

As of the end of the 2019 financial year, traffic on Abertis' highways is performing well thanks to the strong increases in traffic recorded in the main countries in which the Group operates.

In comparable terms: revenue during the period grew by around 4%, gross operating profit (EBITDA) grew by 7.6%, while net profit increased by 9%. Abertis' strategic plan envisages an improvement in efficiency, leading to a 150 million euro reduction in costs and investment in new assets to replace cash flows and diversify its geographical portfolio.

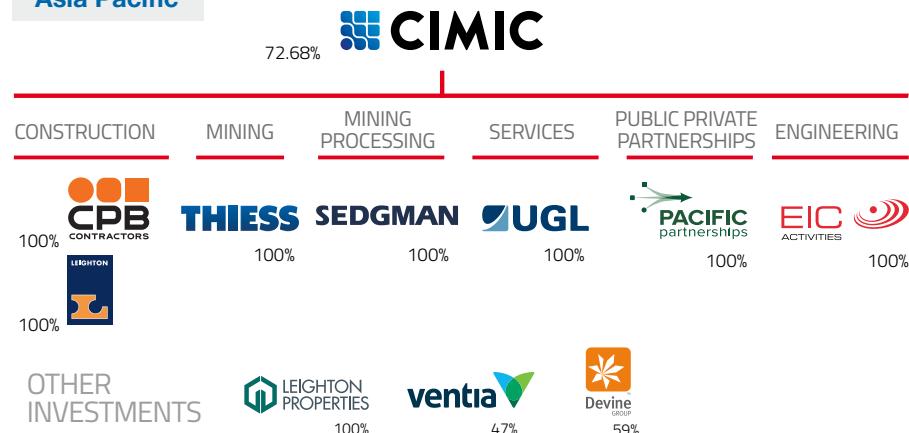
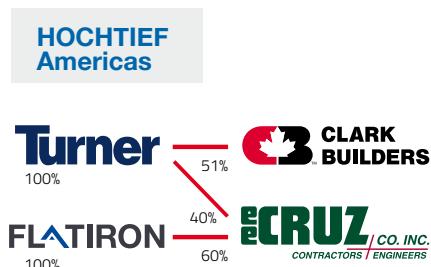
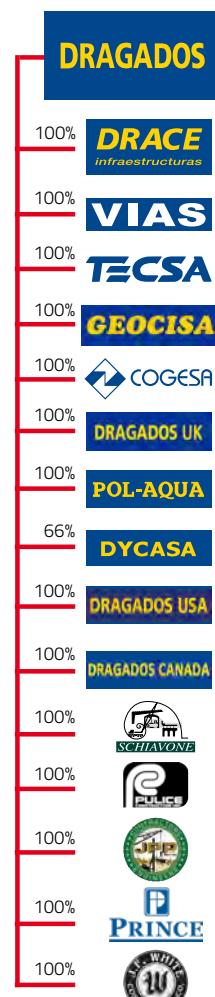
TRAFFIC EVOLUTION IN KEY REGIONS



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INFRASTRUCTURE

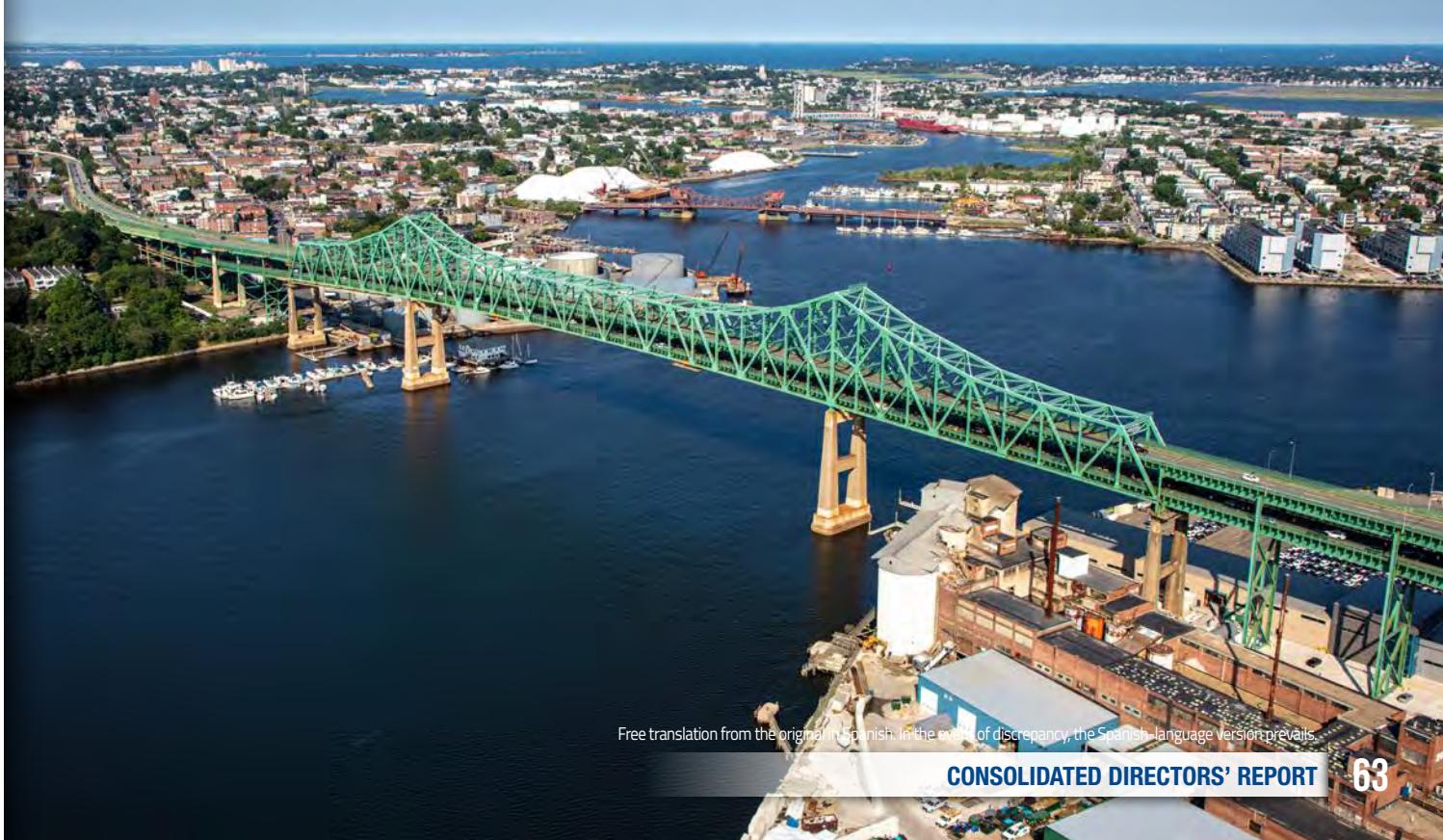
CONSTRUCTION



CONCESSIONS



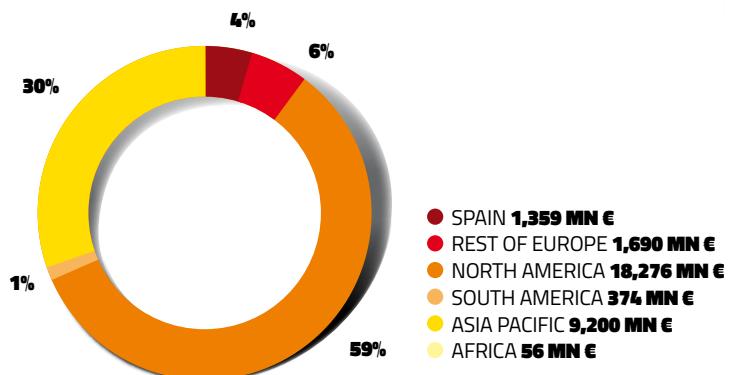
Equity Method



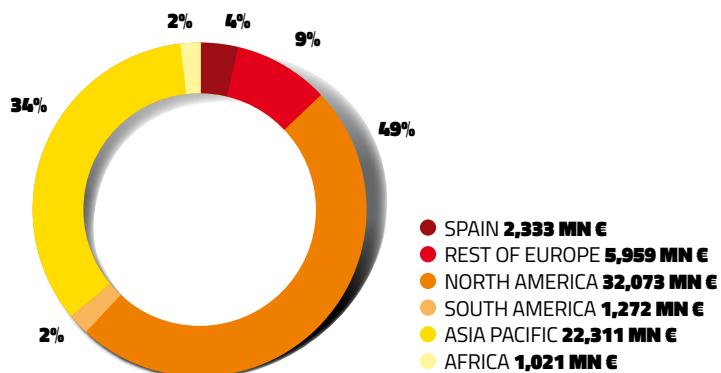
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INFRASTRUCTURE ACTIVITY IN 2019

2019 REVENUES BREAKDOWN BY GEOGRAPHICAL AREAS



2019 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



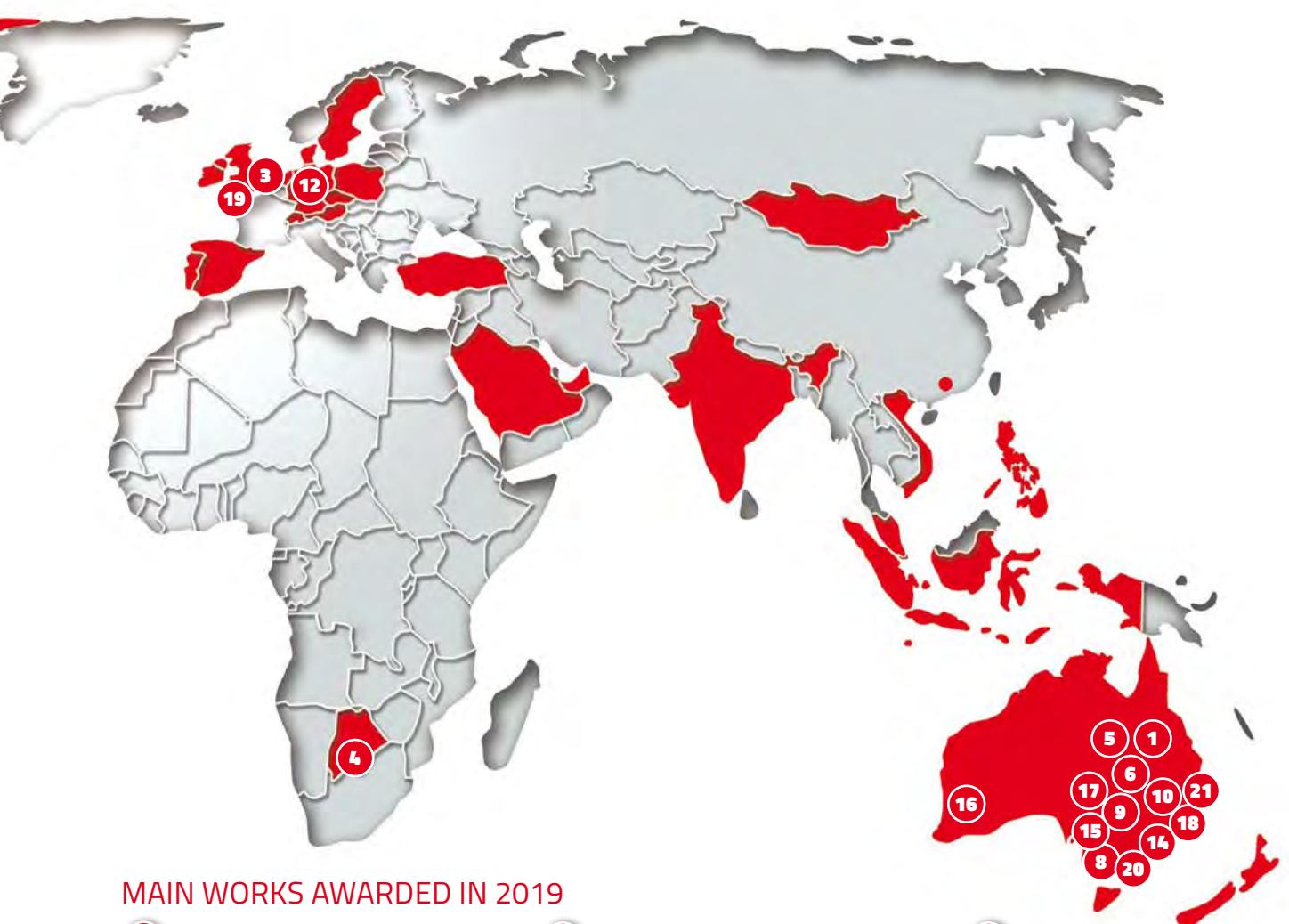
2019 REVENUES BREAKDOWN BY COUNTRY (MN EURO)

UNITED STATES	16,677
AUSTRALIA	6,806
CANADA	1,597
SPAIN	1,359
HONG KONG	809
INDONESIA	745
GERMANY	711
NEW ZEALAND	443
POLAND	414
UNITED KINGDOM	266
CZECH REP.	206
OTHERS	922



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MAIN COUNTRIES WHERE THE ACS GROUP IS DEVELOPING CONSTRUCTION ACTIVITY



MAIN WORKS AWARDED IN 2019

Rank	Region	Description	Value (Million Euro)	Rank	Region	Description	Value (Million Euro)	Rank	Region	Description	Value (Million Euro)	Rank	Region	Description	Value (Million Euro)																																																																												
1	ASIA PACIFIC	PPP Project for the financing, design, construction and operation of the Cross River Rail project, new 10-kilometer metro line in the capital Brisbane, in Queensland (Australia).	1,683 MILLION EURO	8	ASIA PACIFIC	Contract to deliver Stage 2 of the Monash Freeway Upgrade, the project will upgrade the Monash and Princes Freeways between Warrigal Road, Chadstone and Cardinia Road in Pakenham (Victoria, Australia).	472 MILLION EURO	16	ASIA PACIFIC	Contract to deliver the Yanchep Rail Extension and the Thornlie – Cockburn Link, as part of Perth's METRONET program (Australia).	260 MILLION EURO	2	NORTH AMERICA	Project for the expansion of the I-64 tunnel in the Hampton Roads region (Virginia). The expansion project consists of improvements to the I-64 corridor between I-664 in Hampton and I-564 in Norfolk to expand capacity to six lanes throughout the corridor (United States).	1,236 MILLION EURO	9	ASIA PACIFIC	Project (PPP) for delivery and maintenance of a new regional rail fleet and construction of a new maintenance facility in Dubbo, New South Wales (Australia).	458 MILLION EURO	17	ASIA PACIFIC	Contract to deliver the Nepean Hospital Redevelopment Stage 1 project involving construction of a new 14-storey clinical building (New South Wales, Australia).	232 MILLION EURO	3	EUROPE	Project for extending and upgrading Euston Station (London), as required for the new High Speed railway (London, United Kingdom).	1,054 MILLION EURO	10	ASIA PACIFIC	5 year contract for the maintenance and logistics services of the metropolitan trains of Sydney (Australia).	391 MILLION EURO	18	ASIA PACIFIC	Extension to the existing NRT Public Private Partnership (PPP) contract on Sydney Metro (Australia).	226 MILLION EURO	4	AFRICA	Mining contract at Debswana Diamond Company's Jwaneng Mine Cut 9 project in Botswana.	745 MILLION EURO	11	NORTH AMERICA	Project for I-405 widening between Renton and Bellevue in Washington (United States).	377 MILLION EURO	19	EUROPE	Contract to deliver the second phase of the London Power Tunnels (LPT2) project that construction of a 32.5 kilometres tunnel for the energy supply of London (United Kingdom).	216 MILLION EURO	5	ASIA PACIFIC	Six-year contract extension by Coronado Global Resources Inc to provide mining services at the Curragh Mine in Queensland (Australia).	806 MILLION EURO	12	ASIA PACIFIC	Contract to refurbish and modernize more than 50 police properties on two sites (in Mühlheim am Main and Kassel) over a period of five years with a total concession period of 30 years (Hesse, Germany).	366 MILLION EURO	20	ASIA PACIFIC	Project for M80 ring road upgrade in Melbourne (Australia).	204 MILLION EURO	6	ASIA PACIFIC	Alliance Style Contract to deliver the Rail, Integration and Systems (RIS) package of the Cross River Rail project, new 10-kilometer metro line in the capital Brisbane, in Queensland (Australia).	584 MILLION EURO	13	NORTH AMERICA	Design, construction and maintenance of approximately 7.8 miles of improvements along I-35 and I-69, including the full reconstruction of the I-2/I-69C interchange (Texas, United States).	290 MILLION EURO	21	ASIA PACIFIC	Earthwork project for the construction of Western Sydney International (Nancy-Bird Walton) Airport (Australia).	198 MILLION EURO	7	NORTH AMERICA	Construction of a plant and tunnel for the treatment of water contamination (Los Angeles, United States).	558 MILLION EURO	14	ASIA PACIFIC	Contract to build the new Sydney Metro City & Southwest Pitt Street Station (Australia).	287 MILLION EURO	22	NORTH AMERICA	Works for the expansion from two to four lanes of different sections of the SH36 highway (Texas, United States).	184 MILLION EURO			Contract to deliver the Campbelltown Hospital Redevelopment Stage 2 project (New South Wales, Australia).	260 MILLION EURO	23	NORTH AMERICA	Project for the expansion of the Centennial terminal of the Port of Vancouver (Canada).	174 MILLION EURO

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ACTIVITY IN 2019

In construction and infrastructure development activity, the business model has continued to develop through an increasingly end-to-end model with a more controlled risk profile based on three key points:

1. Growth in strategic markets

The ACS Group's Construction area performs its different activities mainly in developed markets with the potential for growth and that offer a stable framework in operational, financial and legal terms and where the Group already has a consolidated leadership position.

Thus, infrastructure sales in 2019 stood at 30,955 million euro. North America (USA and Canada) and Australia together accounted for more than 81% of these, while Spain (4% of sales) and Germany (3% of sales) accounted for most of the sales in Europe.

In the United States and Canada, the ACS Group carries out its construction activities through Dragados, focused on developing civil works projects, and Hochtief Americas' subsidiaries: Turner, the market leader in Construction Management, and Flatiron, dedicated to civil works. Revenues in this region grew by 17.7% over the year to 18,276 million euro. The portfolio at the end of 2019 stood at around 32,073 million euro, growing 22% during the year thanks to winning large civil works contracts such as the widening of the tunnel on the I-64 in the Hampton Roads region (Virginia), the construction of a plant and tunnel for the treatment of contaminated waters in Los Angeles, and the expansion of the Centerm terminal in the Port of Vancouver.

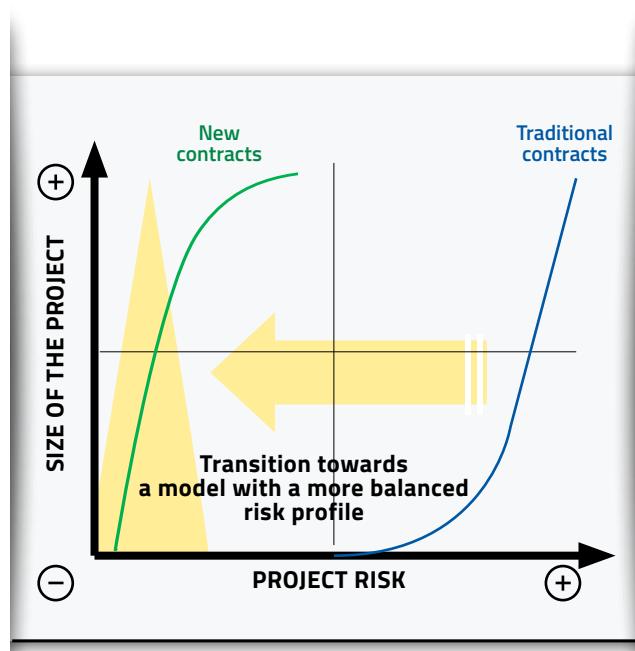
In the Asia-Pacific region, the Group operates mainly through CIMIC, a subsidiary of HOCHTIEF that is listed in Australia. Sales in the region during 2019 amounted to 9,200 million euro, while the portfolio stood at 22,311 million euro at the end of the year, having won important contracts such as the PPP contract for the financing, design, construction and operation of the Cross River Rail project, a new 10-kilometer metro line in Brisbane, the capital of Queensland.

In Europe, the Group operates through Dragados and the HOCHTIEF Europe division, which carry out civil engineering and construction activities, as well as building activities. Sales stood at 3,049 million euro and the portfolio stood at 8,292 million euro, growing by more than 8% thanks to the major projects won during 2019, such as the expansion and improvement of Euston Station in the UK.

2. Contracting model with limited risks

During 2019, in the infrastructure activity, especially in Construction, the focus has been on finding a model based on taking on lower operational risks. To this end, Construction activities have focused on three key points during 2019:

- Introducing contracts with lower development and implementation risks so that the risk profile is more balanced.
- Reduction of exposure to large projects for third parties.
- Promoting PPP and concession-based projects, where risk control is more limited when covering the entire value chain.





3. Value chain integration

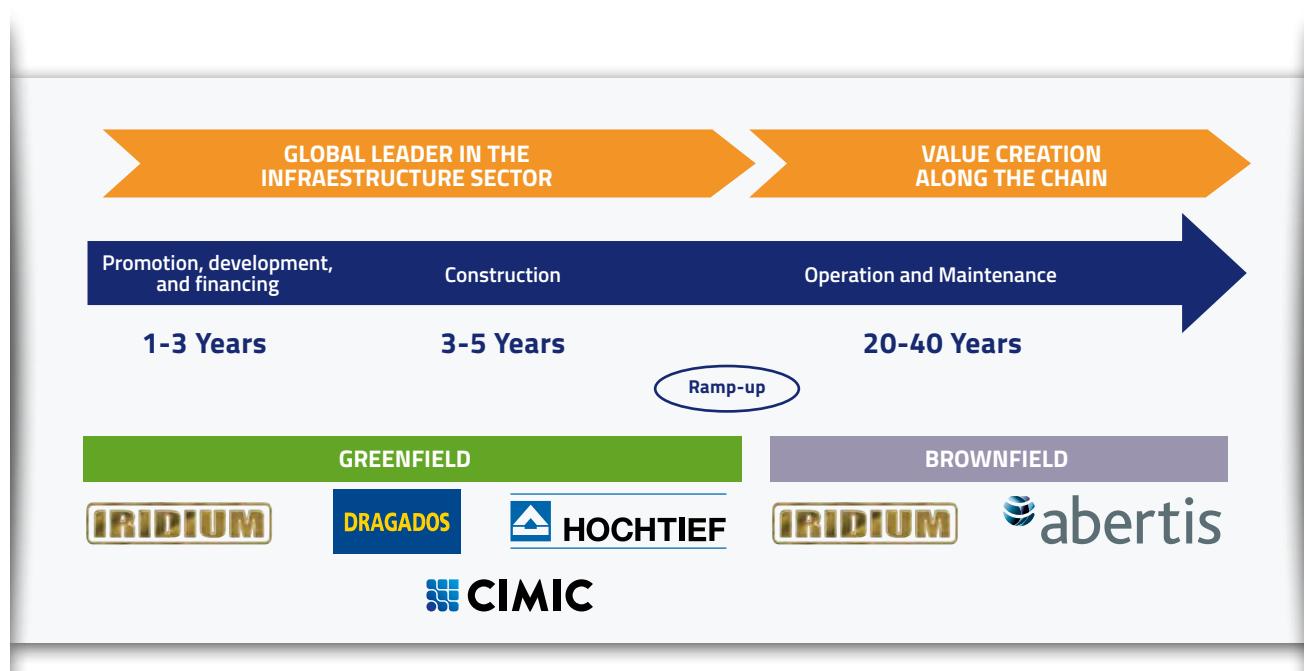
The Group has been leading the infrastructure development sector for more than 10 years, with strong positioning throughout the entire value chain for the development and operation of infrastructures, especially transport.

The Group has three companies dedicated to the development of both transport and social infrastructure concession-based projects: Iridium, HOCHTIEF PPP and Pacific Partnership, a subsidiary of CIMIC. This positioning in the area of concessions was strengthened by the acquisition in 2018 of a significant stake in Abertis, which has enabled the ACS Group to increase its presence in the sector.

The "greenfield" infrastructure development companies, Iridium, HOCHTIEF PPPs and Pacific

Partners, have continued throughout 2019 to seek development opportunities in the more specialized markets, mainly North America, Northern Europe and Australia, where there is greater growth and more specialized projects. For example, Iridium has an aggregate investment of more than 19,000 million euro in North America and is on the shortlist for 6 projects in 2020 (5 of them in Canada and 1 in the USA). Among these, the modernization project for the Toronto suburban network (estimated at more than 9,000 million Canadian dollar) and the Honolulu light rail line in the United States stand out.

Abertis, supported by its strategic partners Atlantia, Hochtief and ACS, has recently acquired a controlling stake in Mexico's RCO and is exploring new opportunities in "brownfield" projects that will allow it to diversify its portfolio and source of profits.



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As of 2019, the Group has portfolio of 94 concession assets, of which around 70% are in operation.

These assets represent a total managed investment of 57,130 million euro, and the investment committed by the ACS Group in these projects amounts to 1,291 million euro, approximately two thirds of which has already been disbursed.

It should also be noted that the ACS Group has identified a portfolio of more than 150 PPP projects with a total value of 230,000 million euro to be developed over the next four years, located in the Group's strategic regions where the Group has a greater presence and that have a very positive growth outlook for the infrastructure sector.

ACS GROUP INFRASTRUCTURE CONCESSION PORTFOLIO

CONCESSIONS

94

75% DEVELOPMENT /
25% CONSTRUCTION

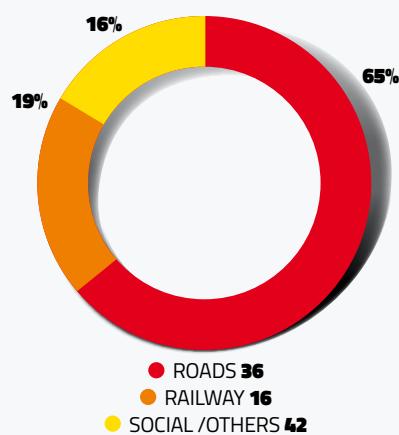
TOTAL MANAGED INVESTMENT

57,130 MN €

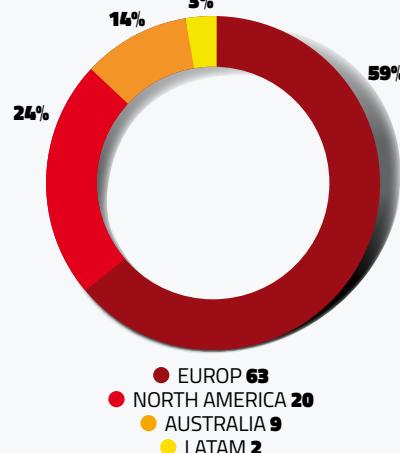
COMMITTED INVESTMENT

1,219 MN €

COMMITTED INVESTMENT
BY TYPE OF CONCESSION
(NUMBER OF CONCESSIONS)



COMMITTED INVESTMENT BY
GEOGRAPHY
(NUMBER OF CONCESSIONS)

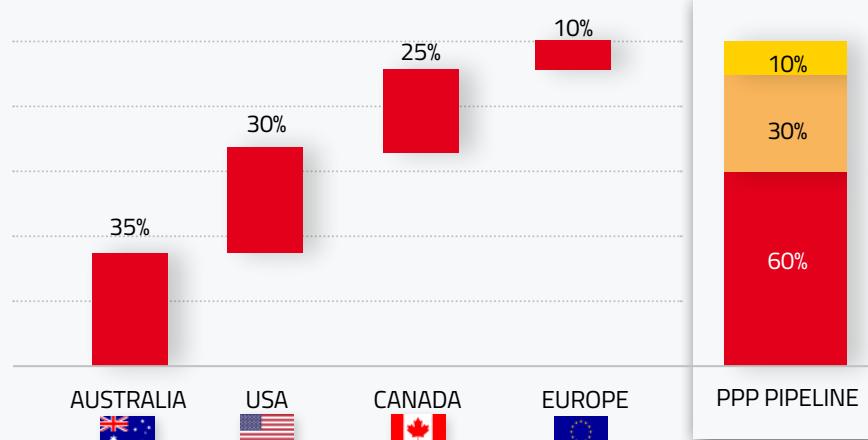


IRIDIUM

HOCHTIEF
PPP SOLUTIONS

PACIFIC
partnerships

2020 PPP PROJECTS PIPELINE BREAKDOWN



+150

IDENTIFIED
INFRASTRUCTURE
PPP PROJECTS

**230,000
MN €**

Social
Roads
Railways

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

FEATURED PROJECTS

M11 MOTORWAY BETWEEN GOREY AND ENNISCORTHY (IRELAND)

CUSTOMER

Transport Infrastructure Ireland

PROJECT EXECUTION DATES

Construction: 2015-2019
Operation: 25 years

LOCATION

Wexford County (Ireland)

COMPANIES INVOLVED IN THE PROJECT

Iridium, Dragados, BAM PPP, BAM Civil

The M11 motorway between Gorey and Enniscorthy in County Wexford, Ireland, is a greenfield infrastructure, whose concession contract, signed in October 2015 between Transport Infrastructure Ireland (TII) and a consortium involving Iridium and BAM PPP, has a 25-year operating period. It includes the drafting of the project, financing, construction, conservation and partial operation of the new infrastructure in different sections of the M-11, N-80 and N-30. The work carried out by the Dragados and BAM Civil joint venture has required an investment of 282 million euro and 45 months of work.

Construction work on the 42 kilometers of new road and 7 new junctions has involved 6 million cubic meters of land movement, and the construction of 98 structures

including bridges, underpasses and drainage works. The one that stands out is the bridge over the Slaney River, measuring at 158 meters long with a central span of 70 meters, whose metal beams, weighing more than 1,000 tons in steel, have been manufactured in Spain.

On July 18, 2019, 28 kilometers of the M-11 motorway were opened to traffic, having been constructed by Dragados between the towns of Gorey and Enniscorthy (Ireland). This marked the beginning of its operation.

The operation will be carried out entirely by a joint venture between Iridium and BAM Civil. The project has been selected as a finalist for the ICE Awards 2020 in the Civil Works category (still in the competition stage).



NEW CHAMPLAIN BRIDGE (CANADA)

CUSTOMER

Minister of Public Works and Government Services

PROJECT EXECUTION DATES

Construction: 2015-2019
Operation: 2019- 2049

LOCATION

Montreal, Quebec (Canada)

COMPANIES INVOLVED IN THE PROJECT

ACS Infrastructure (Iridium) 25%, HOCHTIEF 25%, SNC Lavalin 50%

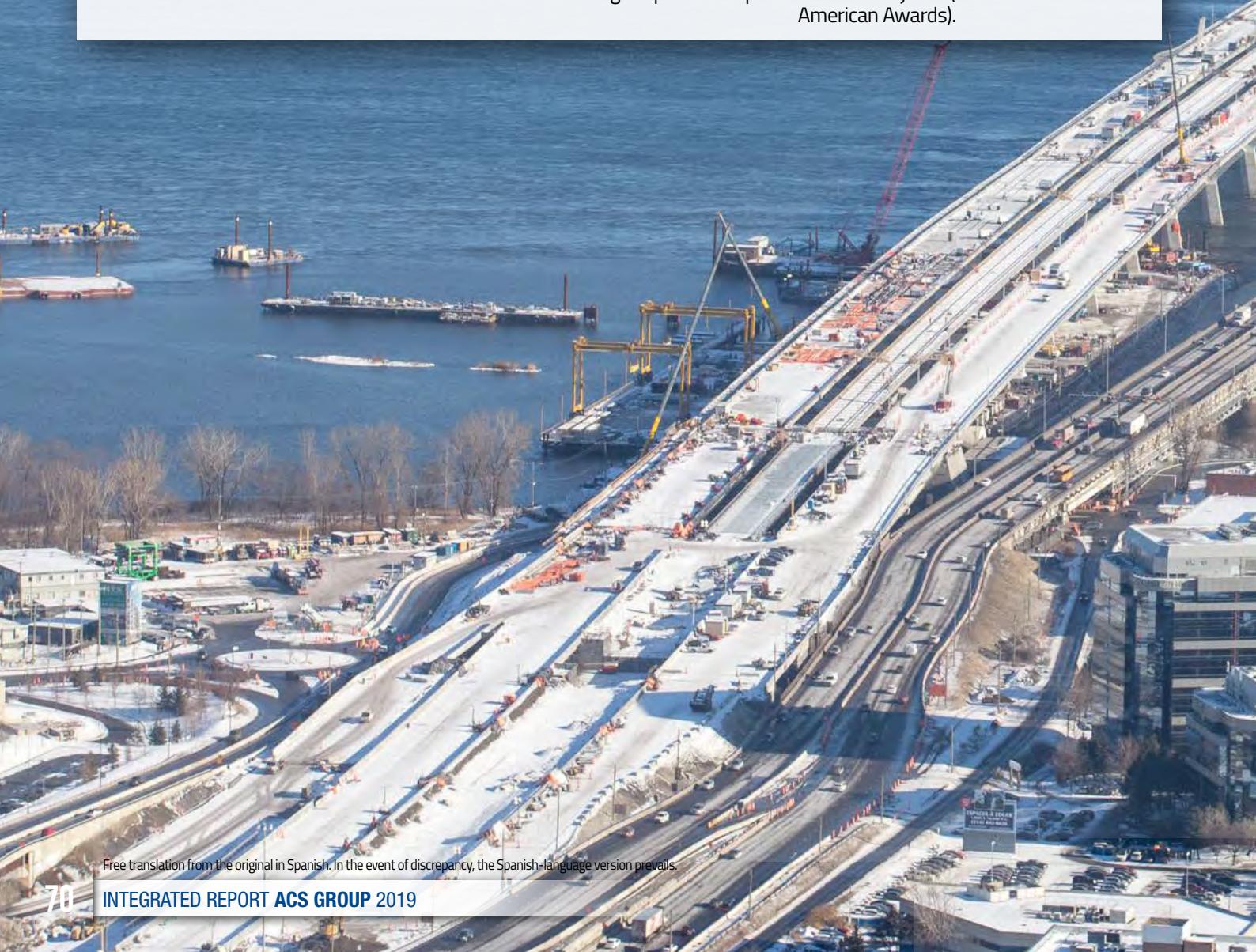
The new bridge over the San Lorenzo River, also known as the Champlain Bridge, in Montreal, Canada, is one of the most important transport infrastructure projects in North America. It is expected to carry one of Canada's highest traffic volumes, with up to 60 million vehicles per year, constituting one of the major trade routes with the United States. The new bridge has a total length of 3.4 kilometers and a central cable-stayed span of 430 meters, replacing the old Champlain Bridge, an emblematic infrastructure built in 1962. The project also includes a second 0.5-kilometer bridge linking Ile des Soeurs on the San Lorenzo River to the Verdun neighborhood in Montreal, as well as improvements to the A15 freeway.

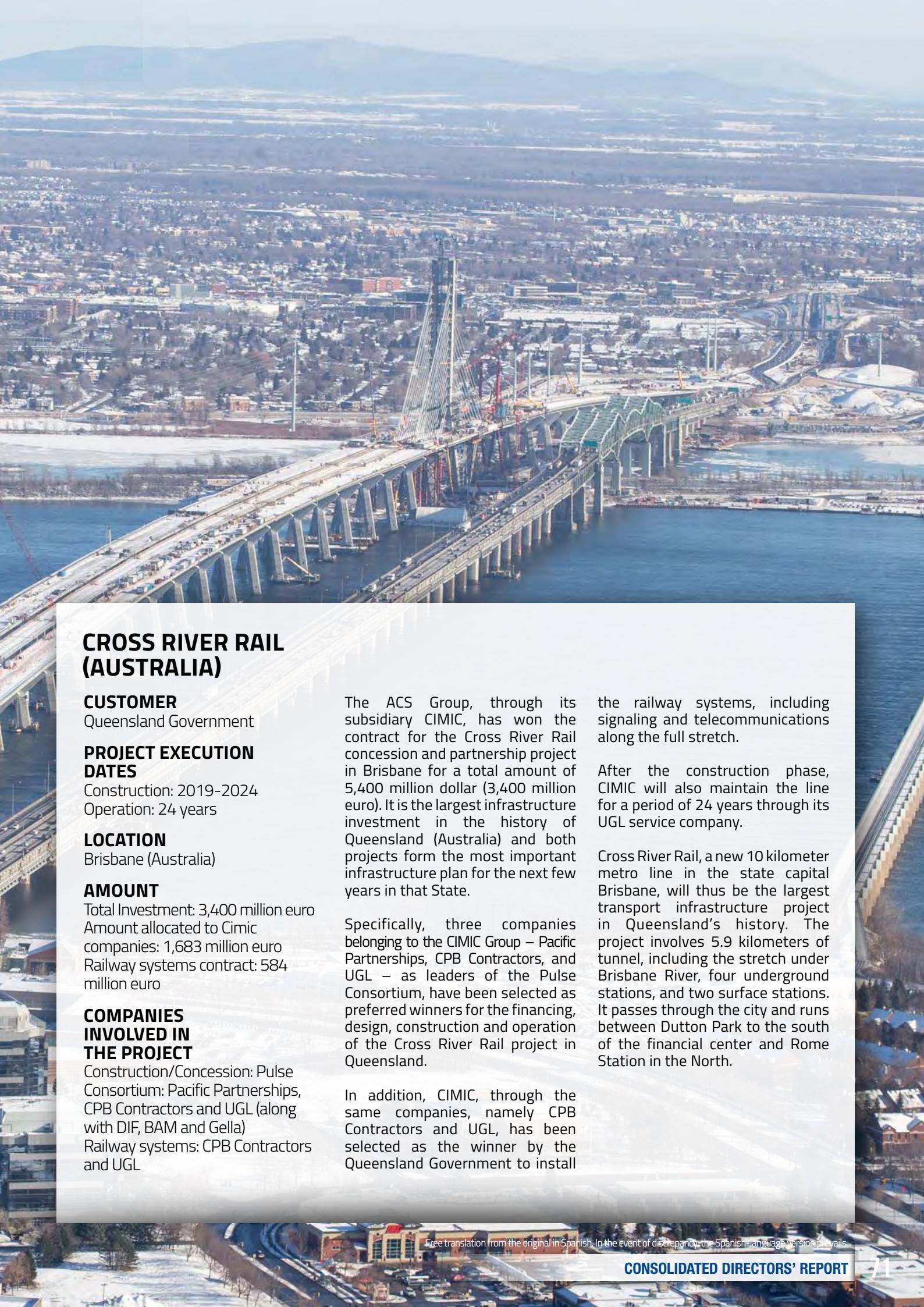
The total investment for the project is 2.5 billion Canadian dollar (1.71 billion euro). It was awarded to the consortium including Grupo ACS in April

2015 for its design and construction, and for its financing, operation, maintenance and restoration during the 30-year concession period after the final commissioning of the work. After four years of construction, the project was opened to traffic on July 1, 2019. It is the first bridge in Canada to win the Platinum Sustainable Infrastructure Award from the Institute of Sustainable Infrastructure.

The new Champlain Bridge has also won the following awards:

- 2015: Gold Award in Effective Procurement (2015 Canadian Council for Public Private Partnerships) and North America PPP Deal of the Year (Infrastructure Investor Magazine).
- 2016: North American Roads Deal of the Year (2016 IJGlobal Awards) and Gold Award for Best Road/Bridge/Tunnel Project (P3 Bulletin North American Awards).





CROSS RIVER RAIL (AUSTRALIA)

CUSTOMER

Queensland Government

PROJECT EXECUTION DATES

Construction: 2019-2024
Operation: 24 years

LOCATION

Brisbane (Australia)

AMOUNT

Total Investment: 3,400 million euro
Amount allocated to Cimic companies: 1,683 million euro
Railway systems contract: 584 million euro

COMPANIES INVOLVED IN THE PROJECT

Construction/Concession: Pulse Consortium: Pacific Partnerships, CPB Contractors and UGL (along with DIF, BAM and Gella)
Railway systems: CPB Contractors and UGL

The ACS Group, through its subsidiary CIMIC, has won the contract for the Cross River Rail concession and partnership project in Brisbane for a total amount of 5,400 million dollar (3,400 million euro). It is the largest infrastructure investment in the history of Queensland (Australia) and both projects form the most important infrastructure plan for the next few years in that State.

Specifically, three companies belonging to the CIMIC Group – Pacific Partnerships, CPB Contractors, and UGL – as leaders of the Pulse Consortium, have been selected as preferred winners for the financing, design, construction and operation of the Cross River Rail project in Queensland.

In addition, CIMIC, through the same companies, namely CPB Contractors and UGL, has been selected as the winner by the Queensland Government to install

the railway systems, including signaling and telecommunications along the full stretch.

After the construction phase, CIMIC will also maintain the line for a period of 24 years through its UGL service company.

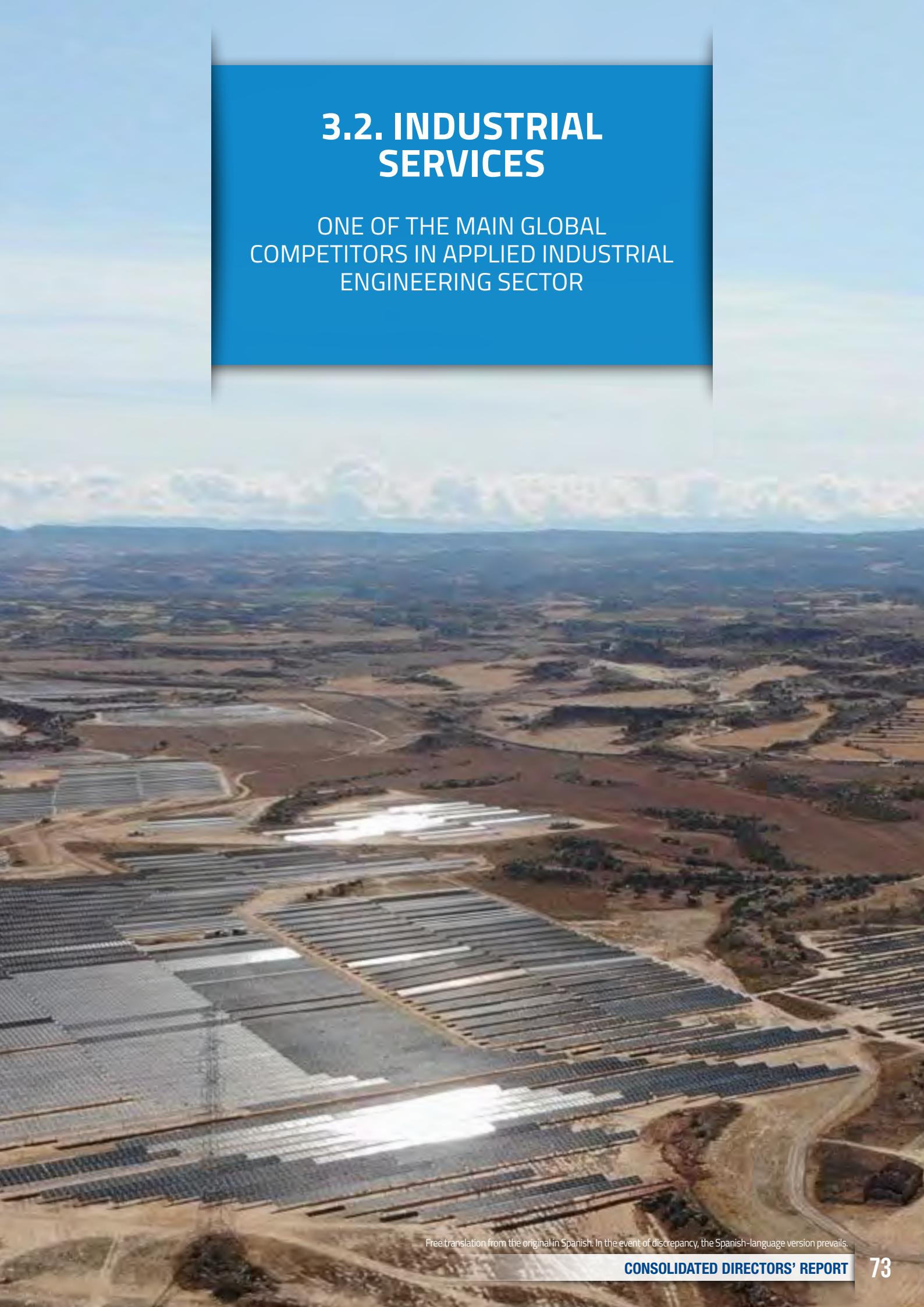
Cross River Rail, a new 10 kilometer metro line in the state capital Brisbane, will thus be the largest transport infrastructure project in Queensland's history. The project involves 5.9 kilometers of tunnel, including the stretch under Brisbane River, four underground stations, and two surface stations. It passes through the city and runs between Dutton Park to the south of the financial center and Roma Station in the North.



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3.2. INDUSTRIAL SERVICES

ONE OF THE MAIN GLOBAL COMPETITORS IN APPLIED INDUSTRIAL ENGINEERING SECTOR

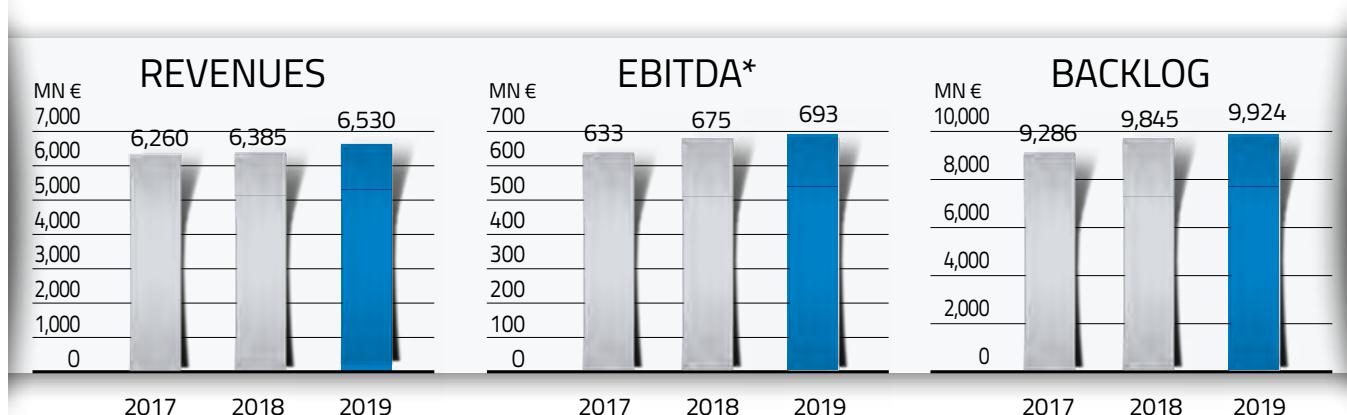


A REFERENCE IN THE INDUSTRY

The Industrial Services area of ACS is oriented to applied industrial engineering, through the development, construction, maintenance and operation of energy, industrial and mobility infrastructure, as well as water-related and environmental infrastructure. These projects are carried out for both public and private customers, and, in many cases, the Group's companies provide financing solutions, including shareholder participation in ownership of the constructed infrastructure.

Thus, thanks to the large group of companies through which it operates, the Industrial Services area is one of the world's leading competitors in the field of Applied Industrial Engineering, with projects in over 60 countries.

The vast majority of activities in the area of Industrial Services are directly or indirectly related to achieving the United Nations Sustainable Development Goals.



*In 2018 and 2019, the EBITDA includes Results from Equity Method of operating activities.

5.74
-6.4% COMPARED TO 2018
FREQUENCY INDEX**

41.7 MN €
+26.8% COMPARED TO 2018
INVESTMENT IN HEALTH AND SAFETY

88.9%
% OF EMPLOYEES TRAINED
IN HEALTH AND SAFETY
DURING THE YEAR

2,277,314
+69.1% COMPARED TO 2018
NUMBER OF HOURS OF TRAINING IN
HEALTH AND SAFETY

14.6 MN €
INVESTMENT IN R&D

79
NUMBER OF R&D PROJECTS

(1)Frequency index: Number of accidents during the working day per million hours worked.

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Thus, companies in the Industrial Services area cover several types of infrastructure with a strong industrial engineering component:

Energy

Generation, transmission, storage, demand management, sale and distribution of electricity, in many cases as contractors for owners of projects or assets.

In terms of generation, the Industrial Services area is very focused on renewable energies, especially solar photovoltaic, solar thermal, on-land and offshore wind, hydroelectric, biomass, etc.

In addition, in the area of Industrial Services, it is among the leading companies in the transmission sector, developing line projects of all voltages, including 800 kV, in both AC and DC; in addition, in association with the first-level OEMs, AC/DC converter substations are being carried out.

The Group's companies work for power distributors in many countries, addressing the expansion, digitization and maintenance needs of their networks.

Other companies of the Group carry out high energy efficiency electromechanical installations in all types of buildings, industries and public spaces, as well as their maintenance and, where appropriate, rehabilitation and improvement.

Environment

The Industrial Services area has a growing activity in the Environment sector, especially in all aspects related to the water cycle, developing desalination plants, drinking water-producing plants, wastewater treatment and water regeneration for reuse.

The Group frequently participates in the financial structuring of projects and in the take-over of shareholdings in concessionaires, when this is the solution for executing a project.

In addition, harvesting, pumping and irrigation systems are carried out.

Companies of the Group undertake the dismantling of nuclear or radioactive plants or installations, as well as the recovery of contaminated land.

The Group operates state-of-the-art licenses and patents that allow it to transform municipal wastewater treatment plants into biofactories where solid and gaseous waste is used, transforming them into fertilizer or energy-efficient biogas.

Mobility and Urban Services

ACS Industrial is one of the world's major mobility leaders, with intense activity in facilities and traffic control centers, fleet control of public transport, recharging of electric vehicles, road signs, highway control, parking control, etc.

In urban services, a wide range of services is provided to municipalities, such as public lighting, outdoor parking control, accessibility systems and underground parking management. The Group's companies actively collaborate in the progressive development of Smart Cities with the application of digital technologies to optimize multiple services.

Multi-sectoral project development

The Group has activities in the world of Health and Education, through the construction of medium-sized hospitals and educational centers in emerging and developing countries.

The companies in the area work for Communications Operators in several countries, as well as in Security and Control Systems.

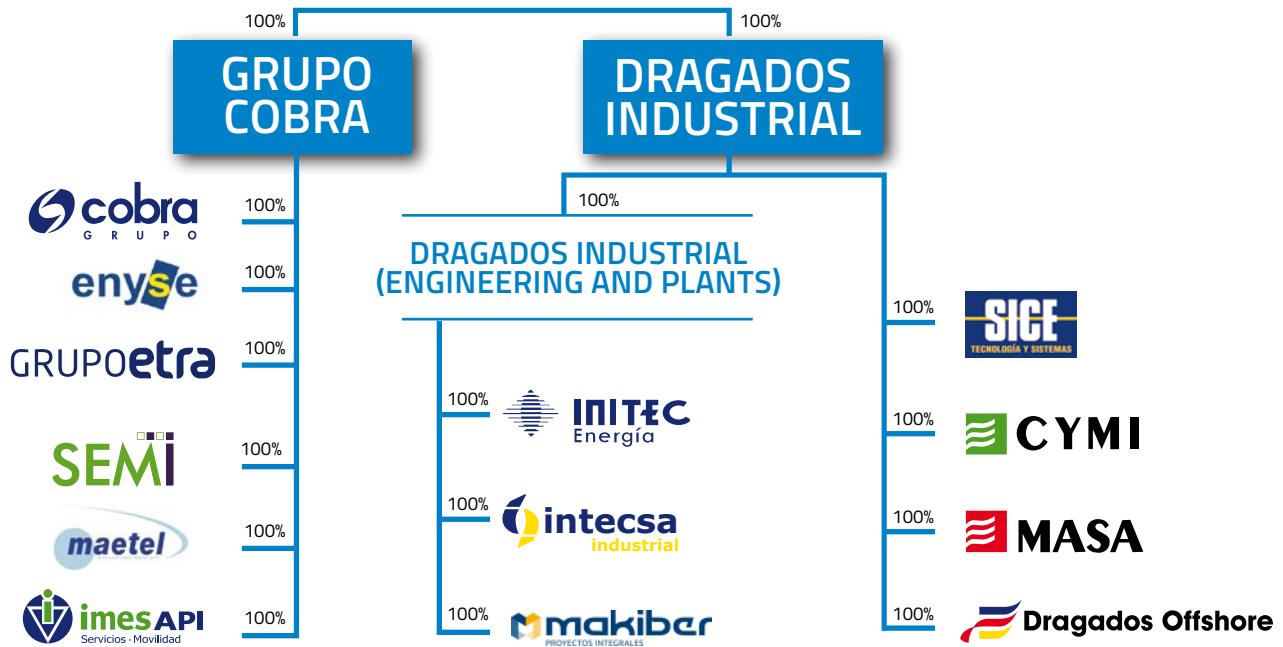
In addition, the group has a presence in the facilities and maintenance of manufacturing industries of all kinds, such as the automobile, petrochemical, pharmaceutical, and extractive sectors, such as mining and O&G.

The Group works as shipbuilding subcontractors and we make maritime devices for offshore plants of all kinds, as well as modular plants to be installed in inhospitable and remote locations.

These activities are distributed among the different companies that make up the parent companies of the industrial services activity: the Cobra Group and Dragados Industrial, two leading business groups in their sector with a proven experience of over 50 years. For example, 2019 marked one century since the creation of SEMI, and 75 years since the creation of Cobra.



INDUSTRIAL SERVICES

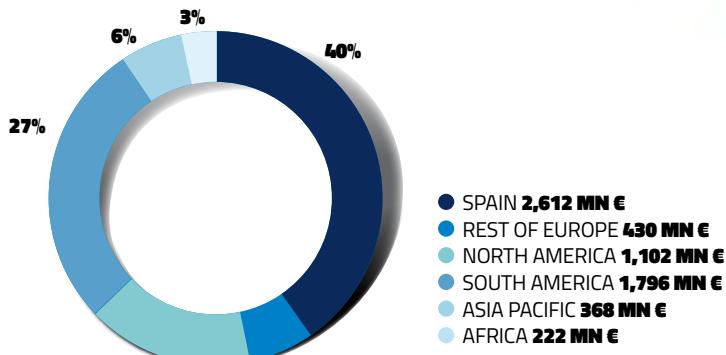


For more information:
4.6. Evolution of the Industrial Services business area

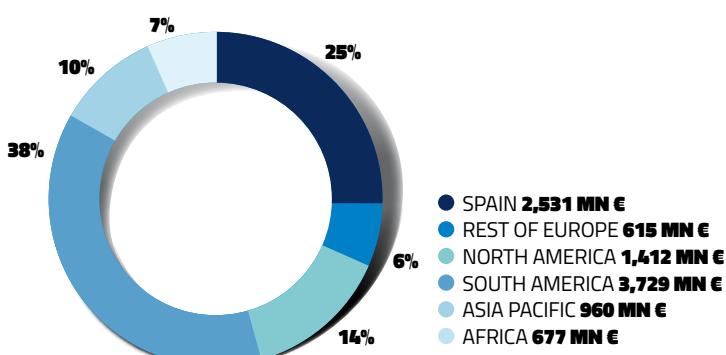


THE ACS GROUP'S INDUSTRIAL SERVICES ACTIVITY IN 2019

2019 REVENUES BREAKDOWN BY GEOGRAPHICAL AREAS



2019 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



BREAKDOWN OF SALES BY COUNTRY 2019 (MILLION EURO)

SPAIN	2,612
MEXICO	814
PERU	627
BRAZIL	480
UNITED STATES	256
CHILE	233
PORTUGAL	139
UNITED KINGDOM	122
PANAMA	120
JAPAN	110
MOROCCO	97
SAUDI ARABIA	94
COLOMBIA	77
ARGENTINA	74
UNITED ARAB EMIRATES	61
BOLIVIA	47
SOUTH AFRICA	43
OTHER	524

EPC PROJECTS 
 SPECIALIZED PRODUCTS 
 CONTROL SYSTEMS 
 NETWORKS 

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MAIN COUNTRIES WHERE THE ACS GROUP CARRIES OUT ITS ACTIVITY



2019 MAIN WORKS AWARDED

1	EUROPE	Engineering design, supply, construction and commissioning of the floating offshore wind farm Kincardine with a nominal capacity of 50 MW (Aberdeen, United Kingdom).	VALUE 363 MILLION EURO
5	AMERICA	Design, construction and maintenance of the new Oscar Danilo Rosales School Hospital in Leon (Nicaragua).	VALUE 76 MILLION EURO
9	AMERICA	Contract for the delivery of the Communication Systems for the Finch West Light Rail Transit Project in Toronto (Canada).	VALUE 32 MILLION EURO
2	AFRICA	Works for basic engineering, detailed engineering, equipment and material supply, construction and implementation of two 5,000 tons-per-day sulphuric acid plants in Jorf Lasfar industrial site (Morocco).	VALUE 253 MILLION EURO
6	AMERICA	Design, construction and maintenance of the new Nuevo Amanecer Hospital (Nicaragua).	VALUE 64 MILLION EURO
10	ASIA PACIFIC	Delivery of the OMCS head-end system for the M4-M5 Link Tunnels (Stage 3A) and the Integrated OMCS for the entire WestConnex project (Australia).	VALUE 29 MILLION EURO
3	AFRICA	Project fo Azito's combined cycle power plant extension to 280 MW in Ivory Coast.	VALUE 202 MILLION EURO
7	SPAIN	Maintenance contract of networks and distribution of medium voltage anfor Endesa (Spain).	VALUE 56 MILLION EURO
11	AMERICA	Design, construction and maintenance of the Huanta Regional Hospital (Peru).	VALUE 27 MILLION EURO
4	ASIA PACIFIC	EPC contract for the construction of two photovoltaic plants in Iwakasaki of 11.6 MW and 53.7 MW of installed power (Japan).	VALUE 76 MILLION EURO
8	SPAIN	Facility management contracts for two Cepsa refineries in Huelva and Cadiz (Spain).	VALUE 49 MILLION EURO

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ACTIVITY IN 2019

The strategy of the Industrial Services area is based on three fundamental key points that in 2019 have continued to contribute to the advancement and consolidation of the leadership of these companies in their sectors. These key points are:

TERRITORIAL DIVERSIFICATION

Territorial diversification is one of the great assets of the Industrial Services area.

Consolidation in today's geographic markets and penetration into new markets are essential for medium- and long-term growth and stability.

Thus, in addition to having a strong presence in the Iberian Peninsula, the group is beginning to develop in countries of the rest of Europe, both in unique projects and in recurrent activities, especially the United Kingdom, Italy, Romania and other Eastern European countries.

In America, it maintains a high level of activity in Mexico, and continues its consolidation in the Andean Zone, Brazil and the Southern Cone, Central America and the Caribbean.

In Asia Pacific, major projects are being worked on, especially in Japan. It continues to have a significant presence in the Middle East. In Central Asia, some important specific projects are being developed. Similarly, there is a continuing presence in Australia and New Zealand, especially in urban mobility activities.

In recent years, significant penetration is taking place in Africa, especially through the permanent office in South Africa, but with work in many African countries, both in Morocco and in Sub-Saharan Africa.

PERMANENT ADAPTATION TO THE ACCELERATED EVOLUTION OF TECHNOLOGY AND THE MARKETS

One of the main drivers of activity in the world of industrial engineering is energy and environmental sustainability, which is notable for the accelerated development of renewable energy, energy efficiency services and flexibility services for the balance of electrical systems and the security of the electricity supply. In this respect, the Industrial Services area of the ACS Group occupies a privileged strategic position. Given that it is a reference company in the implementation of integrated onshore and offshore wind energy projects, it has a growing presence in large solar thermal and photovoltaic projects around the world. It is also one of the leading regional hydroelectric companies in Latin America.

In addition, in the coming years, the sector will benefit from the evolution and implementation of new technologies. The Industrial Services area has a good starting position thanks to several of its business units, whose activity is closer to ICTs, Big Data, Artificial Intelligence, advanced communications, etc. The monitoring and implementation of these technological advances, both for internal process improvement and for delivering greater value to customers, are the main challenges we are working on. Our companies are creating Innovation and Technology groups, and even specialized subsidiaries, and are participating in dozens of Innovation Projects, in many cases with financial support from the European Commission or from national or regional programs in the territories where we operate.

CONCESSIONAL ACTIVITIES

Finally, an important factor in the area of Industrial Services is the coexistence of strong investment demand in energy and environmental infrastructures.

ACS's reliability, experience and reputation as guarantors of technical success in terms of time, price and performance compliance, makes the Group's companies a partner of reference for many of the major international investors and allows them to consolidate as developers and integrators of concessionary projects in both energy (renewable generation, electricity transport, sustainable transport) and environmental activities (desalination plants, drinking water-production plants, purification plants).

Currently, the ACS Group has an important portfolio of renewable generation projects, some of which are already committed for sale upon their completion. As well as concessions of transmission lines, desalination, irrigation and water purification projects, and other energy and environmental assets.

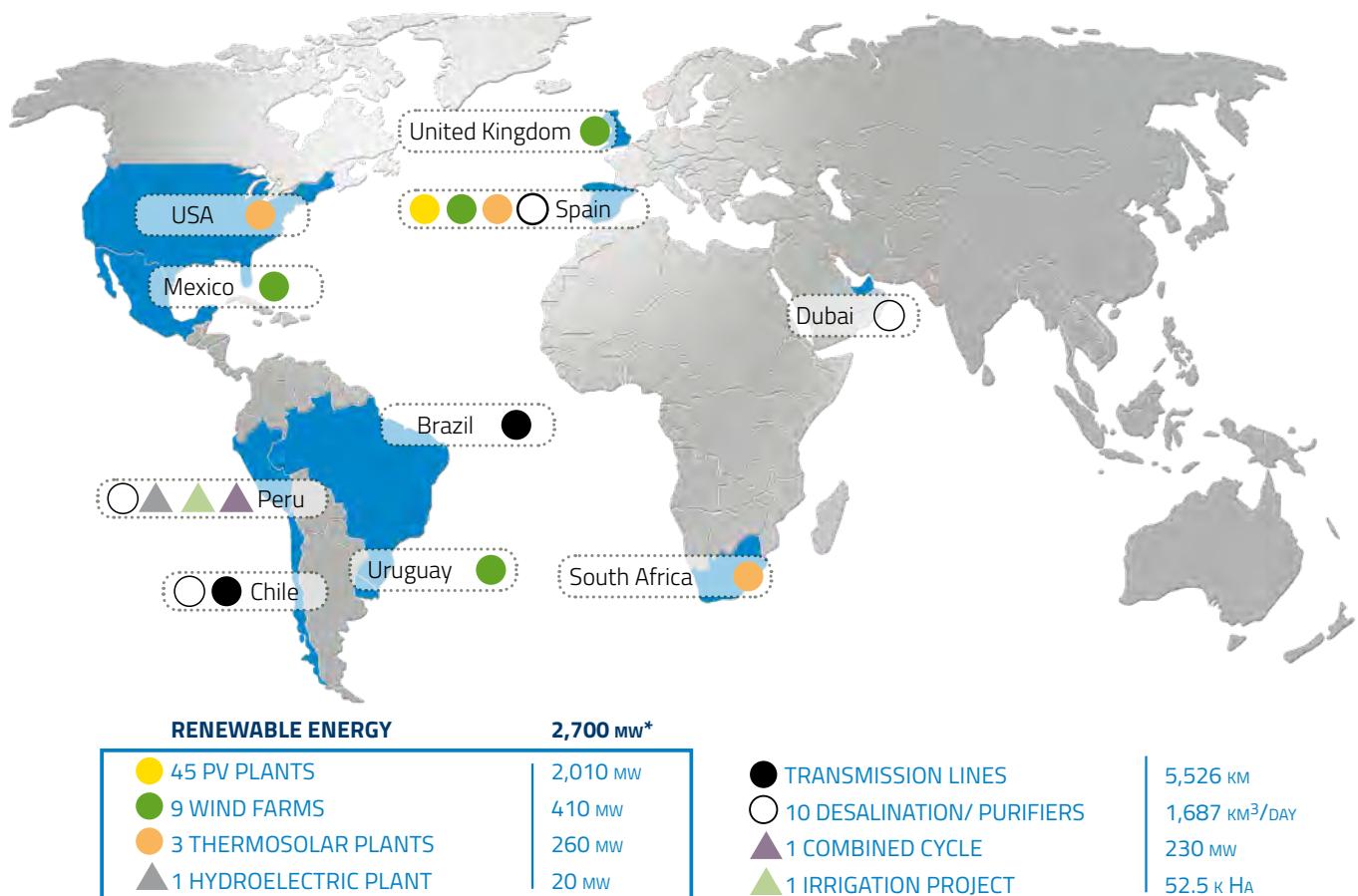
The group's policy is very flexible in terms of earmarking these assets, always aimed at maximizing shareholder value. Concessionary assets are partly integrated into Zero-e, a subsidiary incorporated for this purpose, from where they can be placed on the market at one time or another.

As at December 31, 2019, the ACS Group had a portfolio of about 70 renewable energy assets, transmission lines, desalination, irrigation and water purification projects, and other energy assets. The renewable energy assets in operation or development amount to about 2,700 MW in which photovoltaic plants are most notable, including those for which a sales agreement has been reached but were still in the portfolio as at December 2019. ACS's dedicated contribution to these projects exceeds 5,700 million euro, of which 1,000 million euro has already been invested.

...AND IN ENERGY ASSETS...

TOTAL INVESTMENT 5,724 MN €

ACS CONTRIBUTION 1,000 MN €



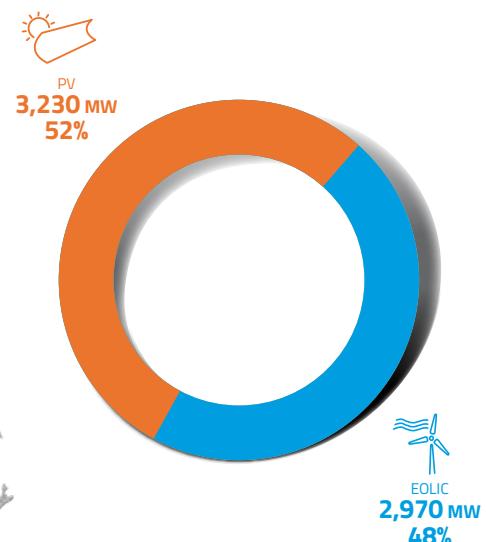
* Includes assets sold to Galp in January 2020.

...AND GROWING AREAS: "PIPELINE" IN THE RENEWABLE ENERGY MARKET*

6,200 MW
PROJECTS UNDER PROMOTION



PROJECTS UNDER PROMOTION



* After renewable's sale operation.

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FEATURED PROJECTS

DEVELOPMENT OF WIND FARM IN MEXICO

CUSTOMER

Energía Renovable de la Península, S.A.P.I. de C.V.

PROJECT EXECUTION DATES

January 2019/April 2020

LOCATION

Puerto Progreso,
Estado de Yucatán, Mexico

CONTRACT TYPE

EPC projects

AMOUNT

125.6 Million euro

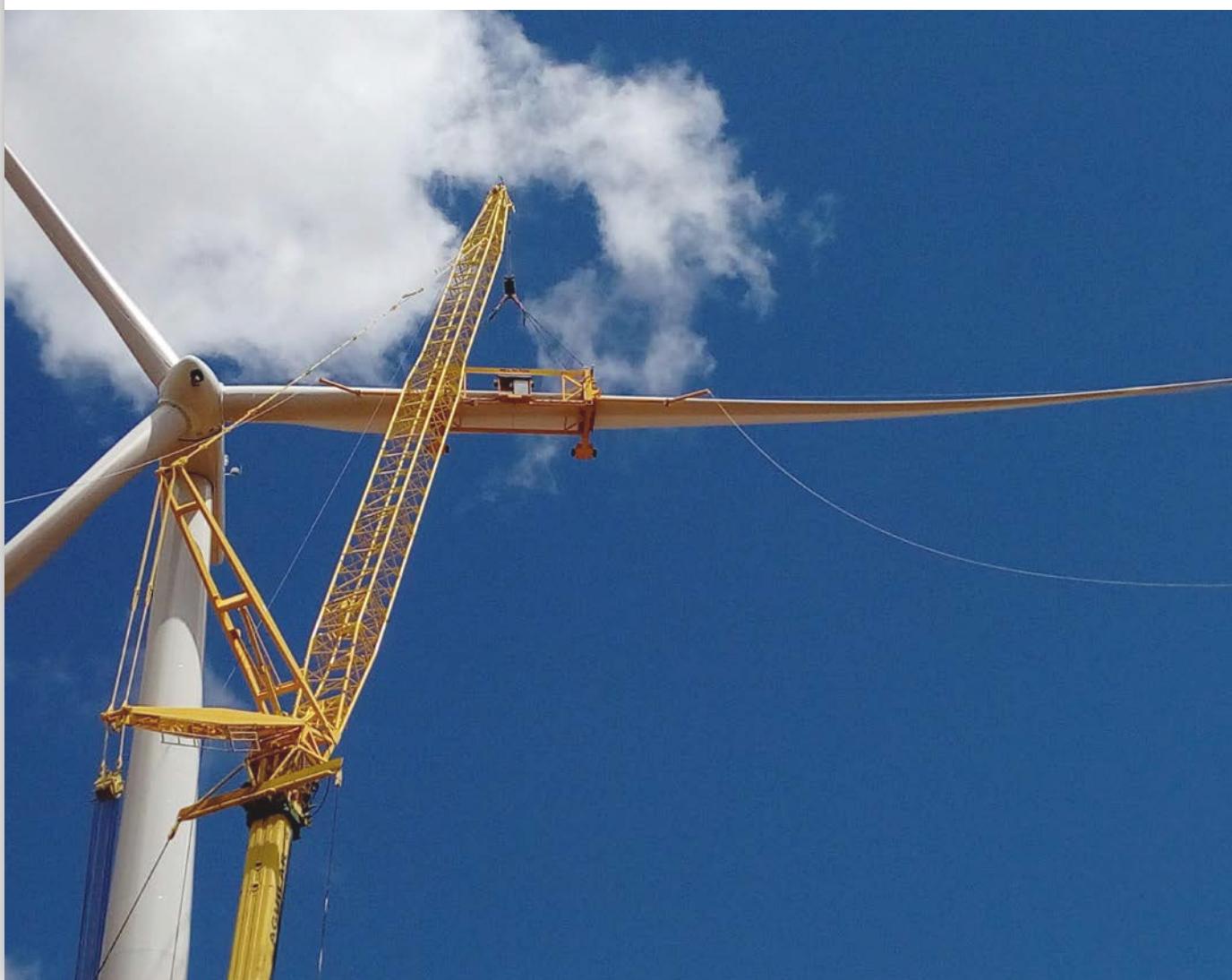
COMPANIES INVOLVED IN THE PROJECT

Avanzia Instalaciones, S.A. de C.V.

FULL DESCRIPTION OF THE PROJECT

The scope of this project called "Peninsula Wind Farm" consists of the design, supply, construction, assembly, installation, termination, tests and the start-up of a 90 MW wind farm consisting of thirty-six 2.5 MW wind turbines located in Puerto Progreso Mérida in the state of Yucatán. The works being carried out are civil works, medium-voltage

networks, maneuver and step-up substations. The wind farm has a guaranteed net capacity of 855 MW, using wind technology. Within the scope of this project, social actions have been carried out for the community. Currently, fencing is being installed on the ground at Matú, and the Social Bonding House is being built, among others.



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For further information:
Website (www.grupoacs.com)
Industrial Service Projects
Industrial Service Awards

MULA PHOTOVOLTAIC PLANT (SPAIN)

CUSTOMER

NORTHLEAF

PROJECT EXECUTION DATES

2018-2019

LOCATION

Mula (Murcia, Spain)

CONTRACT TYPE

EPC projects

AMOUNT

255.8 Million euro

COMPANIES INVOLVED IN THE PROJECT

COBRA

DESCRIPTION

Engineering, supply and construction of a 493.74 MW peak power photovoltaic project covering an area of land of approximately 1,000 ha belonging to the municipal district of Mula in the province of Murcia.

The main characteristics of the Solar Power Plant are:

- Photovoltaic installation on the ground in a 3V fixed metallic structure.
- Polycrystalline photovoltaic modules.
- 30 kV medium voltage internal distribution network.
- Two electrical substations, each located at the same site and interconnected by a 132 kV high voltage underground line.
- 400 kV high voltage grid of approximately 20 km for the evacuation of the energy generated in the solar power plant up to the node of the Transport Grid corresponding.



AIN SOHKNA FERTILIZER COMPLEX WORKS (EGYPT)

CUSTOMER

NCIC

PROJECT EXECUTION DATES

2016 - 2020

LOCATION

Ain Sohna, Egypt

CONTRACT TYPE

EPC projects

AMOUNT

314.5 Million euro

COMPANIES INVOLVED IN THE PROJECT

Intecsia Ingeniería Industrial S.A.

DESCRIPTION

Turnkey contract for the development of a sulfuric acid plant, consisting of two 1,900 t/h trains and one DAP (diammonium phosphate) and TSP (Triple superphosphate) plant with capacities of 1,200 t/h and 750 t/h, respectively. The construction of these plants is being carried out in Ain Sohna, a

town located in the Gulf of Suez in the northeast of the country.

Work for the project includes basic and detailed engineering, supply of equipment and materials and construction, including assembly, commissioning and start-up of both plants.

The contract represents half of the total fertilizer complex under construction in Ain Sohna and, once completed, will be the largest ever built in Egypt in the fertilizer sector.



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3.3. SERVICES

A STRONG AND SUSTAINABLE MODEL
OF PROVIDING SERVICES

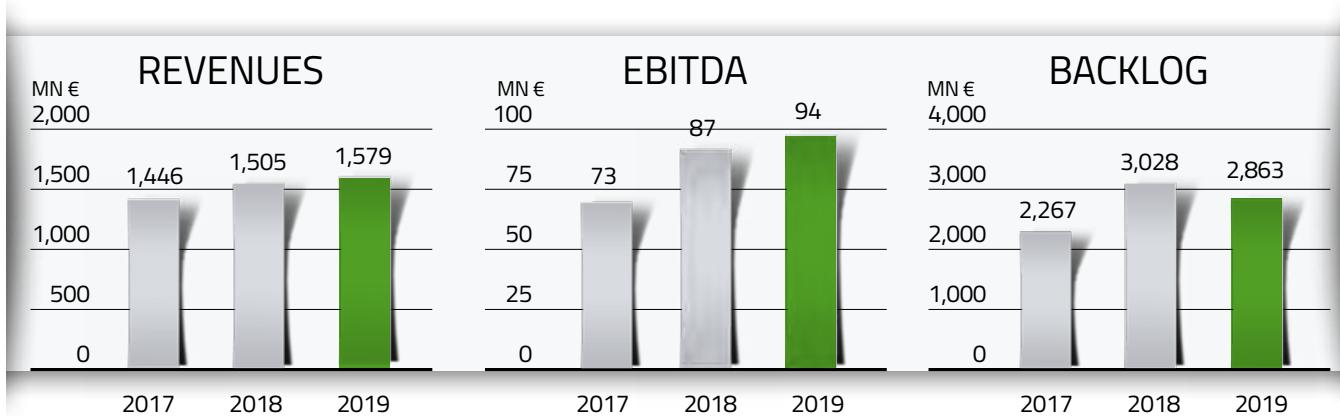


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PROFESSIONALISM, COMMITMENT AND INNOVATION

Clece is Spain's leading multi-services company with over 27 years of experience. The company has a portfolio of services with over 30 different activities, grouped into three large blocks: services to buildings, services to the environment and services to people, and has

also consolidated its activity in countries such as Portugal and the United Kingdom. Clece's success is based on a diversified and constantly growing business model, which is linked to its ability to respond to the new needs of citizens and organizations.



11.8%
OF EMPLOYEES BELONG
TO VULNERABLE GROUPS

>1.4
MILLION
PEOPLE SERVED

212
CENTERS FOR PEOPLE WITH
SPECIAL NEEDS

226
RESIDENCES AND
CENTERS FOR THE ELDERLY

226
SCHOOLS
FOR CHILDREN

6,900
PROPERTIES
UNDER MAINTENANCE

350
PARTNERSHIP AGREEMENTS WITH NON-PROFIT
INSTITUTIONS AND ORGANIZATIONS

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SERVICES TO PEOPLE

They cover the needs and resources for assisting certain groups, such as the elderly, dependents, persons with disabilities or children aged 0 to 3 years, including services such as care for the elderly; management of schools for children and restoration in communities.

SERVICES TO BUILDINGS

They include the services that are necessary for the optimum operation of any property, such as maintenance, energy efficiency, cleaning, security, logistics and ancillary services.

SERVICES TO THE CITY AND SURROUNDING AREA

These include activities aimed at the conservation and care of public spaces such as the management of public lighting, including investment in replacing lights, environmental services and airport services.

People are at the center of Clece's activity, a differential value that was reaffirmed in 2019 by the growth of the workforce to 78,899 employees, of whom 9,277 come from vulnerable groups (people with functional diversity, victims of gender violence, people at risk of social exclusion or unemployed youth), and the fact that the services they provide are directed to the care of people and their environment, improving the quality of life of users, helping when and where they need it most.

During 2019, in addition to the growth being experienced in the company's activities, Clece's momentum has started a number of initiatives to reduce the carbon footprint derived from its activity and improve the energy efficiency of its facilities. One of the first points of its sustainability strategy for the coming years is to continue its strong commitment to renewable energy. To date, this has materialized into actions, such as the insertion of several photovoltaic plants in the roofs of their buildings and in the investment in solar and thermal energy in services certified under the ISO 50001 standard of energy efficiency. In addition, 100% certified renewable

energy has been purchased for the offices and services of Clece and its subsidiaries, reaffirming the company's commitment to sustainable development.

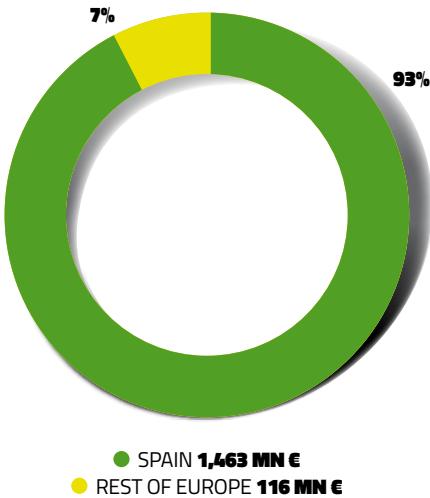
In addition, the company will progressively replace tourism vehicles and small vans with ECO-labeled vehicles. The new ecological fleet already has 209 vehicles and a plan of potential improvement actions has been established that has allowed Clece to obtain the Ecological Fleet badge awarded by the Spanish Association of Fleet Managers along with IDAE (Institute for Diversification and Saving of Energy).

In short, Clece is a key part of the ACS Group's overall strategy and commitment to the local environments where it carries out its activities. Its infrastructure management and maintenance activity assures that the ACS Group is present throughout the entire value chain of the infrastructure business. In addition, its strong social character helps the Group to understand society's real needs, enabling opportunities to be identified in the Group's various activities.

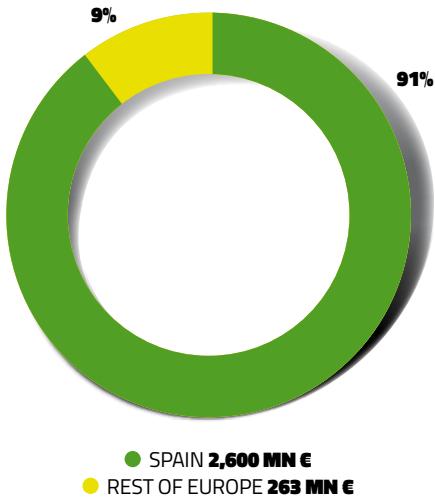


SERVICE ACTIVITY OF THE ACS GROUP IN 2019

2019 REVENUES BREAKDOWN BY GEOGRAPHICAL AREAS



2019 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



2019 REVENUES BREAKDOWN BY COUNTRY (MILLION EURO)

SPAIN	1,463
UNITED KINGDOM	93
PORTUGAL	23



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MAIN COUNTRIES WHERE THE ACS GROUP DEVELOPS ITS SERVICES ACTIVITY



MAIN WORKS AWARDED IN 2019

1	SPAIN	Extension of the Home Assistance Service for the Madrid City Council (Spain).	VALUE 71 MILLION EURO	7	SPAIN	Renewal of the Vueling aircraft cleaning service in the AENA airport network (Spain).	VALUE 24 MILLION EURO	13	SPAIN	Extension of the Home Assistance Service of Barcelona (Spain).	VALUE 18 MILLION EURO
2	SPAIN	Extension of IBERIA aircraft cleaning service throughout the national territory (Spain).	VALUE 56 MILLION EURO	8	SPAIN	Extension of the Home Assistance Service for the Jaén Provincial Council (Spain).	VALUE 21 MILLION EURO	14	SPAIN	New cleaning service contract at the Hospital Son Llatzer and Joan March Hospital (Palma de Mallorca, Spain).	VALUE 17 MILLION EURO
3	SPAIN	Hiring of different security services in the Department of Health (Valencia, Spain).	VALUE 42 MILLION EURO	9	SPAIN	Renovation of the restoration and management service of vending machines in the Hospital de Bellvitge and the Hospital de Viladecans (Barcelona, Spain).	VALUE 21 MILLION EURO	15	SPAIN	New award of the cleaning service of the Cádiz hospital platform for the Andalusian Health Service (Spain).	VALUE 16 MILLION EURO
4	SPAIN	Renovation of the cleaning service at the Hospital Universitario de Bellvitge, Hospital de Viladecans and the Instituto Diagnóstico de la Imagen (Barcelona, Spain).	VALUE 36 MILLION EURO	10	SPAIN	Renovation of the cleaning service in the PSA-CITROËN factory in Vigo (Spain).	VALUE 19 MILLION EURO	16	SPAIN	Extension of the contract for the interior cleaning service of military barracks and bases (Spain).	VALUE 15 MILLION EURO
5	UNITED KINGDOM	Renewal of the Home Assistance Service in the Durham County Council (United Kingdom).	VALUE 29 MILLION EURO	11	UNITED KINGDOM	Extension of Home Assistance Service in the Edinburgh City Council (Scotland).	VALUE 18 MILLION EURO				
6	SPAIN	New contract for the Logistics Service for Cat España (Spain).	VALUE 26 MILLION EURO	12	SPAIN	Extension of the hospital cleaning service at the Plataforma Hospitalaria (hospital platform) in Granada (Spain).	VALUE 18 MILLION EURO				

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ACTIVITY IN 2019

In 2019, Clece has performed strongly globally, with a 5% increase over last year's business figure, thanks to the positive evolution of all activities, highlighted by growth in the areas of social services and cleaning.

By area of activity, people-centered services increased by 4.3% during 2019, driven mainly by international markets growing above 20%. In this area, it is worth noting that during 2019, Clece continued its private residence management project in both Spain and Portugal, integrated under the brand Clece Vitam, started in 2017. At the end of 2019, Clece had a total of 18 centers of this type and continues to work on the implementation of another 27 new Clece Vitam residences in different autonomous communities up until 2022. In building services, revenue was 6% higher than the previous year, representing 55% of the company's turnover. Finally, the services to the city and its surrounding area are that of the lowest volume, representing 8% of Clece's revenue.

By type of customer, in Spain, Clece's customer portfolio continues with 80% of its activity in the public sector and 20% with private customers. In 2019, the highest growth was due to public contracts growing 6%, compared to a 0.9% increase in contracts with private customers. One of the sectors with the highest sales and growth in 2019 was the health sector. It represents just over 30% of sales and is growing at 5%. In addition, the education sector accounts for 8% of turnover. Strong growth in the industrial sector is also notable, above 30%, which puts it at 3% of the company's activity.

By geographic area, the turnover in Spain grew 4% in 2019 compared to the previous year, while in international markets, sales increased by 17.9%.

In this respect, the growth strategy in the United Kingdom was notable (+21.9% increase in sales in 2019). This has resulted in Clece being one of the leading companies in providing services to the elderly. The strategy followed by Clece Care Services (a Clece subsidiary in the UK) is based on the acquisition, integration and development

of companies with an excellent reputation and important regional presence, serving as a platform for the organic development of services in the different areas.

During 2019, the evolution of the UK contract portfolio has been very positive, reaching 162.4 million pound sterling, an increase of 33% over 2018 in the local currency. In line with this growth, it is important to highlight the significant increase in the number of contracts awarded in the United Kingdom—42% more than in 2018. This improvement is driven by the growth in success rates, which are now 100% for renewal of existing contracts and 50% for new contracts. In addition, priority continues to be given to contracts where the valuation of the proposal is mainly based on the technical offer.

In addition, Clece Care Services continues to work on the organic development of different types of higher value-added services, aimed at improving the quality of life of the elderly, regardless of their degree of care. During 2019, new contracts for the provision of services have been introduced in Extra Care (assisted living) and in the area of complex care (services for persons with clinical assistance needs), where significant organic growth has been experienced, earning revenues 55% higher than the previous year. In addition, a new line of activity has been incorporated, focusing on the provision of specialized services for the rehabilitation of people who have suffered a brain injury. These services are provided from a dedicated facility that has all the necessary equipment to carry out the comprehensive rehabilitation programs. Geographically, Clece Care Services continues to expand by already serving in the western part of Scotland, Yorkshire and Berkshire.



For more information:
4.7. Evolution of the Services
Business Area

HIGHLIGHTED PROJECT



For more information:
[www.grupoacs.com/
activities/services/](http://www.grupoacs.com/activities/services/)

AUTOMOTIVE BUSINESS SECTOR

CUSTOMER

PSA, GKN, Driveline, Renault, Michelin, CAT, etc.

PROJECT/ CONTRACT TYPE

Cleaning, maintenance, auxiliary services, fire protection and logistics

LOCATION

Spain

AMOUNT

151.5 million euro (amount accumulated since 2013)

COMPANIES INVOLVED IN THE PROJECT

CLECE

Thirteen years have passed since Clece began operating in the automotive sector to now being undeniably established as a company of reference, thanks to a successful combination of factors, including the versatility of the services it offers (cleaning, logistics, auxiliary services, gardening, maintenance), the flexibility of contracts, the design of customized solutions through its subsidiaries and the constant search for productivity improvement, in perfect alignment with the needs and objectives of the customers that we currently work with, such as PSA, GKN, Driveline, Renault, Michelin, CAT and BASF.

Clece has performed the integral cleaning service of the PSA Peugeot Citroën production plant in Vigo since 2014. It is one of the largest automobile plants in Spain, with an area of over 663,000 m² and

an average production of 400,000 vehicles per year. The team of operators performs the technical and general cleaning service of all factory installations, as well as the logistical management of containers and supply of the assembly chain. The company has provided a service of maximum flexibility to adjust to the different levels of plant production, which can vary from week-to-week and even from day-to-day. As a result of the trust built through the services provided, the PSA Group did not hesitate to turn to Clece when it acquired Opel in 2017.

In addition, Clece has served CAT GROUP since 2006 and has been present in various CAT ESPAÑA contracts offering logistics management services and automotive auxiliary functions. In 2019, these services were provided in 17 execution centers distributed in 9 Autonomous Communities of Spain.

Finally, it is worth noting that Clece carries out the cleaning, general maintenance and fire protection of the three Renault plants in Valladolid as well as the cleaning of the Nissan plant in Barcelona.

IN SHORT, THE AMOUNT AWARDED SINCE 2013 IN THIS SECTOR IS APPROXIMATELY **151.5 MILLION EURO**, WITH A WORKFORCE OF **1,200** IN THIS SECTOR





4. THE FINANCIAL MANAGEMENT IN 2019

- 4.1. CONSOLIDATED INCOME STATEMENT
- 4.2. CONSOLIDATED BALANCE SHEET
- 4.3. NET CASH FLOWS
- 4.4. DESCRIPTION OF MAIN FINANCIAL RISKS AND UNCERTAINTIES
- 4.5. EVOLUTION OF INFRASTRUCTURE AREA
- 4.6. EVOLUTION OF INDUSTRIAL SERVICES AREA
- 4.7. EVOLUTION OF SERVICES AREA



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4.1. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

MILLION EURO	2018 ⁽¹⁾	2019	Var.
Net Revenues	36,659	39,049	+6.5%
Other operating income	246	323	+31.6%
Total Income	36,904	39,372	+6.7%
Operating expenses	(26,435)	(28,383)	+7.4%
Personnel expenses	(7,910)	(8,394)	+6.1%
Operating Results from Equity Method ⁽²⁾	382	553	+44.9%
Operating Cash Flow (EBITDA)	2,941	3,148	+7.0%
Depreciation and amortisation	(818)	(970)	+18.6%
Current assets provisions	(74)	(53)	-28.3%
Ordinary Operating Profit (EBIT)	2,050	2,126	+3.7%
Impairment & gains on fixed assets	(27)	290	n.a
Other operating results ⁽³⁾	(138)	(1,533)	n.a
Operating Profit	1,885	882	-53.2%
Financial income	155	205	+32.5%
Financial expenses	(451)	(497)	+10.1%
Ordinary Financial Result	(297)	(292)	-1.5%
Exchange differences	(11)	4	n.a
Changes in the fair value of financial instruments	66	30	-54.6%
Impairment and gains or losses on the disposal of financial instruments	3	3	+21.4%
Net Financial Result	(239)	(255)	+6.6%
Non-ordinary results of companies accounted for using the equity method ⁽²⁾	4	5	+7.8%
PBT of continued operations	1,650	632	-61.7%
Income tax	(389)	(466)	+19.8%
Tax credit (BICC) ⁽³⁾	0	550	
Net profit of continued operations	1,261	716	-43.3%
Profit after taxes of the discontinued operations	0	0	n.a
Consolidated Result	1,261	716	-43.3%
Profit attributed to non-controlling interests (ex BICC)	(346)	(478)	+38.4%
Profit attributed to non-controlling interests (BICC)	0	725	
Net Profit Attributable to the Parent Company	916	962	+5.1%

Data presented according to ACS Group management criteria.

(1) The comparable period 2018 has been restated by the application of IFRS 16 (Operating leases), which has led to an increase in EBITDA of 284 million euro, a greater amount of amortization of 244 million euro and a higher financial expense 40 million euro.

(2) The result corresponding to associates and JV members of the ordinary activity has been reclassified into the item "Operating Results from Equity Method", included within EBITDA, which were previously recorded as a Result from Equity Method outside the Ordinary Operating Profit, leaving under the heading "Non-operating results from Equity Method" the result corresponding to the rest of associates and joint ventures, outside the Operating Profit.

(3) It includes the provision related to the cessation of operations of CIMIC in the Middle East (BICC) whose amount before taxes amounts to 1,695 million euro, and the application of the provision for international risks in Corporation (230 million euro). The impact on the Group's consolidated net profit is 420 million euro, after deducting minority interests.

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REVENUES AND BACKLOG

Revenues during the period rose up to 39,049 million euro, increasing by 6.5%, 4.5% currency effects adjusted. All areas of activity showed a good general trend.

Revenues breakdown by geographical areas showed the diversification of the Group's revenue sources, where North America represented 49.6% of total revenues, Asia Pacific 24.5%, Europe 19.6%, from which Spain represented 13.9%, and the remaining regions 6.3%.

REVENUES PER GEOGRAPHICAL AREAS

MILLION EURO	2018		2019		Var,
Europe	7,651	20.9 %	7,655	19.6%	+0.0%
North America	16,654	45.4 %	19,377	49.6%	+16.4%
South America	1,926	5.3 %	2,171	5.6%	+12.7%
Asia Pacific	10,083	27.5 %	9,569	24.5%	-5.1%
Africa	345	0.9 %	278	0.7%	-19.4%
TOTAL	36,659		39,049		+6.5%

REVENUES PER COUNTRIES

MILLION EURO	2018		2019		Var,
United States	14,200	38.7 %	16,932	43.4%	+19.2%
Australia	7,257	19.8 %	7,286	18.7%	+0.4%
Spain	5,213	14.2 %	5,419	13.9%	+4.0%
Canada	1,475	4.0 %	1,629	4.2%	+10.4%
Germany	956	2.6 %	751	1.9%	-21.4%
RoW	7,557	20.6 %	7,032	18.0%	-7.0%
TOTAL	36,659		39,049		+6.5%

To highlight the solid growth of the North American markets in the construction area, namely USA which grew 19.2%, 13.2% when adjusted to the currency impacts, whilst Canada grew by a nominal 10.4%, 6.7% currency adjusted.

Likewise, activity in Spain remained stable at 4.0%, due to the boost of the renewable energy business in the Industrial Service's area.

Sales in Australia accounted for 7,286 million euro, with an adjusted growth due to the exchange rate variation of 2.0%.

BACKLOG PER GEOGRAPHICAL AREAS

MILLION EURO		Dec-18		Dec-19	Var,
Europe		13,162	18.2 %	14,300	18.4%
North America		29,947	41.5 %	33,485	43.1%
South America		5,445	7.5 %	5,001	6.4%
Asia Pacific		23,333	32.3 %	23,271	29.9%
Africa		335	0.5 %	1,698	2.2%
TOTAL		72,222		77,756	+7.7%

The Group's total Backlog stood at 77,756 million euro, growing by 7.7%. Adjusted to currency effects, the backlog grew by 6.0%.

REVENUES PER COUNTRIES

MILLION EURO		Dec-18		Dec-19	Var,
United States		24,082	33.3 %	28,319	36.4%
Australia		17,973	24.9 %	19,365	24.9%
Spain		7,704	10.7 %	7,464	9.6%
Canada		4,425	6.1 %	3,859	5.0%
Germany		2,537	3.5 %	3,008	3.9%
RoW		15,503	21.5 %	15,740	20.2%
TOTAL		72,222		77,756	+7.7%

United States' backlog rose to 28,319 million euro, of which two thirds correspond to Turner, growing by 17.6%, +15.4% adjusted by exchange rate variations.

Likewise, Australia's backlog had a positive growth of 7.7%, 6.3% when adjusted to exchange rate impact, mainly thanks to services awards.

The remaining countries in Europe grew by 25.2%, supported by the award of singular projects in the UK (construction of Euston high-speed train station in London) and Germany. On its side, Spain's Backlog decreased by 3.1% due to the advance in the projects awarded last year in the construction area.

OPERATING RESULTS

The Group's EBITDA accounted for 3,148 million euro, showing an increase of 7.0%, mainly due to Abertis' greater contribution during this period, compared to the prior one where it only contributed since June.

Specifically, Abertis contributed with 306 million euro to the Group's 2019.

EBIT reached 2,126 million euro, growing by 3.7% in relation to the prior year. Margin over revenues decreased in 15 b.p. compared to the prior period due to the evolution of the business mix, with more relevance given to low-risk activities such as Construction Management, Alliance type contracts, and services.

OPERATING RESULTS

MILLION EURO	2018	2019	Var.
EBITDA	2,941	3,148	+7.0%
<i>EBITDA Margin</i>	8.0%	8.1%	
Depreciation and amortisation	(818)	(970)	+18.6%
<i>Infrastructure</i>	(708)	(843)	
<i>Industrial Services</i>	(79)	(88)	
<i>Services</i>	(30)	(37)	
<i>Corporation</i>	(1)	(1)	
Current assets provisions	(74)	(53)	-28.3%
EBIT	2,050	2,126	+3.7%
<i>EBIT Margin</i>	5.6%	5.4%	



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NET OPERATING PROFITS

Profits from the sale of assets under operation are booked as Impairment & gains on fixed assets, and it includes, among others, the sale of renewable energy assets worth 250 million euro.

Other results included CIMIC's provisions related to BICC which rose up to 1,695 million euro, as well as the application of the existing provisions related to international risks in Corporation worth 230 million euro.

NET OPERATING RESULTS

MILLION EURO	2018	2019	Var.
Ordinary Operating Profit (EBIT)	2,050	2,126	+3.7%
Impairment & gains on fixed assets	(27)	290	n.a
Other operating results	(138)	(1,533)	n.a
Impairment of financial instruments (BICC)	0	(1,695)	
Provisions from to international risks (BICC)	0	230	
Others	(138)	(69)	
Net operating results	1,885	882	-53.2%

Data presented according to ACS Group management criteria.

FINANCIAL RESULTS

Ordinary financial result increased by 1.5%. Financial expenses increased 10.1% as a result of a higher gross average debt related to Abertis' investments and renewable assets. This increase was compensated by higher financial revenues compared to the previous term.

Regarding non-ordinary net financial result, in 2018 the revaluation of the MásMóvil share options was included, whereas 2019 included financial instruments and derivatives results from the Group's companies.

FINANCIAL RESULTS

MILLION EURO	2018	2019	Var.
Financial income	155	205	+32.5%
Financial expenses	(451)	(497)	+10.1%
Ordinary Financial Result	(297)	(292)	-1.5%
Infrastructure	(186)	(196)	+5.1%
Industrial Services	(72)	(71)	-2.6%
Services	(5)	(7)	+25.5%
Corporation	(32)	(19)	-41.7%

MILLION EURO	2018	2019	Var.
Ordinary Financial Result	(297)	(292)	-1.5%
Exchange differences	(11)	4	n.a
Changes in the fair value of financial instruments	66	30	-54.6%
Impairment and gains or losses on the disposal of financial instruments	3	3	+21.4%
Net Financial Result	(239)	(255)	+6.6%

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RESULTS FROM ASSOCIATES

The majority of the Equity Method's results have been re-classified as *Operating Results on Equity Method*, also within EBITDA, which corresponds to results from associates and joint ventures from ordinary activities. Consequently

leaving this item as *Non-ordinary results of companies accounted for using the equity method*, corresponding to the remaining associates, which amounted to 5 million euro during the period.

NET PROFIT ATTRIBUTABLE

ACS Group reported a Net Profit during 2019 of 962 million euro, 5.1% higher in comparable terms. The isolated impact in ACS Group Net Profit due to provisions related to BICC in CIMIC accounted for 420 million euro, which has been totally compensated thanks to the profits obtained from the sale of renewable energy

assets and the implementation of provisions linked to international risks in Corporation.

The effective corporate tax rate stood at 26.4% against 30.8% from the last comparable term, excluding BICC, due to Profits before taxes evolution related to the geographical mix.

NET PROFIT BREAKDOWN

MILLION EURO	2018		2019	
	Recurrent	Var.	One-off (*)	Total
Infrastructure	586	613	+4.6%	(420) 193
Construction ⁽¹⁾	401	358	-10.9%	(420) (62)
Concessions	184	255	+38.3%	255
Industrial Services ⁽²⁾	325	350	+7.8%	250 600
Services	37	38	+3.3%	38
Net profit from activities	948	1,001	+5.7%	(170) 831
Corporation ⁽³⁾	(32)	(39)	+22.7%	170 131
TOTAL Net Profit	916	962	+5.1%	0 962

(*) Non-recurrent results net impact:

(1) CIMIC's provision after closing its operations in BICC.

(2) Profits derived from renewable energy assets sale.

(3) International risk provision application linked to Middle East.



4.2. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

MILLION EURO	Dec-2018		Dec-2019		Var.
NON-CURRENT ASSETS	14,216	39.8%	14,349	37.2 %	+0.9%
Intangible Assets	4,164		4,169		+0.1%
Tangible Assets	2,524		2,739		+8.5%
Investments accounted for using the equity method	4,709		4,411		-6.3%
Non-current financial assets	1,244		915		-26.4%
Derivative financial instruments	63		7		-88.3%
Deferred Tax Assets	1,511		2,106		+39.4%
CURRENT ASSETS	21,485	60.2%	24,243	62.8 %	+13.7%
Non-current assets held for sale and discontinued operations	1,034		2,111		n.a
Inventories	867		911		+5.1%
Trade and other receivables	10,891		11,552		+7.8%
Other current financial assets	1,464		1,339		-8.5%
Derivative financial instruments	53		11		-78.8%
Other Current Assets	210		229		+8.9%
Cash and cash equivalents	6,966		8,089		+16.1%
TOTAL ASSETS	35,701	100.0 %	38,592	100.0 %	+8.6%
NET WORTH	5,991	16.8%	5,496	14.2 %	-8.3%
Equity	4,647		4,778		+2.8%
Adjustments for changes in value	(292)		(361)		+23.8%
Non-controlling interests	1,636		1,080		-34.0%
NON-CURRENT LIABILITIES	9,142	25.6%	9,041	23.4 %	-1.1%
Grants	3		3		-16.4%
Non-current Provisions	1,683		1,362		-19.1%
Non-current Financial Liabilities	6,252		6,434		+2.9%
Bank borrowings, debt instruments and other marketable securities	6,016		6,151		+2.2%
Project finance with limited recourse	101		122		+21.7%
Other financial liabilities	135		161		+18.6%
Long term lease liabilities	695		687		-1.1%
Derivative financial instruments	45		72		+60.3%
Deferred tax liabilities	380		383		+0.7%
Other non-current Liabilities	84		100		+19.0%
CURRENT LIABILITIES	20,568	57.6%	24,055	62.3 %	+17.9%
Liabilities relating to non-current assets held for sale and discontinued operations	537		1,187		n.a
Current Provisions	1,044		1,235		+18.3%
Current Financial Liabilities	2,175		3,048		+40.1%
Bank borrowings, debt instruments and other marketable securities	2,092		2,868		+37.1%
Project finance with limited recourse	16		19		+15.1%
Other financial liabilities	67		162		n.a
Short term lease liabilities	307		321		+4.8%
Derivative Financial Instruments	82		28		-65.4%
Trade and other payables	15,966		16,756		+6.1%
Other current liabilities	458		551		+20.3%
Financial Liabilities related to BICC	0		927		n.a
TOTAL EQUITY & LIABILITIES	35,701	100.0 %	38,592	100.0 %	+8.6%

NOTE: December 2018 closing has been restated in compliance with IFRS 16 including operational leases in "Operating Lease Liabilities" item, both in the long and in the short term.

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NON-CURRENT ASSETS

Intangible assets, which amounted to 4,169 million euro, included goodwill from past strategic transactions amounting to 3,122 million euro, from which 743 million euro came from ACS and Dragados Group merger in 2003, and 1,389 million euro came from HOCHTIEF's acquisition in 2011. The rest corresponded to the integration of various companies in the Group, mainly in HOCHTIEF.

Investment balance held by the Equity Method included the stake in Abertis, holdings from

HOCHTIEF's associated companies, certain energy assets from Industrial Services and concessions from Iridium, as the Zero-E assets are booked as Assets Held for Sale.

ACS and HOCHTIEF stakes in Abertis are recorded as Investment in Associates (Equity Method) in their respective balance sheets. ACS stake (30%) accounted for 2,045 million euro, while HOCHTIEF's (20% minus one share) amounted to 1,370 million euro. Therefore, total impact on ACS Group balance sheet stood at 3,415 million euro.

WORKING CAPITAL

WORKING CAPITAL EVOLUTION

MILLION EURO	dec.-18	mar.-19	jun.-19	sep.-19	dec.-19
Infrastructure	(4,828)	(4,110)	(4,190)	(3,575)	(5,862)
Industrial Services	(1,221)	(1,123)	(1,429)	(1,346)	(1,350)
Services	(51)	(31)	(120)	(46)	(31)
Corporation	265	177	178	186	128
TOTAL	(5,835)	(5,088)	(5,560)	(4,782)	(7,116)

During the last 12 months, net working capital increased its debit balance by 1,280 million euro, mainly due to CIMIC's provision impact in relation to BICC (927 million euro) recorded in the balance sheet.

The commercial discount and securitization outstanding balance (factoring) amounted to 2,205 million euro by 2019 year-end, with a proportion over annual revenues of less than 6%. This represented 25 million euro less than last year's closing.

Confirming and Supply Chain Financing at 2019 year-end amounted to 1,484 million euro, roughly 200 million euro more than last year's in comparable terms. The use of these financial instruments on the part of suppliers does not mean a change in the contractual conditions and maintains the original liability that, therefore, is still booked under the commercial creditors' accounts.

NET WORTH

ACS Group Net worth accounted for 5,496 million euro at 2019 year-end.

NET WORTH

MILLION EURO	2018	2019	Var.
Shareholders' Equity	4,647	4,778	+2.8%
Adjustments for changes in value	(292)	(361)	+23.8%
Non-controlling interests	1,636	1,080	-34.0%
Net Worth	5,991	5,496	-8.3%

NOTE: IFRS 16 (Operating Leases) has been applied since January 2019 with restatement of the comparable periods.

NET DEBT

The Group maintained a Net Debt position of 54 million euro, maintaining a similar debt level to the last two periods, almost non-existent. The strong operating cash flow generation during these two last periods widely compensated the strong effort in the concessional activity.

In fact, not considering project finance debt, without recourse to shareholders, the Group presented a net cash position during the last three terms, closing 2019 with 87 million euro of operating net cash.

NET DEBT 31 DECEMBER 2019

Net Debt (million euro)	Infrastructure	Industrial Services	Services	Corporation	Adjust.	ACS Group
LT bank borrowings	1,675	80	227	1,638	0	3,620
ST bank borrowings	460	240	94	1	0	795
bank borrowings	2,135	320	321	1,639	0	4,414
Bonds	2,501	799	0	1,304	0	4,604
Non Recourse Financing	93	48	0	0	0	141
Other financial liabilities	166	65	1	0	0	232
Total External Gross Debt	4,894	1,233	322	2,943	0	9,392
Net debt with Group's companies & Affiliates	92	70	0	0	(72)	90
Total Gross Financial Debt	4,986	1,303	322	2,943	(72)	9,482
ST & other financial investments	999	261	78	74	(72)	1,339
Cash and cash equivalents	6,142	1,746	91	110	0	8,089
TOTAL CASH AND EQUIVALENTS	7,140	2,007	170	184	(72)	9,429
(NET FINANCIAL DEBT) / NET CASH POSITION	2,154	704	(152)	(2,759)	(0)	(54)
NET FINANCIAL DEBT 2018	2,286	736	(75)	(2,944)	0	3

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4.3. NET CASH FLOWS

NET CASH FLOWS

MILLION EURO	2018			2019		
	Total	HOT	ACS exHOT	Total	HOT	ACS exHOT
Cash Flow from Operating Activities before Working Capital	2,204	1,373	830	2,596	1,503	1,093
Operating working capital variation	118	199	(81)	(217)	99	(316)
Net CAPEX	(497)	(344)	(153)	(659)	(518)	(141)
Net Operating Cash Flow from continuing activities	1,825	1,228	596	1,720	1,084	636
Financial Investments/Disposals	(936)	(1,467)	531	(690)	(221)	(468)
Operating Leases (IFRS16)	(271)	(198)	(73)	(387)	(301)	(86)
Other Financial Sources	13	(0)	13	(279)	(246)	(33)
Free Cash Flow	630	(436)	1,066	364	315	49
Dividends paid	(316)	(162)	(154)	(486)	(285)	(201)
Intra group Dividends	0	(156)	156	0	(177)	177
Treasury Stock	(365)	909	(1,274)	(568)	0	(568)
Total Cash Flow Generated / (Consumed)	(50)	155	(206)	(689)	(147)	(542)
Perimeter change (Increase)/decrease	66	59	8	567	78	488
Exchange rate (Increase)/decrease	141	82	58	66	35	30
Total Net Debt variation in the Balance Sheet	156	296	(140)	(57)	(33)	(24)

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CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities before working capital amounted to 2,596 million euro, improving by 17.8% versus last year's. The positive performance of the operating activities together with Abertis' dividend inflow, which amounted to 432 million euro, broadly compensated a higher tax disbursement during the current term, approximately 100 million euro more than in 2018 period.

The operating working capital variation resulted in a 217 million euro cash outflow, after the improvement of around 1,200 million euro in the last quarter due to the business seasonality. The higher contribution from low-risk activities and with a different fund-flow profile (Alliance-style or contract mining) together with a lower factoring balance explained the variation in the working capital when compared to the last year.

Meanwhile, CAPEX rose to 659 million euro, 162 million euro more than last year. Additionally, operating lease payment accounted for 387 million euro, meaning a total operating capital investment of more than 1,000 million euro, 36% more than last year. This increase is based on the strong growth of higher capital intensive activities such as contract mining, whose activity has been gathering an annual average growth of 20% for the last three years.

Accordingly, Operating Free Cash Flow, calculated as Net Operating Cash Flow from Continuous Activities minus payments made for Operating Leases, reached 1,333 million euro in 2019, equivalent to a conversion rate on Consolidated Net Profit (before minorities) of 95%.

CASH FLOW FROM INVESTMENTS

ACS Group total net investments during 2019 amounted to 1,254 million euro.

Net CAPEX amounted to 659 million euro and mainly corresponded to machinery acquisition

for the Group's mining, civil work, and industrial facilities projects. Particularly, CIMIC strongly invested in renewing its equipment intended for contract mining activities and TBMs for construction projects.

INVESTMENTS BREAKDOWN

MILLION EURO	Operating Investments	Operating divestments	NET Operating CAPEX	Project / Financial Investments	Financial Divestments	Net Project / Financial investments	Total Net Investments
Infrastructure	615	(76)	539	347	(109)	239	778
Dragados	73	(51)	21	(0)	(1)	(1)	21
Hochtief	542	(24)	518	256	(43)	213	731
Iridium	0	0	0	91	(65)	26	26
Industrial Services	105	(4)	101	674	(340)	334	435
Services	22	(3)	19	6	0	6	25
Corporation	1	0	1	16	0	16	17
TOTAL	742	(83)	659	1,043	(449)	595	1,254

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Financial and Project net investment reached 595 million euro and are detailed as follows:

- Infrastructures mainly invested 300 million euro in highway and railway concessions in USA, Canada and Europe, as well as in the creation Joint Ventures to develop projects in America and Australia. Likewise, Hochtief allocated more than 45 million euro in the construction of their new HQ in Essen.
- On its side, divestments over 100 million euro included the sale of different stakes in USA, Canada and Spain.
- Industrial Services invested 674 million euro mainly in the development of different types of renewable assets (PV plants, wind farms, transmission lines, etc.) and location (Spain, UK, Mexico, and Brazil).

▪ It also divested 340 million euro of different energy assets such as PV plants, wind farms and transmission lines.

▪ This figure included the partial sale at December-end of already built PV Plants in Spain (914 MW), worth 170 million euro, not cashed during the period. This transaction was completed in 2020 with the total sale of already built assets and the development of 2,000 additional MW until 2023

Furthermore, 85 million euro pending from Urbaser's sale were cashed and reflected in the cash flow statement as financial divestments. This quantity was booked when the transaction was closed, in December 2016.

OTHER CASH FLOWS

Dividends paid in cash by the Group amounted to 486 million euro, of which 195 million euro corresponded to ACS Group scrip dividends paid in cash in February and July 2019 and the remaining to the remuneration of minorities in HOCHTIEF and CIMIC. Likewise, during this year, treasury shares were acquired, worth 568 million euro to serve scrip dividends from July 2019 and February 2020. Therefore, the Group devoted 1,054 million euro to its shareholders and minorities' remuneration.

On the other side, the cash outflow in the item Other Financing Resources mainly corresponded to CIMIC's financial support to BICC during 2019 (248 million euro).

4.4. DESCRIPTION OF MAIN FINANCIAL RISKS AND UNCERTAINTIES

ACS Group develops its activities in different sectors, countries and socioeconomic and legal environments involving risk exposure, inherent to the businesses it operates in.

ACS Group monitors and controls these risks in order to avoid a decline in the profitability of its shareholders, a danger to its employees or its corporate reputation, a problem for its customers or a negative impact on the Group as a whole. For risk-control, ACS Group has instruments to identify and manage them properly with sufficient time, either by preventing its materialization or by minimizing impacts.

In addition to those inherent risks to the different businesses in which it operates, ACS Group is exposed to various financial risks, either by changes in interest or exchange rates, liquidity risks or credit risks.

- a) Risks arising from changes in the cash flow interest rates are mitigated by ensuring rates through financial instruments which may cushion its fluctuation.
- b) Risk management related to exchange rates is carried out by taking debt in the same functional currency as that of the assets

that the Group finances overseas. To cover net positions in currencies other than the euro, the Group arranges various financial instruments in order to reduce such exposure to exchange rate risks.

- c) The most important aspects impacting the financial risks of ACS during 2019 and detailed in 2018 annual statements are:

- ACS, Actividades de Construcción y Servicios, SA, has renewed the Euro Commercial Paper (ECP) program for a maximum amount of 750 million euro, the Negotiable European Commercial Paper program (NEU CP) for a maximum amount of 300 million euro, and the debt issuance program called Euro Medium Term Note Program (EMTN Program). From this last one, two issuance have been made for a total amount of 170 million euro during 2019 first half.
- The rating agency Standard and Poor's (S&P) has maintained the long-term BBB and A-2 short-term corporate credit rating ("investment grade"), with stable outlook, for ACS, Actividades de Construcción y Servicios, S.A. Likewise, HOCHTIEF and CIMIC have maintained the same credit rating. Standard

and Poor's has maintained the credit rating for ACS, HOCHTIEF and CIMIC, even after the announcement of the strategic termination of CIMIC in Middle East in January 2020.

- ACS, Actividades de Construcción y Servicios, S.A., has novated the syndicated loan worth 2,100 million euro until 2024 subject to two-year extension.
- Hochtief has released several bonds worth 943 million euro during 2019.
- On September 30 2019, CIMIC refinanced and extended the expiration date of a tranche of its syndicated bank financing from 2,600 million Australian dollar to 3,200 million Australian dollar until 2024.
- On August 2019, Flatiron and some of its participated companies signed with an international bank union a new syndicated credit and guarantee worth 300 million US dollar until 2024, replacing the former syndicated credit and guarantee worth 350 million Canadian dollar.

The Integrated Annual Report, which includes Non-Financial Information, Corporate Governance Reports, and ACS Group Annual Accounts (www.grupoacs.com), discusses more in detail the risks and the tools for its control. Likewise, HOCHTIEF's Consolidated Annual Accounts (www.hochtief.com) details the risks inherent to the German company and its control mechanisms.

For the next six months, from the closing date of the accounts referred to in this document, ACS Group, based on information currently available, expect to deal not only with situations of risk and uncertainty similar to 2019, but also with the situation derived from the appearance of the Coronavirus COVID-19 in China in January 2020 and its recent global expansion to a large number of countries. In this sense, the Group's Directors and Management are constantly monitoring the evolution of the situation, in order to face with guarantees the possible impacts, both financial and non-financial, that may occur.



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4.5. EVOLUTION OF INFRASTRUCTURE AREA

INFRASTRUCTURE

MILLION EURO	2018	2019	Var.
Revenues	28,785	30,955	+7.5%
EBITDA	2,239	2,421	+8.1%
<i>Margin</i>	7.8%	7.8%	
EBIT	1,465	1,538	+5.0%
<i>Margin</i>	5.1%	5.0%	
Net Profit	586	193	-67.1%
<i>Margin</i>	2.0%	0.6%	
Backlog	59,350	64,969	+9.5%
<i>Months</i>	24	24	

NOTE: Infrastructure includes Construction activity – Dragados and HOCHTIEF (ex Abertis), and Concessions activity – Iridium and Abertis (both directly and indirectly through HOCHTIEF).

Revenues in Infrastructure reached 30,955 million euro, representing a 7.5% growth, 5.1%, adjusted by currency effects. This growth is mainly backed by North American revenues and Australian market's contribution, despite the exchange rate impact.

Revenues evolution is shifting towards a business mix with a lower risk profile thanks to a greater contribution from Construction Management activities, contract mining and infrastructures services, Alliance-type contracts and P3 projects, which represented around 70% of the activity.

EBITDA accounted for 2,421 million euro and EBIT rose to 1,538 million euro. Not considering the "Operating Equity Method", which included JV's net result and Abertis' contribution, operating margins in comparable terms remained stable.

Net Profit reached over 193 million euro. Excluding non-recurrent impact from BICC in CIMIC's accounts, Infrastructures' Net Profit rose up to 613 million euro, 4.6% more compared to last year, of which 358 million euro came from the Construction activity while 255 million euro related to Concessions.

REVENUES PER GEOGRAPHICAL AREAS

MILLION EURO	2018	% weight	2019	% weight	Var.	dec-18	% weight	dec-19	% weight	Var.
Spain	1,453	5.0%	1,359	4.4%	-6.5%	2,386	4.0%	2,333	3.6%	-2.2%
Rest of Europe	1,958	6.8%	1,690	5.5%	-13.7%	4,616	7.8%	5,959	9.2%	+29.1%
North America	15,530	54.0%	18,276	59.0%	+17.7%	28,346	47.8%	32,073	49.4%	+13.2%
South America	401	1.4%	374	1.2%	-6.6%	1,407	2.4%	1,272	2.0%	-9.6%
Asia Pacific	9,443	32.8%	9,200	29.7%	-2.6%	22,594	38.1%	22,311	34.3%	-1.3%
Africa	0	0%	56	0%	n.a.	0	0.0%	1,021	1.6%	n.a.
TOTAL	28,785	100%	30,955	100%	+7.5%	59,350	100%	64,969	100%	+9.5%

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Adjusted to exchange rate effects, revenues in Australia grew by 2.0% and 13.2% in USA.

Backlog at the end of the period stood at 64,969 million euro, 9.5% higher compared to last year's same period. Adjusted by the currency

exchange effect, backlog grew by 7.5%. This good performance is partly a consequence of the significant projects awarded during this period which grew by 7.8% year on year, mainly in the UK, USA and Australia. CIMIC's backlog grew by 2.2% in local currency.

MILLION EURO	DRAGADOS			HOCHTIEF (ACS contr.)			ADJUSTMENTS		TOTAL		
	2018	2019	% Var.	2018	2019	Var.	2018	2019	2018	2019	Var.
Revenues	4,792	5,015	4.7%	23,882	25,852	8.2%	0	0	28,674	30,867	7.6%
EBITDA	367	293	-20.0%	1,686	1,893	12.3%	-85	-123	1,968	2,063	4.8%
<i>Margin</i>	7.60%	5.80%		7.10%	7.30%		n.a	n.a	6.90%	6.70%	
EBIT	251	200	-20.2%	1,095	1,165	6.4%	-138	-168	1,208	1,196	-1.0%
<i>Margin</i>	5.20%	4.00%		4.60%	4.50%		0.00%	0.00%	4.20%	3.90%	
Net Financial Results	-60	-63		-91	-114		-3	0	-155	-177	
Equity Method	0	0		0	0		0	0	0	0	
Other Results & Fixed Assets	-36	7		-25	16		0	0	-61	24	
EBT (ex BICC)	155	144	-6.6%	979	1,067	9.0%	-141	-168	993	1,043	5.1%
Taxes	-40	-28		-259	-258		17	14	-282	-271	
Minorities	-4	0		-350	-493		45	80	-309	-414	
Net Profit (ex BICC)	111	117	4.9%	370	316	-14.6%	-79	-75	401	358	-10.9%
Non recurrent net impact (BICC)	-	-		-	-420		-	-	-	-420	
Reported Net Profit	111	117	4.9%	370	-104	n.a	-79	-75	401	-62	
Backlog	12,083	13,607	12.6%	47,267	51,362	8.7%	n.a	n.a	59,350	64,969	9.5%
Months	30	33		22	23				24	24	

Note: The column "Adjustments" includes the removal of Abertis' contribution through HOCHTIEF, PPA adjustments, PPA depreciation, and consequently the impact on tax and minorities.

Construction's contribution, excluding the extraordinary impact in CIMIC after ceasing its activity in BICC, grew in comparable terms by 10.1% (that is, maintaining the same stake in HOCHTIEF in both periods, which was reduced to 50.4% from 71.8% after the sale of its stake to Atlantia as part of Abertis' operation).

Dragados increased its revenues by 4.7%. Operating margins converged reflecting a more conservative risk profile in the construction activities together with the remarkable growth in the North American markets where margins are more competitive. Likewise, the current period collected additional costs from some projects in

USA pending resolution. Nonetheless, Dragados Net Profit increased by 4.9% up to 117 million euro endured by a lower tax rate.

HOCHTIEF showed a solid growth across all of its operating figures. Excluding non-recurrent impact from CIMIC's provisions linked to BICC, HOCHTIEF's net profit reached 627 million euro, and its contribution to ACS net profit, reached 316 million euro.

This contribution is proportional to the current 50.4% stake in contrast to the 71.8% of the comparable term. The construction activity (excluding the impact on minorities after Abertis' transaction) grew by 10.1% in a like-to-like basis.

HOCHTIEF AG

	AMERICA			ASIA PACIFIC			EUROPE			HOLDING		TOTAL		
MILLION EURO	2018	2019	VAR.	2018	2019	VAR.	2018	2019	VAR.	2018	2019	2018	2019	VAR.
Revenues	13,069	15,328	+17.3%	9,266	9,143	-1.3%	1,423	1,233	-13.3%	125	148	23,882	25,852	+8.2%
EBITDA	375	398	+6.2%	1,209	1,334	+10.3%	116	97	-16.5%	(14)	64	1,686	1,893	+12.3%
Margin	2.9%	2.6%		13.1%	14.6%		8.2%	7.9%	+0.0%			7.1%	7.3%	
EBIT	317	318	+0.3%	735	755	+2.7%	60	32	-47.5%	(17)	61	1,095	1,165	+6.4%
Margin	2.4%	2.1%		7.9%	8.3%		4.2%	2.6%				4.6%	4.5%	
Net Financial Results	(20)	(8)		(116)	(132)		(14)	10		59	16	(91)	(114)	
Equity Method	0	0		0	0		0	0		0	0	0	0	
Other Results & Fixed Assets	0	(0)		(1)	6		6	12		(30)	(2)	(25)	16	
EBT (ex BICC)	297	310	+4.2%	618	629	+1.8%	52	54	+3.8%	12	75	979	1,067	+9.0%
Taxes	(60)	(51)		(189)	(185)		(13)	(9)		4	(13)	(259)	(258)	
Minorities	(48)	(46)		(130)	(137)		0	1		0	0	(177)	(182)	
Net Profit (ex BICC)	190	212	+12.1%	299	307	+2.9%	39	45	+15.3%	15	62	543	627	+15.5%
Non recurrent net impact (BICC)	-	-		-	(833)		-	-		-	-	-	(833)	
Reported Net Profit	190	212		299	(526)	n.a.	39	45	+15.3%	15	62	543	(206)	n.a.

Amongst HOCHTIEF's different areas of activity, it is worth highlighting:

- The growth in America where revenues went up by 17.3%, and a 10% currency adjusted. Operating margin evolution reflected the greater contribution from the Construction Management business. Net profit rose by 12.1%.
- In Europe, the positive revenues trend is a consequence of a selective policy in the new tender bids. Net Profit continued its good performance shown during the last periods.

▪ Revenues in Asia Pacific (CIMIC) remained stable in local currency. Net profit, excluding the impact from BICC's provisions, increased by 307 million euro, growing by 2.9%.

▪ Corporation Net Profit included Abertis' net contribution in the period from HOCHTIEF's stake, amounting to 122 million euro. Once minority interests were deducted, its net contribution to ACS stood at 62 million euro profit.



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BICC IMPACT ON ACS GROUP ACCOUNTS

On January 23 2020 ACS Group, through its listed companies, announced that it had completed an extensive strategic review of CIMIC's 45% financial investment in BIC Contracting (BICC), a company that operates in Middle East.

After thorough evaluation of all available options, CIMIC decided to exit the region and to focus its resources and capital allocation on

growth opportunities in its main core markets, provisioning all risks related to BICC.

The impact on CIMIC, HOCHTIEF and ACS Group consolidated balance sheets, respectively, are highlighted in the following chart:

NON RECURRENT IMPACT IN 2019 ACCOUNTS FROM STRATEGIC REVISION OF BICC IN CIMIC

MILLIONS OF LOCAL CURRENCY	CIMIC (A\$)	HOCHTIEF (€)	ACS Group (€)
Profit before tax (PBT)	(2,725)	(1,695)	(1,695)
Taxes	885	550	550
Profit after tax (PAT)	(1,840)	(1,145)	(1,145)
Minorities	0	(311)	(725)
Net Profit	(1,840)	(833)	(420)

Likewise, the impact on CIMIC's cash during 2019 amounted to 248 million euro and it is expected a net outflow of approximately 430 million euro during 2020.

CONCESSIONS

CONCESSIONS

MILLION EURO	2018	2019	Var.
Revenues	111	88	-20.9%
Iridium	111	88	
Abertis	-	-	
EBITDA	272	358	+31.8%
Iridium	61	52	
Abertis	211	306	
EBIT	257	341	+33.1%
Iridium	46	36	
Abertis	211	306	
Net Profit	184	255	+38.3%
Iridium	10	10	
Abertis	175	245	

Note: Concessions includes Iridium and Abertis' activity.

IRIDIUM

Canadian company Northeast Anthony Henday, the concessionary company of the Edmonton city ring road (Capital City link) in Alberta, Canada.

During the last quarter, ACS Group agreed on the sale of 74% of its capital which will have the totality of the stakes in six shadow-toll concessions which are: Cataluña. Eix Diagonal and Reus-Alcover; in Castilla La Mancha, Autovía de la Mancha; in Castilla y León, Autovía de los Pinares; in Navarra, Autovía del Pirineo; and in Galicia, Santiago-Brion.

Moreover, it sold 75% of its 50% stake in the concessionary company I-595 Express, LLC in Florida (USA) I 595 Toll Road, LLC, to the owner of the remaining 50%.

Iridium, apart from having a stake in these concessions, it continuous with the management and operation of assets, through operational, maintenance, and services contracts, with a significant presence in the administrative boards and in the daily management of concessions.

Meanwhile, during the period Iridium invested 91 million euro in highway concessions (SH288 in Texas and M11 in Ireland) as well as railway concessions (Ottawa light train).

ABERTIS

Abertis' contribution to ACS Group profit is recorded using the Equity Method and it is included as an operating item in EBITDA, with an impact at 2019 year-end of 306 million euro. During 2019 Abertis' contribution to the Group's Net profit amounted to 245 million euro, from which 184 million euro corresponded to ACS direct stake, and the remaining 62 million euro to the indirect stake through HOCHTIEF, once minority interests were deducted.

Abertis' highways performance in 2019 was positive due to the solid growth of traffic rates registered in Spain (+4.3%), France (1.0%).

On a like for like basis: revenues during the period increased 4%, EBITDA grew 7.6%, and Net Profit rose 9%.

- Abertis' strategic plan considers efficiency improvements which will lead to a 150 million euro cost reduction and investment in new assets in order to replace cash flows and diversify its geographical portfolio.

- In October, Abertis and GIC reached an agreement for the acquisition of the Red de Carreteras de Occidente (RCO) in Mexico, one of the largest highway operators in the country. It manages 5 concessions, with a total of 876 kilometres, located in the central-western

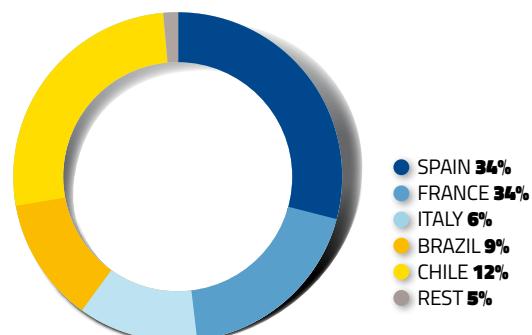
Mexican region. Abertis' estimated investment for the acquisition of its 50.1% stake is approximately 1,500 million euro.

ABERTIS

MILLION EURO	2019	Var. LFL*
Revenues	5,631	+4.2%
EBITDA	3,737	+7.6%
Net Profit	1,101	+9.0%
Net Debt	21,017	n.a.

*Like for like variation adjusted by FX and extraordinary results.

EBITDA BY COUNTRIES 2019



4.6. EVOLUTION OF INDUSTRIAL SERVICES AREA

Revenues in Industrial Services accounted for 6,530 million euro, increasing by 2.3%.

Operating results grew in line with revenues, resulting in stable margins based on business diversification, considering both geography and area of activity.

Net profit accounted for 600 million euro, 84.8% higher versus the prior year thanks to capital

gains derived from the sale of PV plants to Galp in Spain, which increased up to 250 million euro. Not considering this non-recurrent impact, Industrial Services Net Profit grew 7.8% in comparable terms.

This growth is backed by the boost in the renewable energy business, namely in Spain, which offset the termination of several projects in the Middle East and the decline of the Mexican activity.

INDUSTRIAL SERVICES

MILLION EURO	2018	2019	Var.
Revenues	6,385	6,530	+2,3%
EBITDA	675	693	+2,7%
Margin	10.6%	10.6%	
EBIT	593	594	+0,2%
Margin	9.3%	9.1%	
Net Profit	325	600	+84,8%
Margin	5.1%	9.2%	
Backlog	9,845	9,924	+0,8%
Months	19	18	



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REVENUES PER GEOGRAPHICAL AREAS					REVENUES PER GEOGRAPHICAL AREAS					
MILLION EURO	2018	% weight	2019	% weight	Var.	dec-18	% weight	dec.-19	% weight	Var.
Spain	2,369	37.1%	2,612	40.0%	+10.2%	2,513	25.5%	2,531	25.5%	+0.7%
Rest of Europe	383	6.0%	430	6.6%	+12.3%	618	6.3%	615	6.2%	-0.6%
North America	1,124	17.6%	1,102	16.9%	-1.9%	1,602	16.3%	1,412	14.2%	-11.9%
South America	1,525	23.9%	1,796	27.5%	+17.8%	4,038	41.0%	3,729	37.6%	-7.6%
Asia Pacific	640	10.0%	368	5.6%	-42.4%	739	7.5%	960	9.7%	+30.0%
Africa	345	5.4%	222	3.4%	-35.5%	335	3.4%	677	6.8%	+102.0%
TOTAL	6,385	100%	6,530	100%	+2.3%	9,845	100%	9,924	100%	+0.8%

REVENUES BREAKDOWN BY ACTIVITY				BACKLOG PER ACTIVITY			
MILLION EURO	dec.-18	dec.-19	Var.	MILLION EURO	dec.-18	dec.-19	Var.
Support Services	3,794	3,714	-2.1%	Support Services	5,165	5,339	+3.4%
Networks	661	680	+2.8%	Networks	528	628	+18.8%
Specialized Products	2,211	2,125	-3.9%	Specialized Products	3,261	3,323	+1.9%
Control Systems	921	909	-1.3%	Control Systems	1,376	1,388	+0.9%
EPC Projects	2,573	2,783	+8.1%	EPC Projects	4,638	4,534	-2.3%
Renewable Energy: Generation	23	42	n.s.	Renewable Energy: Generation	41	51	n.a
Consolidation Adjustments	(5)	(9)					
TOTAL	6,385	6,530	+2.3%	TOTAL BACKLOG	9,845	9,924	+0.8%
International	4,016	3,919	-2.4%	International	7,331	7,393	+0.8%
% over total revenues	62.9%	60.0%		% over total backlog	74.5%	74.5%	

Backlog grew by 0.8% up to 9,924 million euro. International Backlog represented 74.5% of the total.

Backlog in Africa grew due to power and industrial plants as well as in Asia Pacific underpinned by

the award of new PV plants in Japan, offsetting Mexico's backlog. On its side, contracting activities in Mexico during the last months have evolved positively showing a real increase (adjusted by exchange rate) of 31.4%.

4.7. EVOLUTION OF SERVICES AREA

Revenues in Services increased by 5.0%, growing both in the domestic and international markets.

EBITDA accounted for 94 million euro, growing by 7.7%. EBIT increased by 1.4% up to 57 million euro.

Services Backlog reached 2,863 million euro, decreasing 5.5% equivalent to over 22 months of production. This is due to strong awards obtained in 2018 in the local market.

SERVICES

MILLION EURO	2018	2019	Var.
Revenues	1,505	1,579	+5.0%
EBITDA	87	94	+7.7%
<i>Margin</i>	5.8%	5.9%	
EBIT	56	57	+1.4%
<i>Margin</i>	3.7%	3.6%	
Net Profit	37	38	+3.3%
<i>Margin</i>	2.5%	2.4%	
Backlog	3,028	2,863	-5.5%
<i>Months</i>	24	22	

REVENUES PER GEOGRAPHICAL AREAS

MILLION EURO	2018	2019	Var.
Spain	1,406	1,463	+4.1%
United Kingdom	76	92	+21.9%
Portugal	22	23	+4.5%
TOTAL	1,505	1,579	+5.0%

BACKLOG PER GEOGRAPHICAL AREAS

MILLION EURO	dec.-18	dec.-19	Var.
Spain	2,805	2,600	-7.3%
United Kingdom	137	186	+35.9%
Portugal	87	77	-11.4%
TOTAL	3,028	2,863	-5.5%



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5. CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

- 5.0. ACS GROUP BUSINESS MODEL**
- 5.1. ENVIRONMENT**
- 5.2. PEOPLE IN THE ACS GROUP**
- 5.3. OCCUPATIONAL HEALTH AND SAFETY**
- 5.4. REGULATORY COMPLIANCE**
- 5.5. MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS**
- 5.6. CONTRIBUTION TO SOCIETY**
- 5.7. SUPPLIERS AND CONTRACTORS**
- 5.8. COMMITMENT OF QUALITY TO THE CUSTOMER**
- 5.9. TAX INFORMATION**
- 5.10. INNOVATION**
- 5.11. LIST OF CONTENTS OF THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT**



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5.0. ACS GROUP BUSINESS MODEL

The ACS Group is a reference in the global infrastructure construction sector. This sector contributes greatly to the economic and social development of the various regions of the world in an increasingly competitive, demanding and global market.

The main areas of the Group are divided into the following:

a) Infrastructure

This area includes Construction and Concessions activities through the companies Dragados, HOCHTIEF (including CIMIC), Iridium and participation in Abertis and is oriented to the realization of all kinds of civil works and construction projects as well as activities related to the mining sector (carried out by CIMIC, mainly in Asia Pacific), and the development and operation of transportation concessions. The geographical regions with the greatest exposure in this area are North America, Asia Pacific and Europe, mainly operating in developed and secure markets at the geopolitical, macroeconomic and legal levels.

b) Industrial Services

The area is dedicated to applied industrial engineering, developing construction, maintenance and operation activities of energy, industrial and mobility infrastructures through a large group of companies headed by the Cobra Group and Dragados Industrial. This area is present in over 50 countries, with a predominant position in the Mexican and Spanish markets although with growth in new Asian and Latin American countries.

c) Services

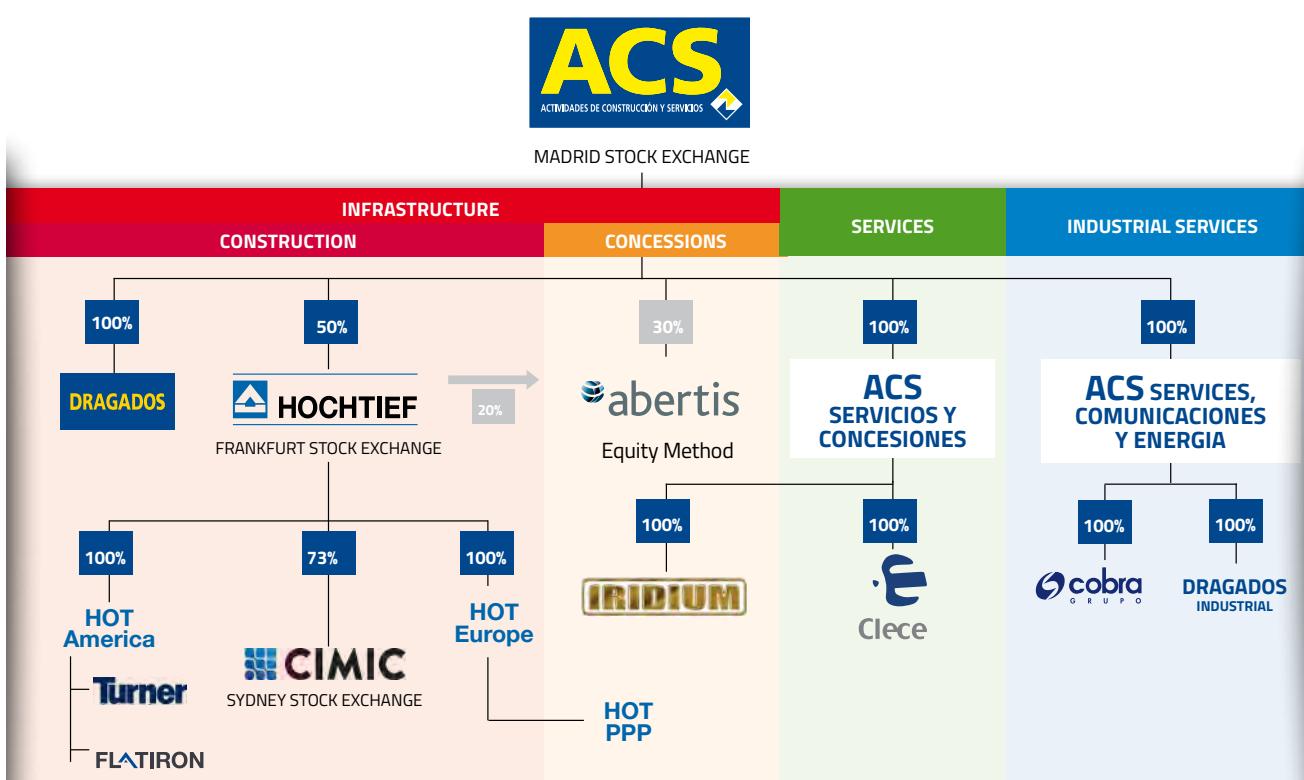
This area only comprises the activity of Clece, which offers comprehensive maintenance services for buildings, public places and organizations, as well as assistance to individuals. This area is mainly based in Spain, although it has early growth in the European market as well.



2.1.3. A global Group committed to the economic and social progress of the countries where it carries out its activity



3. The ACS Group's activities



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5.0.1. STRATEGY AND TRENDS

In this context of operational decentralization, the Group's strategy focuses on the shared values and culture of the Group by all companies. Each operates autonomously, individually providing a multitude of valid and cost-effective management formulas thanks to the multiple factors involved in their decisions that generate independent knowledge and best practices.

In particular, ACS Group's Corporate Social Responsibility effort brings together the contributions of many companies that define their policies independently and manage their resources as efficiently as possible, always guided by the common principles and objectives defined in ACS Group's Corporate Social Responsibility Policy, adopted on February 26, 2016, which sets out the basic and specific principles of action in this area, as well as in the Group's relationship with its environment, while also pursuing non-financial matters in the objectives defined in Plan 20-20.

Within the Group's commitment to transparency, throughout this point in the Consolidated Non-Financial Information Statement, the description of the group's policies on non-financial issues as well as the results of those policies, including key indicators, will be presented. In order to maintain maximum rigor and transparency, this document has been prepared in accordance with the requirements of the international reporting standards, as well as the new Global Reporting Initiative (GRI) standards. The associated content have been verified by an independent third party under ISAE 3000.

Thus, the contents of the report have been selected on the basis of a previous analysis in which the most relevant issues have been identified for the company and its main stakeholders. This analysis has also identified the main factors and trends that may affect the evolution of the Group's activity, as well as the main associated risks.

The detailed findings of this analysis can be found in point 7.2. In summary, according to this analysis, the scenario for the future in which ACS will carry out its activity in the coming years will be marked by the following factors:

- Increasing demand for infrastructure.
- Digitization and data management.
- Geopolitical changes.
- Circular economy.
- Population growth and urbanization.
- New financing models.
- Digitization and data management.
- Increased size and complexity of projects.
- Climate change and decarbonization.
- New financing models.



2.4. How does it respond to the challenges and opportunities in the sector.



7.2. Identification of relevant issues

5.0.2. RISKS

In terms of risk management, ACS Group is active in different sectors, countries and socio-economic and legal environments that present exposure to different levels of risk inherent to the businesses in which it operates. The ACS Group's risk control system is based on a range of strategic and operational actions to mitigate these risks and meet the objectives set by the Board of Directors. The Corporation is responsible for the definition of the basic guidelines, in order to homogenize the operating criteria in each of the divisions to ensure an adequate level of internal control. It is the societies and divisions that make up the Group that are responsible for developing the necessary and appropriate internal regulations so that, depending on the peculiarities of their activity, they implement internal control to guarantee their optimum level.

In this regard, the Board of Directors of the Group's parent company has established a set

of appropriate policies and controls to prevent corruption and other irregular practices, as well as for the identification, evaluation, management and control of risks and potential associated impacts, with the highest involvement of the Audit Committee, responsible for monitoring both the effectiveness of internal control and internal audit, and for ensuring the rigorous implementation of established policies and controls.

Without prejudice to the responsibility of the Board of Directors, the Audit Committee ensures compliance with the company's transparency obligations and especially so that the information included in this Non-Financial Information Statement (NFIS) and Corporate Governance Annual Report (CGAR), is sufficient for the market and investors to understand the scope and importance of the corresponding facts and risks in the matter of Non-Financial Information.



2.5. With efficient risk management

Specifically in relation to non-financial risks, according to the materiality analysis carried out, risks have been detected according to the

[102-44], [102-47]

relevance that they may have for carrying out their company's activity.



MATERIAL ASPECT	RISKS RELATED
Development and talent of diversity	Risks related to talent management (turnover, low employee satisfaction, etc.) and diversity (inequality, discrimination, wage gap, etc.)
Zero accidents objective	Risks related to the safety and health of employees (accidents, occupational diseases, etc.)
Ethical and responsible companies	Risks related to ethics and integrity (corruption, money laundering, lack of transparency, questionable lobbying activities, etc.)
Responsible supply chain	Risks related to the supply chain (for example, due to not having sufficient control over suppliers in social and environmental matters).
Tools and new financing models	Risks derived from adapting to new financing models (new regulatory contexts, new sustainable financing frameworks, etc.)
The climate: a global concern	Climatic risks (physical, regulatory, market)
Responsibility with local communities	Risks related to local communities (opposition of the communities to the development of projects, negative perception of the management carried out by the company)
Efficient management of resources	Shortage of natural resources and need to adapt to a circular economy
Resilient and socially responsible infrastructures	Derived risks related to the adaptation of infrastructures to extreme climatic events and / or to social changes
Protection of Human Rights	Risks related to human rights



7.2. Identification of relevant issues

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5.0.3 EVOLUTION OF INDICATORS RELEVANT TO THE NON-FINANCIAL MANAGEMENT OF THE ACS GROUP

In accordance with Act 11/2018, this Non-Financial Information Statement contains the information necessary to understand the evolution, results and situation of the group, and the impact of its activity on at least environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as those related to personnel, including

measures which, where appropriate, have been taken to promote the principle of equal treatment and equal opportunities for women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility. The following is a summary table of the evolution of some indicators relevant to the management of the ACS Group presented throughout this report:

EVOLUTION OF RELEVANT INDICATORS OF THE NFIS

ENVIRONMENTAL ISSUES	2018	2019
Percentage of its sales covered by the ISO 14001 Certification	76%	76%
Hazardous waste (tn)	42,717	130,279
Non-hazardous waste (tn)	17,310,934	12,403,694
Scope 1 emissions (tCO ²)	3,073,384	3,002,654
Scope 2 emissions (tCO ²)	265,501	279,435
Scope 3 emissions (tCO ²)	3,029,134	2,700,413
Total energy consumption (MWh)	11,610,126	12,111,859
Consumption of electricity from renewable sources	23,771	58,399
SOCIAL AND PERSONNEL ISSUES	2018	2019
December 31 workforce	195,461	190,431
% of male staff	61.2%	58.5%
% of female staff	38.8%	41.5%
% of graduates and students with diplomas	18.0%	17.0%
% of non-graduate line personnel and administrators	17.4%	19.7%
% of other staff	64.6%	63.3%
% of fixed contracts	57.1%	65.4%
% of temporary contracts	42.9%	34.6%
Number of women in management positions	10,203	10,903
% of employees in centers covered by equality plans	74.1%	89.2%
% of employees in centers with Universal Accessibility	78.0%	85.4%
Employees belonging to vulnerable groups	9,422	10,013
Teaching hours provided	2,573,804	2,990,789
Employees participating in training activities	95,800	111,383
Investment in training per employee (over total trained employees) (euro)	347.9	311.1
Percentage of total employees covered by OHSAS18001 certification (Occupational Health and Safety)	90.1%	91.3%
Percentage of the total number of employees who have received at least one occupational health and safety course during their professional career	99.7%	99.2%
Investment in occupational health and safety per employee (euro/employee)	795.5	778.1
Frequency Index	11.12	10.46
Severity Rate	0.30	0.33
Incidence Rate	20.98	20.84

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EVOLUTION OF RELEVANT INDICATORS OF THE NFIS

ETHICAL, HUMAN RIGHTS, SOCIAL CONTRIBUTION ISSUES

Number of employees trained in Human Rights, Ethics, Integrity or Conduct during the year or other Compliance policies and procedures	53,340	67,260
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Number of courses delivered in Human Rights, Ethics, Integrity or Conduct during the year or other Compliance policies and procedures	896	1,833
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Funds earmarked for Social Action (million euro)	12.2	13.1
--	------	------

OTHER INFORMATION ON THE COMPANY

Companies with formal supplier/sub-contractor approval systems	98%	99%
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Average weighted percentage of expenses of sustainability-related factors (environmental, ethical and social criteria) above the total factors used in approval systems	19%	33%
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Frequency Index (contractors)	3.01	2.91
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Severity Rate (contractors)	0.10	0.10
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Percentage of sales derived from ISO 9001 certified activities (%)	58.4%	55.0%
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Investments and expenses of the Quality Department or those earmarked for improvements in quality management processes on sales (excluding personnel expenses, euro/million euro in billing)	2.2	2.4
--	-----	-----

Number of quality audits performed for every million euro in billing	0.03	0.32
--	------	------

R&D investment (euro/million euro of revenue) (1)	30.8	37.8
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(1) Scope of 30.5% of revenues.

The scope of the information included in this NFIS is shown specifically for each indicator in point 7.3.3. Given the Group's size and diversification (both geographical and sectoral), there may be changes in the information reported from the previous year resulting from changes in scope or perimeter (see Annex 7.3.3.) or changes in the reporting form to suit both national and international requirements. To the extent possible, the information reflected in this Non-Financial

Information Statement has been organized in such a way that stakeholders can interpret the changes made by the ACS Group with respect to previous financial years. For the sake of comparability of data, where possible, certain data from 2018 has been recalculated with the same scope as the one reported in 2019. In indicators where it has not been possible to recalculate the data retroactively, the data historically reported have been presented for information purposes.



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5.1. ENVIRONMENT



Degree of implementation of environmental management systems in ACS Group companies (expressed in % of revenues)	2018	2019
Implementation of ISO 14001 certification	76.40%	75.55%
Implementation of other environmental certifications	19.86%	22.40%

The ACS Group combines its business objectives with the protection of the environment and the proper management of its stakeholders' expectations in this area according to the company's strategic lines.

The ACS Group continuously monitors environmental developments that may be of relevance to the company, so that the internal frameworks for action are up to date and based on an analysis of the latest internationally recognized agreements and standards for integration when they are relevant and acceptable to the Group. Thus, the environmental actions of the ACS Group and the principles of the ACS Environmental Policy are aligned with and inspired by the best practices and sources, such as:

- Resolutions and agreements on climate change such as the Paris Agreement, reached at the 21st Climate Conference (COP21) establishing the global plan of action to limit global warming to under 2°C.
- The Sustainable Development Goals (SDGs), which were adopted in 2015 and which frame the Agenda 2030 in the adoption of measures to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.
- The United Nations Global Compact, which embodies corporate commitment in ten principles relating to human rights, labor, the environment and corruption.
- Elements of environmental strategy, management, and performance evaluated by initiatives driven by the investment community, such as the Carbon Disclosure Project and the Dow Jones Sustainability Index.
- Natural Capital Protocol, a reference framework for organizations in the identification, measurement and valuation of impacts and dependencies with natural capital.

ACS's Environmental Policy defines the general principles to follow, which are flexible enough to accommodate the policy and planning elements developed by companies in the different business areas, and comply with the requirements of the latest version of ISO 14001, as well as other commitments made by companies with other environmental regulations such as EMAS, or those relating to the carbon and water footprint. Within this Policy, the following commitments are established:

1. Compliance with applicable laws and regulations in general, as well as other commitments voluntarily entered into in each of the Offices, Delegations, Projects, Works and Services developed by the ACS Group.
2. Pollution prevention, based on the assessment of potential risks to the environment at each stage of the project, work or service, with the aim of designing processes to minimize the environmental impact as much as possible.
3. Continuous improvement in the management of their environmental performance, through the establishment and monitoring of environmental objectives.
4. Transparency in external communication, through the periodic publication of environmental performance information to all stakeholders, meeting their demands and expectations, either by regulatory compliance or on a voluntary basis.
5. Training and awareness-raising through teaching and education activities for employees, suppliers, customers and other stakeholders.

In order to articulate and implement a policy on these environmental commitments, an identification and evaluation of the most significant environmental impacts is carried out and contrasted with each company's management systems and environmental priorities for each business. For each of these priorities, key objectives and indicators are set for monitoring environmental performance, as well as improvement programs and action plans by the company or group of companies.

During 2019, 75.6% of ACS Group revenues were certified according to ISO 14001, while 22.4% were certified through other systems. All of these certifications are based on the precautionary principle. Environmental management systems are also verified by an external third party in companies representing 99.17% of the Group's revenues and 2,090 environmental audits were carried out in 2019.

Taking into account the environmental impacts identified, the main environmental measures of

ACS Group companies will focus in a concrete and operational manner on four areas of action.

1. Energy and emissions (including climate change issues).
2. Circular economy.
3. Efficient and responsible use of water resources.
4. Biodiversity.

The following points will cover in detail the impacts of ACS' activity in these four areas of action, the main management indicators and measures for the prevention and mitigation of these effects.



Environmental Policy
of the ACS

5.1.1. EMISSIONS: POLLUTION AND CLIMATE CHANGE

CO₂ emissions by areas of activity (TCO₂eq)	2016	2017	2018	2019
ACS GROUP TOTAL	7,019,256	5,933,726	6,368,019	5,982,501
Scope 1	2,104,164	2,436,364	3,073,384	3,002,654
Scope 2	242,506	371,274	265,501	279,435
Scope 3**	4,672,586	3,126,088	3,029,134	2,700,413
Emissions intensity (total emissions/revenues)	240	179	182	158
INFRASTRUCTURE: TOTAL EMISSIONS	6,910,850	5,817,105	6,217,424	5,815,314
Scope 1	2,045,914	2,374,760	2,976,395	2,892,764
Scope 2	219,263	339,916	232,939	236,521
Scope 3***	4,645,673	3,102,429	3,008,090	2,686,028
Emissions intensity (total emissions/revenues)	313.6	226.5	224.9	194.9
INDUSTRIAL SERVICES: TOTAL EMISSIONS	85,583	92,842	124,777	149,095
Scope 1	44,326	47,766	80,574	95,467
Scope 2	16,430	24,807	27,249	42,238
Scope 3***	24,827	20,269	16,954	11,391
Emissions intensity (total emissions/revenues)	14.8	15.4	20.9	23.2
SERVICES: TOTAL EMISSIONS	20,737	23,779	25,819	18,093
Scope 1	13,924	13,838	16,416	14,423
Scope 2	6,813	6,551	5,313	676
Scope 3***	nd	3,390	4,090	2,994
Emissions intensity (total emissions/revenues)	14.7	16.4	17.9	11.7

* 2017 Data Scope 2 recalculated according to the 2018/2019 criteria

** Scope 3 emissions include those calculated by employee travel. Also, HOCHTIEF and CIMIC include the emissions calculated for the supply chain (cement, wood, waste and steel). In 2017-2019, Scope 3 emissions included Clece's travel data.

*** In Infrastructure, the scope has increased, including in 2018-2019 the data from Dragados USA and Dragados Canada.

**** In Industrial Services, the increase in 2018 is due to the fact that Scope 1 emissions included for the first time data from Cobra companies in Colombia, and Scope 2 includes for the first time the electricity consumption of Cobra's division in Peru.

***** The reduction of Scope 2 emissions in Clece is due to the purchase of guaranteed renewable energy sources.



The conversion factors provided by Defra (Department for Environment, Food & Rural Affairs) for the different types of fuels included in the report have been taken as a general reference for the calculation of Scope 1 emissions. For Scope 2, the conversion factors provided by the International Energy Agency for the different geographical areas are taken as a general reference. In Scope 3, the conversion of employee travel is calculated using Defra conversion factors for each type of transport as a reference.

Climate change implies the need to change production and consumption patterns in order to mitigate the physical and transition risks arising from the same. This requires the involvement of States and enterprises, which must work together and in a harmonized manner. In this regard, the ACS Group aims to contribute to the transition to a low-carbon economy including the promotion of climate change adaptation and mitigation

measures in the context of its various business activities. In 2019, the ACS Group reduced its emissions in the 2016-2019 period, both in absolute and relative terms (based on sales). ACS Group companies have undertaken initiatives in 2019 to reduce CO₂ emissions, with an estimated emissions savings of 25,419.61 tCO₂ in initiatives such as the supply of electricity through renewable energies with guarantee of origin or the substitution and replacement of vehicles.

On the other hand, pollution control at the local level is particularly relevant to ensuring the well-being of the communities in which the Group operates. To this end, ACS is committed to minimizing emissions beyond greenhouse gas emissions, taking into account other polluting gases (NO_x, SO_x, substances that affect the Ozone Layer), noise emissions and other possible disturbances resulting from the activity, such as light pollution.



In short, the activity of the ACS Group in this area is governed by the following basic principles of action:

- Considering and evaluating the impacts on climate change from its activities, products and services.
- Avoiding or minimizing energy consumption and the emission of greenhouse gases generated by its activities.
- Setting greenhouse gas emission reduction targets aligned with the latest trends and standards.

- Avoiding or minimizing the pollution generated by its activities, through atmospheric and noise emissions as well as vibrations and light pollution.

- Establishing mechanisms for managing energy use and emissions to objectively measure performance and decision-making.
- Identifying opportunities for the promotion of environmentally friendly products and services, adapted to the potential impacts of climate change and contributing to the transition to a low-carbon economy.

REAL-TIME MONITORING OF NOISE POLLUTION AT THE MT. PLEASANT (THIESS) MINE

The Mount Pleasant mine is located near Muswellbrook in New South Wales, Australia. The site has strict operating conditions for noise management due to the proximity of the mine to the local community.

To manage these challenges, Thiess, who has the operation contract for the mine, uses on-board

fleet management technology and noise pollution monitoring devices to identify in real time the main sources of noise. The weather forecast is also used to predict adverse weather conditions that may affect noise levels. This type of noise monitoring allows Thiess to respond quickly to high noise levels, minimizing community impacts and maintaining productivity and compliance.



The overall responsibility for the climate change strategy in the Group rests with the ACS Board of Directors, which approves and monitors policy development to minimize the impact in this area, which each of the companies of the ACS Group will prepare and develop according to their type of activity and geographical area, but always following the basic principles defined in the Group's Environmental Policy.

In particular, the Audit Committee of the ACS Group is responsible for the follow-up of internal regulations, which includes the Corporate Social Responsibility Policy and Environmental Policy, as well as risk

management, which is therefore responsible for monitoring aspects related to climate change.

During 2019, the Group has begun the adaptation to report on climate change risk and opportunity information in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) as well as to establish quantitative reduction targets for future reports. Currently, the reduction targets are those set out in the Plan 20-20 which define the reduction in intensity of Scope 1 and Scope 2 emissions below those obtained in 2015, objective which is currently in progress.

INITIATIVES AT CLECE FOR THE USE OF RENEWABLE ENERGIES

Within the sustainability strategy developed by the Clece Group, one of the strategic pillars is the commitment to renewable energies. Thus, in 2019, the Clece Group has proceeded to purchase energy with 100% renewable guarantees, and photovoltaic plants have also been developed on

the roofs of buildings managed by the Group. In this way, in 2019, Clece has reduced Scope 2 emissions by over 80%, through the purchase of more than 90% of its electricity with 100% guarantees. By 2020, the target is 100% of renewable energy.

In the following strategic plan, the Group is working on the definition of consolidated quantitative reduction targets in this area. However, at the individual level, different companies in the Group already have defined quantitative targets. For example, this year Turner has set the target of reducing its greenhouse gas emissions in operations by 50% by 2030, and Clece, which has set a 20% green fleet target and a 100% target for 2020 to purchase renewable energy with a guarantee of origin.

The main risks of climate change identified, along with management systems, are detailed in point 5.1.5.

As for opportunities, the ACS Group has consolidated experience in the promotion of environmentally friendly products and services, adapted to the potential impacts of climate change and contributing to the transition to a low-carbon economy. Thus, during 2019, through Hochtief, the projects managed in Green Building and Green Infrastructure reached approximately 8,000 million euro in 2019 (compared to 8,200 million in 2018).

While at Dragados, sales of sustainable-certified construction projects have risen from 13% in 2018 to 15% in 2019. The construction of Green Building buildings helps to reduce emissions, both in the implementation phase of the project (which is carried out with sustainable materials, works contracts at the regional level, etc.) and during its subsequent operation, since, according to a study by the U.S. Department of Energy³, LEED-certified buildings consume 25% less energy and 11% less water than conventional buildings. The Green Building Council of Australia indicated in a study⁴ that Green Star-certified buildings decrease greenhouse gas emissions by 62% and water consumption by 51%. Moreover, the ACS Group has a consolidated position in the area of renewable energy. In 2019, the Group had a portfolio of energy promotion projects of over 6,200 MW, of which 3,200 MW correspond to photovoltaic plants and 3,000 MW to wind farms. In addition, the ACS Group is developing energy efficiency services and other related services that allow reducing emissions for both the Group and customers, as well as the development of innovation projects focused on emission reduction.

³ Source: "Re-assessing GreenBuilding Performance," September 2011.

⁴ Source: "The Value of Green Star," 2013.

COMPENSATION OF A PART OF THE CARBON FOOTPRINT THROUGH REFORESTATION PROJECTS IN SPAIN (VIAS)

For its commitment to the environment, and in particular in the fight against Climate Change, VIAS has renewed its registration in the National Carbon Footprint, Offsetting and CO₂ Absorption Projects Registry promoted by the Spanish Office of Climate Change (OECC), an agency under the Ministry for Ecological Transition (MITECO).

In addition this year, it is contributing to Sustainable Development Goal (SDG) No. 13: "CLIMATE ACTION," promoted by the United Nations (UN).

VIAS has offset part of its greenhouse gas (GHG) emissions through the REFO-RESTA PHASE V absorption project, registered in "Section b" of the Carbon Footprint, Offsetting and CO₂ Absorption Projects Registry, based on the creation of a forest, through the reforestation of an area devoid of trees (12.77 ha), with native species (*Quercus ilex*, *Quercus faginea*, *Pinus nigra*, *Pinus pinea*, *Prunus amygdalus*, *Crataegus monogyna*) that act as a CO₂ sink in the Municipal Region of Santa María del Campo (Burgos).

5.1.2. CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT

ACS Group	2016	2017	2018*	2019
Non-hazardous waste (t)	2,877,029	9,345,697	17,310,934	12,403,694
Hazardous waste (t)	50,888	130,882	42,717	130,279
Infrastructure				
Non-hazardous waste (t)	2,826,402	9,254,776	17,246,428	12,197,573
Hazardous waste (t)	49,255	130,052	39,172	96,456
Industrial Services				
Non-hazardous waste (t)	50,599	90,821	53,749	188,139
Hazardous waste (t)**	1,618	766	3,473	33,604
Services				
Non-hazardous waste (t)	28	99	10,757	17,982
Hazardous waste (t)	15	63	72	220

* In 2018, Hochtief's non-hazardous waste increased from 8,806,189 tons to 14,538,068 tons, mainly due to the increase in large tunnel projects in HOCHTIEF Asia Pacific that produce large quantities of extracted material. Much of this material is used for purposes such as filling in other construction projects. This ratio decreased again in 2019 to 9,995,340 tons as it is an indicator closely linked to the type of projects and phases of those developed. In any case, Hochtief always maintains a reuse and recycling approach with 81.3% of the waste recycled in 2019.

** In 2019, the increase in non-hazardous waste comes mainly from 29,730 tons resulting from the start of operations, drilling and construction of different oil projects in Ecuador.

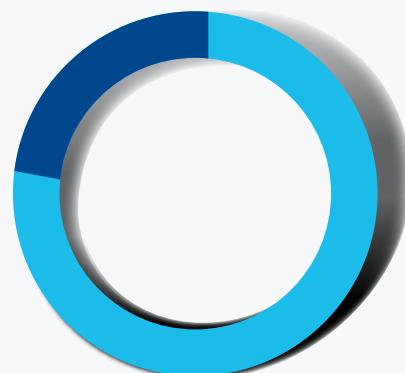
Through its activities, the ACS Group intends to collaborate in implementing a new non-linear economy, based on the principle of Life Cycle Analysis (LCA) of products, services, waste, materials, water and energy. For this purpose, it will always take into account solutions already consolidated over the last decades such as ecodesign and waste prevention, management and recycling, as well as new solutions that are being developed.

Waste management in the ACS Group is always aimed at minimizing the waste generated, both in quantity and in terms of hazardousness, giving priority to recycling and reuse over other management options, and for energy recovery as a preferred choice against landfills.

Waste is managed according to the regulations in force in each country. The facilities have the corresponding authorizations of producers of hazardous waste, which allow its registration, inventory, storage and management. The non-hazardous waste generated is reused at the place of production or collected by a manager authorized for treatment, recycling or recovery, or, failing that, for disposal in controlled deposits.

Therefore, of all the non-hazardous solid waste managed by the Group only 2,616,894 tons⁵ are deposited in landfills, accounting for only 21.1% of total non-hazardous waste.

BREAKDOWN OF NON-HAZARDOUS WASTE BY DISPOSAL METHOD (2019)



- REUSE AND RECYCLING 79%
- LANDFILL 21%
- RECOVERY 0%
- COMPOSTING 0%
- INCINERATION 0%

⁵ Data scope: 97.08% of 2019 sales.

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LIFE REPOLYUSE PROJECT (TECSA)

TECSA has participated since November 2017 in the LIFE REPOLYUSE – "REcovery of POLYurethane for reUSE in eco-efficient materials" (LIFE16 ENV/ES/000254) project, funded by the European Commission and coordinated by the University of Burgos (UBU) together with the companies Yesiforma Europa S.L. and Exergy Ltd., work that has continued during 2019.

The main objective of the LIFE REPOLYUSE project is to increase the reuse of polyurethane waste currently managed as inert waste or recovered

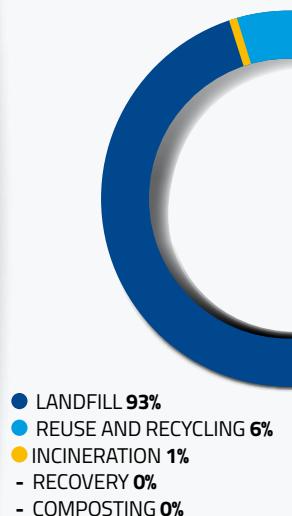
by techniques that are not environmentally sustainable. In particular, more than 3.5 million tons of polyurethane are used in Europe each year, generating about 675,000 tons/year of polyurethane waste. The vast majority (68%) of this waste material goes to landfill.

The product has been developed and is currently implemented in both the TECSA work in Miñano (Álava) and Coventry to assess its characteristics and the energy and environmental improvements obtained from it.

The ACS Group also generates other hazardous or regulated waste to be treated respectively by an authorized hazardous waste manager or by an Integrated Management System (IMS). Hazardous waste is generally delivered to authorized managers, in accordance with the legislation in force, 6.2% of which is recycled or reused⁶. During 2019, ACS Group companies have transported 0.00% of total hazardous waste internationally.

6 Data scope: 97.12% of 2019 sales.

BREAKDOWN OF HAZARDOUS WASTE BY DISPOSAL METHOD (2019)



5.1.3. SUSTAINABLE USE OF RESOURCES

The ACS Group considers resource consumption efficiency to be a priority, since an effective strategy implies two-fold benefits. On the one hand, the environmental impact is reduced, and, on the other, the cost required for the purchase or treatment of the same is reduced.

Energy consumption

Energy is one of the main resources used by ACS Group companies. The Group's energy

consumption is influenced by the weight of the works carried out during the year, because given the Group's strong diversification, there are activities with greater energy intensity. The different companies of the ACS Group are undertaking different initiatives in favor of conservation and efficiency, as well as the use of renewable energy sources. In this way, during 2019, electricity from renewable energy within the Group amounted to 58,398,873 kWh.

Energy consumption (kWh)	2016	2017	2018	2019
ACS Group total	8,870,912,749	10,004,884,493	11,610,279,907	12,112,391,096
Infrastructure	8,550,026,489	9,640,622,364	11,182,742,491	11,608,561,851
Industrial Services	235,766,578	280,709,711	357,895,503	395,390,917
Services	85,119,682	83,552,418	69,641,912	62,394,922
Energy Intensity of the ACS Group (kWh/million euro from Sales)	303,700	301,914	331,062	320,473

* In Infrastructure, the scope has increased, including in 2018-2019 the data from Dragados USA and Dragados Canada. In Industrial Services, the increase in 2018 is due to the fact that Scope 1 emissions included for the first time data from Cobra companies in Colombia, and Scope 2 includes for the first time the electricity consumption of Cobra's division in Peru.

ECOLOGICAL FLEET (CLECE)

During 2019, Clece has proceeded to replace its fleet with ECO-labeled vehicles (electric-, hybrid- and natural gas-driven), obtaining the recognition of an Ecological Fleet granted by the Spanish

Association of Fleet Managers along with IDEA. In 2019, this fleet of ECO vehicles was 209, which represents 6% of the total. Clece's goal for 2020 is to increase its ecological fleet to 20%.

GREEN ZONE PROJECT (TURNER)

During the last nine years, Turner has analyzed the environmental and health and safety situation in its offices internally. In this way, it presents projects to reduce the environmental impact of its operations, minimizing operational costs through energy and water efficiency and reducing material consumption, and providing a healthier

and more productive work environment for Turner staff. Examples of initiatives developed include the use of recycled paper, automatic light control systems and encouraging car sharing. In 2019, 258 projects (195 in 2018) were submitted to this initiative, of which 142 obtained the Greenzone certificate (140 in 2018).



Efficient use of water resources

Efficient use of water resources	2016	2017	2018	2019
ACS GROUP TOTAL				
Total water extraction (m ³)	8,422,032.3	11,335,050.8	12,733,662.7	26,537,292.2
Wastewater discharges (m ³)	15,340,485.1	23,662,287.1	25,519,321.3	26,680,060.0
Volume of reused or recycled water (m ³)	5,428,101.7	4,055,132.3	2,413,263.5	5,900,503.2
Ratio: m ³ of water/revenues (million euro)	460.1	532.2	359.5	702.1
INFRASTRUCTURE				
Total water extraction (m ³)	8,206,803.0	10,491,793.6	11,866,714.8	21,180,411.1
Wastewater discharges (m ³)	808,495.5	635,925.3	255,359.2	855,571.3
Volume of reused or recycled water (m ³)	5,427,801.7	4,055,132.3	2,413,263.5	5,459,465.2
Ratio: m ³ of water/revenues (million euro)	737.2	757.9	424.2	709.9
INDUSTRIAL SERVICES				
Total water extraction (m ³)*	215,229.3	198,207.2	235,219.5	4,594,989.4
Wastewater discharges (m ³)	14,531,989.6	23,026,361.8	25,263,962.1	25,824,488.7
Volume of reused or recycled water (m ³)	300.0	0.0	0.0	441,038.0
Ratio: m ³ of water/revenues (million euro)	37.3	33.0	39.2	716.5
SERVICES				
Total water extraction (m ³)	0.0	645,050.0	631,750.6	761,891.7
Wastewater discharges (m ³)	0.0	0.0	0.0	0.0
Volume of reused or recycled water (m ³)	0.0	0.0	0.0	11,825.0
Ratio: m ³ of water/revenues (million euro)	0.0	446.2	437.8	492.2

*Water extraction is shown excluding water collected by Tedagua for desalination and purification processes, since this water is a collection of seawater or wastewater, which is returned to the environment in better condition. Thus, in 2016, the water treated by Tedagua was 31,638,607 m³; in 2017, it included 48,895,516 m³; in 2018, it was 44,768,989 m³; and in 2019, it was 415,050,343 m³ since it includes the treatment plant in Taboada. For wastewater discharges, it includes the part of Tedagua which corresponds to the discharge process derived from the desalination process. In the companies of the Dragados Group and Industrial Services in the 2016–2017 period, the discharged water is excluded.

**In 2019, the increase in water catchment from Construction is mainly due to HOCHTIEF Asia Pacific, which went from 8,886,852 m³ to 17,791,227 m³ in 2019. This was because of the drought in Australia, which led to an increase in water use for dust suppression in the mining business of Australia. In Industrial Services, the increase in water catchment in 2019 comes from Mexico. On the one hand, this was from the business of oil activities by increasing consumption, mainly from renewable energy projects that had hydrostatic and leak tests typical of the phase started during 2019, this required an increase in water consumption volumes.

The activities carried out by the ACS Group are associated with significant water consumption, especially in the area of construction. In this regard, the company recognizes the need to reduce the consumption of this natural resource, especially in areas of high water stress.

The ACS Group has adequate measurement systems (at the project, company and corporate level), which provide a detailed knowledge of the main sources of consumption, information that allows development of the most appropriate efficiency measures in each case. Therefore, in 2019, the origin of the catchment and discharge was identified, which amounted to 97.12% of the total water consumption of the ACS Group, broken down as follows:

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

ACS Group water breakdown (extraction/discharge)		2019
Total water extracted (m³)		26,537,292
Volume of extracted surface water (rivers, wetlands, lakes) (m ³)		12,392,434
Volume of water collected from wells and groundwater (m ³)		7,519,736
Volume of water collected from rainwater (m ³)		49,268
Volume of collected water corresponding to third-party wastewater or external sources (m ³)		1,056,978
Volume of water extracted from the municipal network or other private or public sources (m ³)		5,511,009
Volume of water extracted corresponding to seawater (m ³)		7,867
Total water discharged by the company during the year (m³)		17,398,593
Volume of water discharged above ground (m ³)		16,219,452
Volume of water discharged into groundwater sources (m ³)		213,007
Discharged water leading to marine water sources (m ³)		4,003
Water discharged to municipal networks, treatment plants or public and private services (m ³)		963,051
Consumption (m³)		9,138,699

* Excluding the water collected / discharged by Tedagua for the desalination and purification processes, since this water is a collection of seawater or wastewater, which is returned to the environment in better condition.

It should be noted that the Group also carries out comprehensive control of the quality of the waters that pour into the natural environment, to ensure that discharges do not produce significant problems, always complying with the provisions of the law.

In addition to responsibly managing the water resources, the ACS Group, through its Industrial Services activity, develops projects that contribute to improving water quality and ensuring access to drinking water, such as drinking water-producing plants, desalination plants and water treatment plants.

WATER TREATMENT (COBRA)

In addition to responsibly managing the water resources, the ACS Group, through its Industrial Services activity, fundamentally through the Tedagua affiliate of Cobra, develops projects that

contribute to improving water quality and ensuring access to drinking water, such as drinking water-producing plants, desalination plants and water treatment plants.

Name	% shareholding of ACS	Location	Status	m ³
Desalination plants				
Benisaf Water Company	51%	Algeria	Exploitation	200,000
Hydromanagement	80%	Spain	Exploitation	72,000
TAIF	50%	Saudi Arabia	In development	160,000
Al Hamra Water company	40%	United Arab Emirates	Construction	100,000
Caitan	50%	Chile	In development	86,400
Purification plants				
Purification plants of Lower Aragón	55%	Spain	Exploitation	7,325
SADEP	40%	Spain	Exploitation	10,030
SAPIR	50%	Spain	Exploitation	3,360
Taboada	100%	Peru	Exploitation	1,012,068
Provisur	100%	Peru	Under construction	35,610
WATER				1,686,793

TREATMENT OF WORK WASTE WITH TECHNOSOLS (DRAGADOS)

At Dragados España (Spain), the waste treatment of the materials from the excavation of the work with Technosols is carried out in order to avoid the hyperacidification of the runoff waters with possible mobilization of heavy metals, affecting the aquatic organisms, as well as the quality of the waters. Rather than the usual lime treatment, the materials are treated

with Technosols 'a la carte' with the intention of preventing or mitigating the negative effects that oxidation of sulphides causes on the environment. Technosols have been distributed at the base, in layers interspersed during the filling process, and in the coverage, to seal and facilitate the development of plants and organisms.

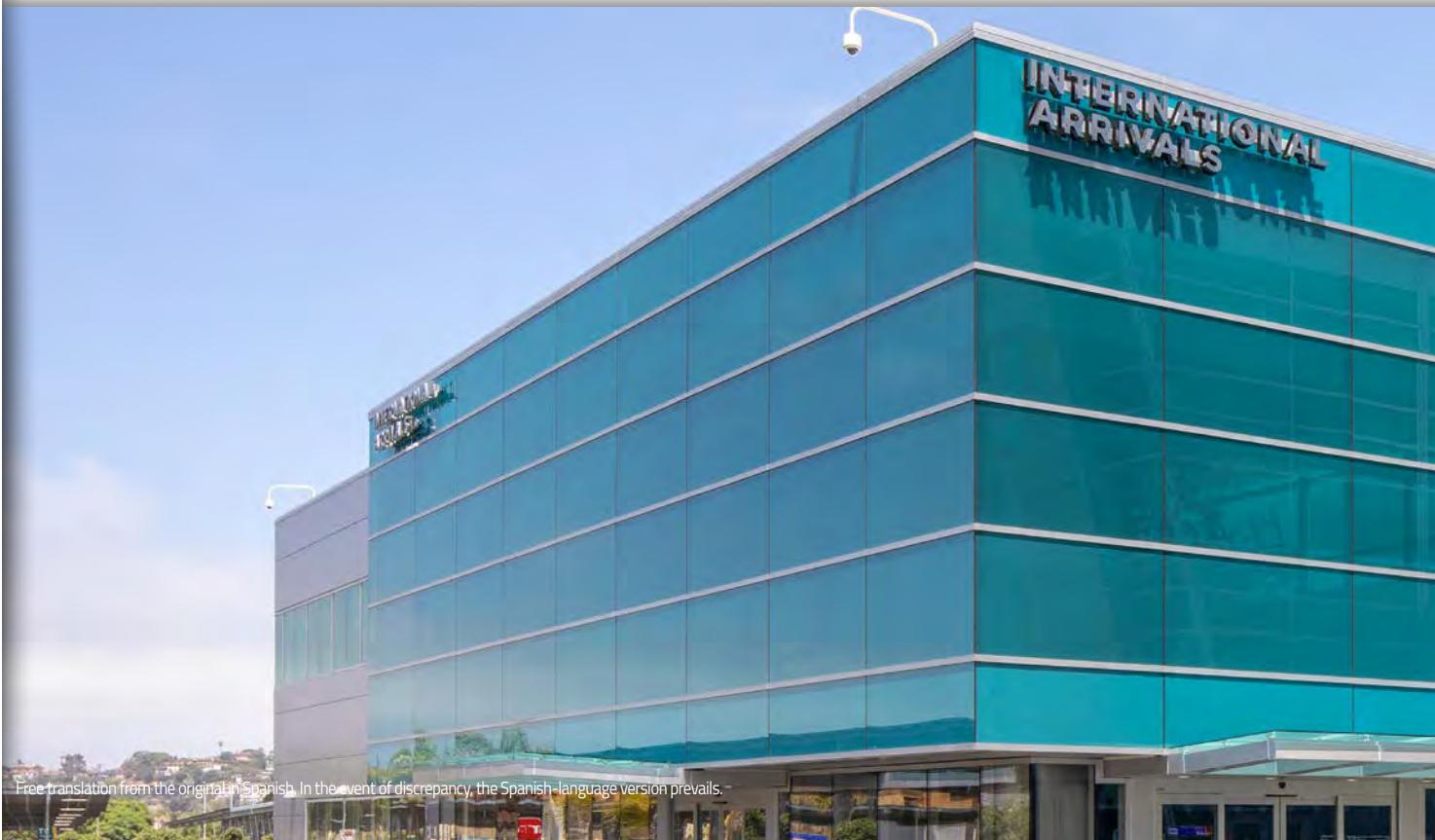
The function of the Technosols is as:

- Reducers.
- Acidity neutralizers, with high buffer capacity and low solubility.
- Absorbents of specific adsorption anions (mainly arsenates, phosphates, sulphates, fluorides, etc.) and heavy metals.
- Eutrophying capability (in the upper layers) to favor plant growth if deemed necessary.

Material consumption: Sustainable construction

The ACS Group specifically encourages the use of recycled and/or certified construction materials, providing the customer with these options at the time of deciding the materials to be used.

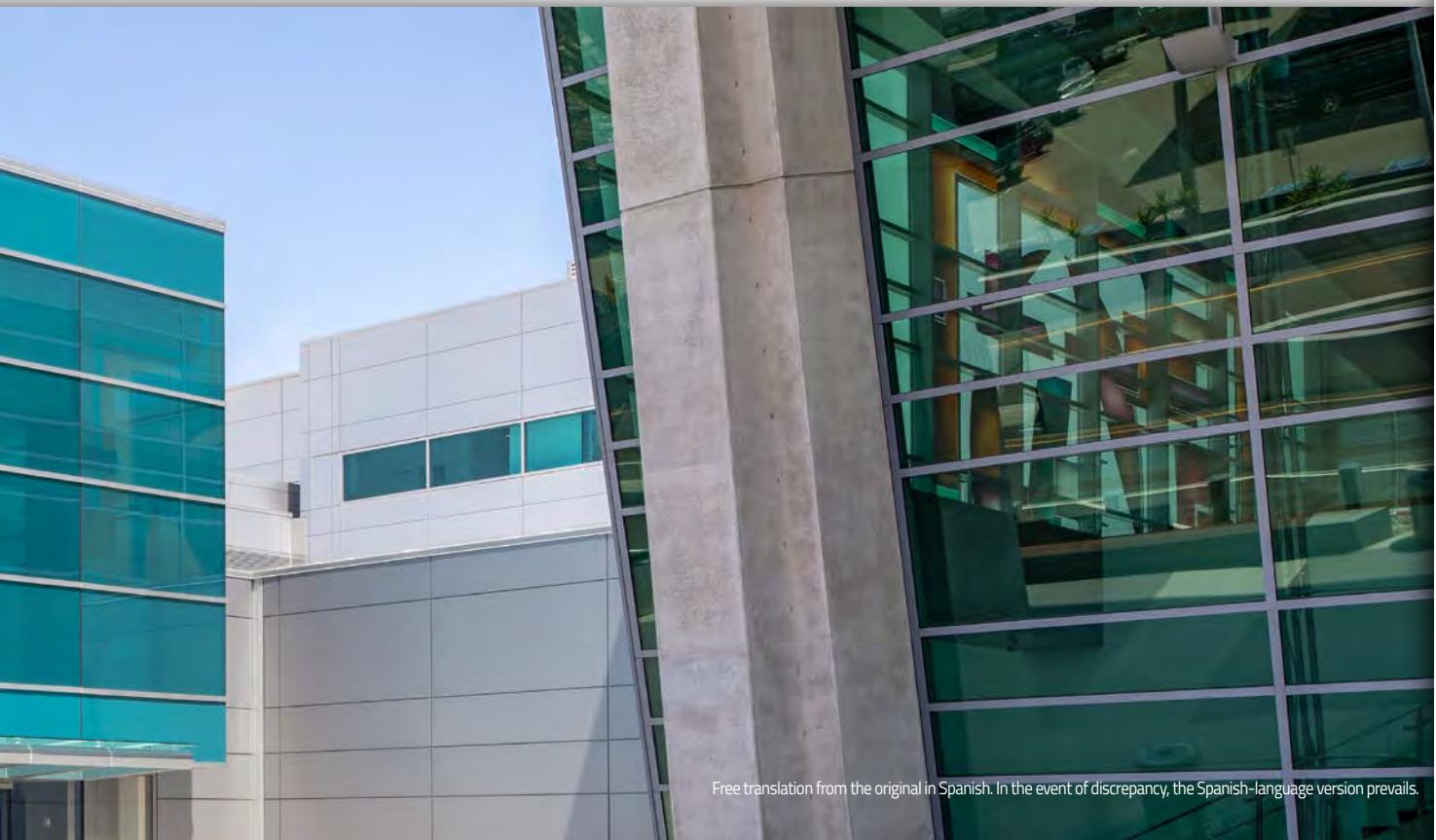
In order to encourage the use of sustainable materials among the Group's companies, it has a Construction Materials Policy that frames the guidelines and best practices in this area.



MATERIALS POLICY

The ACS group seeks to develop the following best practices in the process of recommending construction materials to customers in the tenders where they apply:

1. Propose a traceability analysis of 100% of the products used.
2. Have a record of suppliers offering recycled/certified products.
3. Reaffirm the importance of aspects such as durability and maintenance in selecting construction materials.
4. Inform about the characteristics of products that emit gases or contain harmful substances and about the life cycle of the products.
5. Always incorporate in the bid or tender the option of choosing certified wood, reporting on the environmental benefits of its use.
6. Always incorporate in the bid or tender the option to use concrete comprised of recycled aggregates, reporting on the environmental benefits of its use.
7. Detail the environmental characteristics of the proposed construction materials, such as the energy consumed by the machinery in its extraction or treatment, greenhouse gas emissions, etc.
8. Report on corporate waste management policy.
9. Report on waste management plans in projects, including the design phase.
10. Report on the specific targets for waste reduction, recycling and reuse. Construction Materials Policy
11. Report on the ongoing procedures for the recovery and recycling of construction materials by subcontractors.
12. Detail the training processes for staff and subcontractors in waste management techniques.
13. Detail the waste separation processes in the project facilities and works.
14. Active promotion of the sale of recycled by-products.



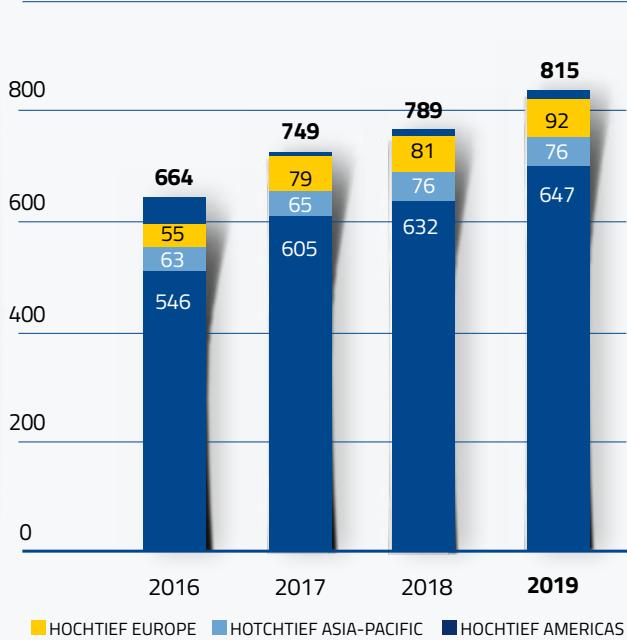
(301-1) Total materials used	2018	2019
Total wood purchased (m ³)	3,791,276	2,177,575
Total steel purchased (t)	724,758	610,057
Total concrete purchased (m ³)	5,252,592	6,107,430
Total glass purchased (m ²)	96,500	208,283

The building activity of the ACS Group, carried out mainly by HOCHTIEF and its subsidiaries, is carried out according to sustainable construction standards in its main operating environments.

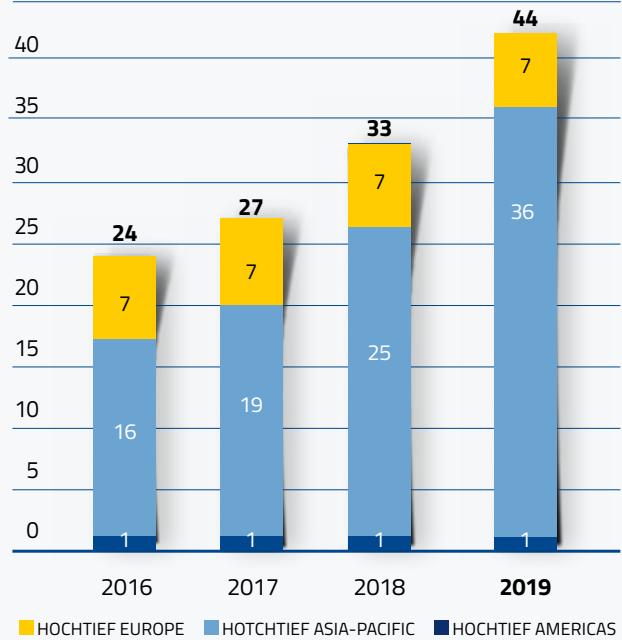
Since 2000, 815 Hochtief projects have been registered and certified according to different certifications in terms of efficient building.

At Turner, they mainly follow the LEED standard, while CIMIC uses the Australian Green Star Methodology of the GBCA (Green Building Council of Australia) as does LEED in its building activities. HOCHTIEF in Europe mainly follows the DGNB, LEED and BREEAM certifications. Since 2013, 44 projects have been certified in terms of efficient infrastructure (CEEQUAL, ISCA and Greenroads).

GREEN BUILDINGS EN HOCHTIEF*



GREEN INFRASTRUCTURE EN HOCHTIEF**



* Cumulative number (since 2000) of green buildings certified built by HOCHTIEF.

** Certified and registered green infrastructure (since 2013) number built by HOCHTIEF.

Likewise, In 2017, Dragados began to obtain certification for different LEED and BREEAM certified building projects. During the last two years, the objective has continued to be extended to infrastructure projects.

Additionally, in ACS Group companies, one of the fundamental pillars of the R&D area of construction

companies is the development of new projects using materials that help with the resilience of infrastructure and that allow coping with the increase in extreme weather changes resulting from change climate, as well as the reduction of these construction materials, along with their reuse and exploitation.

SOGUN PROJECT (DRAGADOS)

The R&D SOGUN project consists of the development of a geometric control system for the thickness of projecting concrete in tunnels. Shotcrete (concrete projection) in tunnels usually requires physical elements of reference, such as nails or pins and frames, whose use does not always follow structural requirements. This allows finding out the thickness of the shotcrete (projected concrete) in order to guarantee the necessary support in the tunnel.

SOGUN allows you to avoid the use of these elements of reference when your task is not structural and introduces the following advantages:

- Increased safety of site personnel by not having to place frames or pins in areas with material that is settling or does not have support.
- Saving the material of the frames or pins.
- This saves on the time needed to place the frames or pins, and allows the work cycle to be significantly accelerated.
- In addition, the system allows controlling any possible over-excavation enabling optimal use of the projected concrete (shotcrete).

The SOGUN system incorporates into a single piece of equipment a series of devices that allow scanning (measuring) the actual surface of the tunnel in a three-dimensional way, capturing hundreds of thousands of points from the tunnel surface per second, detecting deviations from the theoretical planes of the tunnel and showing or projecting the results of such comparison directly onto the tunnel surface with the necessary precision to facilitate the shotcreting. All of these tasks are performed in less than one minute, replacing the use of frames or pins when used for these purposes. This allows the operator of the shotcrete gun to know almost instantaneously the thicknesses necessary to reach a theoretical geometric section at each point in the tunnel.

The validation of the SOGUN system has been carried out in different work environments and it is currently being used in the Crosslinx work in Toronto. It is expected to be incorporated into other works and to launch another continuation project throughout 2020 to improve and enhance the capabilities of the current system.



SUSTAINABLE CONSTRUCTION AT DRAGADOS

The number of projects, both building and civil works, with some kind of sustainable certification is increasing year to year. Dragados' sales from sustainable-certified construction projects have risen from 13% in 2018 to 15% in 2019.

In addition to this increase was the award in 2019 of the contract for the new Euston high-speed subway station in London for High Speed Two Limited (HS2 Ltd.) to Dragados in a joint

venture with the local company Mace. The contract consists of the design, construction, start-up and completion of the new Euston station in the heart of the English capital. The project is expected to obtain the BREEAM certificate in the Excellent category.

During 2019, Dragados had a total of 21 works under execution with the LEED, BREEAM, ENVISION or CEEQUAL certification, with a budget of over 5,700 million euro.



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5.1.4. PROTECTION OF BIODIVERSITY

The activities of the ACS Group have impacts on the natural environment where the works are carried out. However, the company always tries to minimize the impact of its activities on biodiversity, especially when they take place in protected areas or places of high ecological value.

The Group therefore seeks in its operations to achieve a balance between development and conservation, in accordance with the following basic principles of action:

- Consider the initial value of ecosystems that may be significantly affected by activities, products and services.
- Assess the impact of activities, products and services on ecosystems.
- Apply the hierarchy of the mitigation of impacts on ecosystems through prevention, reduction, restoration and offsetting actions.
- Implementation of management plans in order to preserve or restore biodiversity in those activities or services that result in a significant impact on ecosystems.
- Establish non-performance criteria to avoid the development of activities or services in certain areas following criteria based on their intrinsic value or vulnerability. During 2019, the Group carried out activities on 169 hectares⁷ considered to be of high biological value, activities that have specific plans and objectives for specific minimization.

Thus, the implementation of measures for the conservation of flora and fauna is one of the environmental principles applied in the planning of operations. These measures are based on physical protection, transplanting or transferring, as well as respect for the life cycles of the plant and animal species affected. For example, in the work carried out by Dragados to extend the Rande Bridge (Galicia), after adult salamander specimens and many young animals were observed in the ditch of the North section, on the right side, it was decided to make ramps every 25-50 m to facilitate their passage through this ditch. Another example is in the activity carried out by Cobra in Mexico where, among other actions, five species of fauna (rattlesnake, milksnake, coypu, pond slider, armadillo) were rescued and relocated as well as an individual species of the Mammillaria mathildae plant and 134 individual species of the Manfreda plant.

The ACS Group carries out environmental impact studies, which seek to minimize the projects' potential adverse effects on the natural environment. Public participation in the approval procedures for these projects is guaranteed by the national and regional legislation of each country in which they are carried out. The company also has monitoring plans, which ensure compliance with preventive measures and reduce the impact of projects and processes that are not subject to environmental impact assessments. In addition, the Group also undertakes offsetting activities. During 2019, the ACS Group has carried out restoration, recovery and reforestation work on 977 hectares⁸.

⁷ Data scope: 81.58% of ACS Group sales.

⁸ Data scope: 91.60% of ACS Group sales.

REHABILITATION OF CIMIC MINING AREAS

The rehabilitation of affected areas is a key element of the treatment of biodiversity in the area of construction, infrastructure services and especially in mining activities. In this area, the rehabilitation and progressive recovery of affected areas is of particular importance, establishing erosion control,

soil recovery and replanting structures. CIMIC seeks to ensure that all affected areas are rehabilitated in a manner that is safe, stable and suitable for the subsequent uses agreed upon, such as agriculture, grazing or natural habitats.

Rehabilitation of CIMIC mining areas (hectares)	Erosion repair	Soil recovery	Replanting
Australia/Pacific	183.9	96	62.5
Asia/Africa/America	340.2	223.6	0
Total	524.1	319.6	62.5

5.1.5. RISK MANAGEMENT FOR ENVIRONMENTAL ISSUES

Among the functions assigned to the Audit Committee of the Group's Board of Directors are the review, follow-up and evaluation of the Company's Corporate Social Responsibility Policy and its practices, and is therefore responsible for overseeing the Group's Environmental Policy, which will be developed according to the characteristics and needs of each of the Group's companies. Thus, in the second instance, the responsibility to monitor the environmental performance of the ACS Group and to carry out the action plans and improvement programs is the responsibility of the Environment Division of each group of companies, as well as the adoption of the necessary measures to reduce and mitigate

the environmental impacts related to the Group's activities, always following the principles established in the Group's Environmental Policy.

In addition, according to the internal materiality analysis carried out, the risks have been prioritized according to the relevance that they can have for carrying out the company's activities, according to the type of activity, areas of action, policies and management approaches. The results obtained from this prioritization of potential risks for the development of environmental activity and the management measures taken by the ACS Group are shown in the table below:

SUBJECT	POTENTIAL RISKS	DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES	ASSOCIATED MANAGEMENT INDICATORS	APPLICABLE ACS GROUP POLICIES
Responsibility to local communities	The company's activities can result in risks from the opposition of communities to the development of projects or from the negative perception of the management carried out. This may jeopardize the Group's reputation and business license to operate	<ul style="list-style-type: none"> ▪ Promote proactive dialog with the community through the managers of the specific companies and projects. ▪ Develop all activities of the ACS Group in accordance with existing environmental legislation. 	<p>During 2019, there had been a significant violation of environmental legislation and regulations, considering significant those resulting in a fine of over 10,000 euro. Thus, CPB Contractor paid 184,434 euro (295,000 Australian dollars) in 2019 in compensation to the customer, Environmental Trust, for the WestConnex M5 project (more information on page 22 of the CIMIC annual report).</p> <p>Similarly, according to note 37 on the Environmental Information of the ACS Group's Annual Accounts for ACS Group companies, the environmental costs incurred in 2019 amounted to 1,904 thousand euro (1,970 thousand euro in 2018); and, according to note 20, within the provisions for responsibilities are provisions environmental, in which the provisions to cover the probable risks of environmental character that may occur, not having counted in 2019 any provision of this nature. Group companies manage environmental risk coverage through different systems depending of its activity and geographic area and according to its own environmental management systems.</p>	<ul style="list-style-type: none"> ▪ Environmental Policy. ▪ Corporate Social Responsibility Policy. ▪ Risk Control Policy.
Responsible supply chain	<p>The bad practices of a company's suppliers pose a potential risk that, if they occur, can diminish its ability to do business.</p> <p>It is necessary to assess the counterparty risks to which it is exposed and engage in constant improvement of its performance.</p>	<ul style="list-style-type: none"> ▪ Promote and encourage suppliers, contractors and collaborating companies to have their own Policy. In the event that they do not have their own policy on the matter, they must subscribe to the ACS Group's Environmental Policy. ▪ Encourage the implementation of non-financial criteria, including environmental criteria, in the approval of suppliers and the evaluation and establishment of mechanisms to detect bad practices in this field. ▪ Consider, in the hiring processes with third parties, the valuation criteria that take into account environmental performance as well as the implementation of contractual clauses where necessary. ▪ There are specific rules and a system for the management, classification, approval and risk control of suppliers and subcontractors. ▪ Existence of a Code of Conduct for Business Partners to which they must adhere and which specifically establishes the commitment of business partners to the environment. They are expected to have organizational and management models aligned with international best practices and standards, such as ISO 14001 on Environmental Management Systems. 	<p>Thus, in 2019, of the 140,242 direct suppliers the Group works with, 91.64% of them have accepted the ACS Group Code of Conduct by signature or a similar method.</p> <p>In these formal supplier approval systems, the weight of sustainability-related factors (environmental, ethical and social criteria) out of the total factors used for approval varies according to the activities and areas of action of the companies, but the weighted average percentage of these factors exceeded 30% in 2019.</p>	<ul style="list-style-type: none"> ▪ Environmental Policy. ▪ Code of Conduct for Business Partners.



SUBJECT	POTENTIAL RISKS	DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES	ASSOCIATED MANAGEMENT INDICATORS	APPLICABLE ACS GROUP POLICIES
Efficient resource management	Inefficient resource management can result in a significant increase in construction and management costs, negatively affecting agreements established with the customer. Similarly, the improper management of natural capital, in addition to having a direct impact on the ecosystems where it develops its activity, can cause reputational damage to the Group. On the contrary, responsible and sustainable resource management leads to cost savings for the company and an improved perception and legitimacy of the company.	<ul style="list-style-type: none"> ▪ Pursue continuous improvement in environmental matters, implementing an environmental management system that ensures policy compliance, goal setting and monitoring. ▪ Assessment of the potential risks to the environment at each stage of the project, work or service, with the aim of designing processes to minimize the environmental impact as much as possible. ▪ Increase the training and awareness of employees in environmental aspects. ▪ Promote actions aimed at raising awareness among customers and society as a whole. 	During 2019, 75.55% of the ACS Group's revenues were certified through ISO 14001, while 22.4% were certified through other systems. Environmental management systems are verified by an external third party in companies representing 99.17% of the Group's revenues and 2,090 environmental audits were carried out in 2019.	<ul style="list-style-type: none"> ▪ Environmental Policy. ▪ Corporate Social Responsibility Policy. ▪ Construction Materials Policy.
Climate: global concern	<p>The ACS Group faces physical risks arising from climate change (e.g. natural disasters), as well as transitional risks arising from regulatory changes (demanding green energy objectives, efficiency and emission reduction by governments), technological changes and new market preferences.</p> <p>In this regard, it is worth emphasizing the growing importance that stakeholders such as the investment community present in managing these risks and opportunities, due to their potential impact on the balance sheet.</p>	<ul style="list-style-type: none"> ▪ The Group's Environmental Policy and Plan 20-20 define the commitment and objectives of improving eco-efficiency and use of resources. ▪ The overall responsibility for the climate change strategy belongs to the Board of Directors through the Audit Committee responsible for tracking ACS Group's CSR Policy. Each company is responsible for carrying out an emissions inventory, identifying focal points and developing initiatives to reduce them. The Group offers its customers construction products and services that contribute to the development of a low-carbon economy. 	<p>Renewable energy consumption: 58,399.</p> <p>Total emissions decrease: -6.1%.</p> <p>Total emissions decrease/revenues: -12.8%.</p> <p>Development of business opportunities such as renewable and Green Building projects.</p> <p>During 2019, the ACS Group has begun the adaptation to report on risk and opportunity information in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) as well as to establish quantitative reduction targets for future reports.</p>	<ul style="list-style-type: none"> ▪ Environmental Policy. ▪ Corporate Social Responsibility Policy.
Resilient and socially responsible infrastructure	The increasing occurrence of extreme climate events, the scarcity of natural resources, the state and the social context of the territory are conditioning factors for the Group's activities. ACS must work on the design and implementation of resilient, sustainable and environmentally friendly infrastructure. It must develop projects that involve sustainable management of resources for the customer, responding to the growing demand.	<ul style="list-style-type: none"> ▪ The ACS Group, through its various activities, provides services that contribute to creating more efficient and sustainable infrastructures and cities – sustainable building, construction of public transportation systems, traffic management services, etc. ▪ ACS offers customers the use of recycled and/or certified construction materials. Hochtief, Turner, CIMIC and Dragados' projects comply with different sustainable building certifications, as well as CEEQUAL, ISCA and Greenroads in terms of efficient infrastructure. ▪ Additionally, in ACS Group companies, one of the fundamental pillars of the R&D area of construction companies is the development of new projects using materials that help with the resilience of infrastructure and that allow coping with the increase in extreme weather changes resulting from climate change, as well as the reduction of these construction materials, along with their reuse and exploitation. ▪ Development of biodiversity policies and environmental studies to minimize impacts on areas of activity. 	<p>Development of Green Building projects: 815 projects completed at Hochtief and 21 ongoing projects for Dragados in 2019.</p> <p>Innovation projects aimed at improving the resilience of the infrastructure and materials used (e.g., the Madame project by Dragados - chapter 5.10).</p> <p>Biodiversity: Recovery works on 977 hectares.</p>	<ul style="list-style-type: none"> ▪ Environmental Policy ▪ Corporate Social Responsibility Policy ▪ Construction Materials Policy.

5.2. PEOPLE IN THE ACS GROUP



The ACS Group's business success lies in the talent of its teams. Therefore, the company remains committed to continuously improving its skills, abilities and degree of responsibility and motivation, while at the same time taking care, with the utmost dedication, for working conditions and safety.

The ACS Group applies modern and efficient human resources management techniques with the aim of retaining the best professionals. The ACS Group

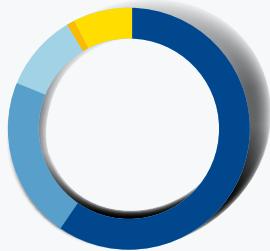
has different corporate policies to managing the people detailed to what throughout this chapter 5.2., also the management of personnel risks are discussed in the point 5.2.4. of this chapter. Although each company of the Group develops its own policies corporate human resources depending on their areas of activity and specific needs, some of the fundamental principles governing the corporate human resources policies of the Group companies are based on the following common actions:



- Recruiting, preserving, and motivating talented people.
- Promoting teamwork and quality control as tools to drive excellence in well-executed work.
- Acting quickly, encouraging the assumption of responsibilities and minimizing bureaucracy as much as possible.
- Supporting and increasing training and learning.
- Innovating to improve processes, products and services.

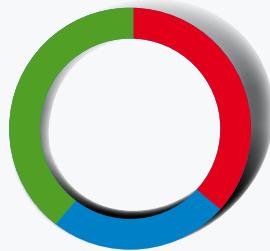
The ACS Group is an active advocate of human and labor rights recognized by various international bodies.

DISTRIBUTION OF STAFF BY GEOGRAPHICAL AREA



● EUROPE **60.6%**
● AMERICA **20.4%**
● ASIA **9.2%**
● AFRICA **0.4%**
● OCEANIA **9.4%**

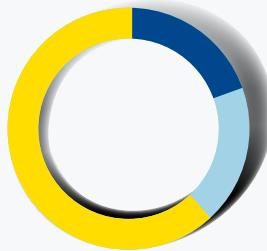
STAFF DISTRIBUTION BY BUSINESS SEGMENTS*



● INFRASTRUCTURE **34%**
● INDUSTRIAL SERVICES **34%**
● SERVICES **42%**

* Does not include the 53 employees of Corporation.

BREAKDOWN OF STAFF BY PROFESSIONAL CATEGORY



● GRADUATES AND PERSONNEL WITH DIPLOMAS **17%**
● NON-QUALIFIED TECHNICIANS AND ADMINISTRATION STAFF **20%**
● OTHER STAFF **63%**

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ACS GROUP STAFF AT THE END OF THE PERIOD

190,431



WOMEN

41.5%
THE ACS GROUP OVERALL

9,454

GRADUATES AND
PERSONNEL WITH
DIPLOMAS

2,322

EMPLOYEES WITH A
MANAGEMENT POSITION
(MANAGER OF A PROJECT/WORK OR SIMILAR TITLE AND HIGHER)

13,237

NON-QUALIFIED TECHNICIANS AND
ADMINISTRATION STAFF

146

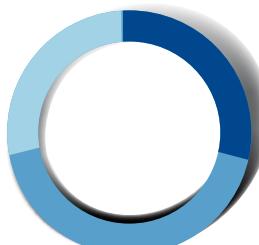
SENIOR MANAGEMENT
POSITIONS

11.5%
TOTAL
TURNOVER

8.6%
VOLUNTARY
TURNOVER

56,432
OTHER STAFF

BREAKDOWN OF STAFF BY AGE



- AGE <35 YEARS 25%
- AGE LOS 35-50 YEARS 43%
- AGE >50 YEARS 3%



MEN

58.5%

THE ACS GROUP OVERALL

22,986

GRADUATES AND
PERSONNEL WITH
DIPLOMAS

10,903

EMPLOYEES WITH A
MANAGEMENT POSITION
(MANAGER OF A PROJECT/WORK OR SIMILAR TITLE AND HIGHER)

24,210

NON-QUALIFIED TECHNICIANS AND
ADMINISTRATION STAFF

1,061

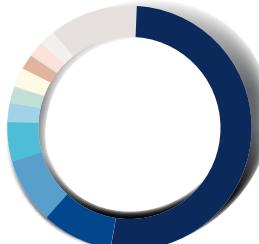
SENIOR MANAGEMENT
POSITIONS

27.2%
TOTAL
TURNOVER

12.4%
VOLUNTARY
TURNOVER

64,112
OTHER STAFF

DISTRIBUTION OF ACS GROUP EMPLOYEES BY COUNTRY



- SPAIN 53%
- AUSTRALIA 9%
- UNITED STATES 8%
- INDONESIA 5%
- GERMANY 2%
- BRAZIL 3%
- UK 3%
- PERU 2%
- CHILE 2%
- PORTUGAL 2%
- OTHER 12%

During 2019, the total turnover in the ACS Group was 20.8% (vs. 18.5% in 2018) and the voluntary turnover was 10.8% in 2019 (vs. 11.2% in 2018). The number of dismissals reported was 17,264 people, including those resulting from project terminations.

2019

	Men	Women	Total
Dismissals	15,715	1,549	17,264

2019

	Age <35 years	Age between 35-50 years	Age >50 years	Total
Dismissals	7,574	6,946	2,744	17,264

2019

	University graduates and personnel with diplomas	Non-qualified technicians and administration staff	Other staff	Total
Dismissals	1,654	3,907	11,703	17,264

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5.2.1. DIVERSITY AND EQUALITY

Within the basic principles contained in the Group's Code of Conduct, equal opportunities, non-discrimination and respect for human and labor rights are most notable. They are also crucial in promoting the professional and personal development of all ACS Group employees. The ACS Group also rejects discrimination on any grounds, and, in particular, on the basis of age, sex, religion, race, sexual orientation, nationality or disability.

In addition, during 2019, the ACS Group has continued to take different actions in line with its Diversity Policy, the purpose of which is to state, implement and develop the commitment of ACS and its Group to the diversity and inclusion of all kinds of groups and sensitivities in the different areas and levels of the Group, and to establish the guidelines and objectives that should preside over the Group's performance in matters of diversity.

Since the territorial implementation of the ACS Group is configured as a diverse and multicultural group, the incorporation of professionals of diverse profiles, including of different races, ethnicities, ages, nationalities, languages, education, abilities, religions and gender, will be maintained and promoted, all of which is a constant in the Group's everyday life. This Policy applies both to members of the administrative bodies and all other jobs. Within this Policy, it is stated that the companies of the ACS Group must take measures that, in accordance with their specific characteristics and circumstances, allow achieving the diversity objectives specified therein, generating a diverse and inclusive working environment. The Appointments Committee of ACS shall be responsible for monitoring and evaluating the implementation of this Diversity Policy. The breakdown of the different types of contract by gender, age and professional classification is shown below.

31-Dec-2019				Men	Women	Total
Fixed contracts				73,456	51,068	124,524
Temporary contracts				37,852	28,055	65,907
31-Dec-2019				Age <35 years	Age between 35-50 years	Age >50 years
Fixed contracts	27,457	52,101	44,965			124,524
Temporary contracts	19,909	30,245	15,754			65,907
31-Dec-2019				University graduates and personnel with diplomas	Non-qualified technicians and administration staff	Other staff
Fixed contracts	26,289	24,035	74,200			124,524
Temporary contracts	6,151	13,412	46,344			65,907
31-Dec-2019				Men	Women	Total
Full-time contracts				100,759	35,750	136,509
Part-time contracts				10,644	43,278	53,922
31-Dec-2019				Age <35 years	Age between 35-50 years	Age >50 years
Full-time contracts	36,957	61,678	37,874			136,509
Part-time contracts	10,406	20,687	22,829			53,922

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

31-Dec-2019

	University graduates and personnel with diplomas	Non-qualified technicians and administration staff	Other staff	Total
Full-time contracts	29,062	30,707	76,740	136,509
Part-time contracts	3,406	6,729	43,787	53,922

Specifically, the Appointments Committee will ensure that the procedures for the selection of Board Members favor diversity in respect of the above-mentioned issues and, in particular, that they

facilitate the selection of directors in a number that allows a balanced presence of women and men to be achieved. The total remuneration of the Board is shown in the table below.

Thousands of euro	2019 Number of Directors	Total remuneration for the 2018 financial year (*)	Total remuneration for the 2019 financial year	Variation
EXECUTIVE DIRECTORS⁽¹⁾	5	4,962	3,422	-31.0%
Fixed remuneration		1,472	1,494	1.5%
Variable remuneration ⁽²⁾		1,736	1,065	-38.7%
Contributions to long-term savings systems		1,748	857	-51.0%
Other items	6	7		n.a.
NON-EXECUTIVE DIRECTORS	12	244	244	0.1%
Women	3	185	185	0.0%
Men ⁽³⁾	9	264	264	0.1%

(1) The Executive Directors of the ACS Group are men.

(2) Includes short-term annual variable remuneration and long-term plans

(3) Excludes the remuneration of Mr. Manuel Delgado Solís in 2018 and 2019 due to his resignation in November 2019

* The amounts for the 2018 financial year correspond to the remuneration collected in that year.

The ACS Group Management Committee consists of 6 directors (all men) who in 2019 had an average annual remuneration of 2,880 thousand euro (vs. 3,855 thousand euro in 2018), including fixed and variable pay, and an average annual contribution to pension plans of 970 thousand euro (vs. 989 thousand euro in 2019).

The Group's commitment to diversity and equal opportunities is reflected in all areas of the enterprise. In terms of gender, companies representing 96.96% of the Group's employees have taken measures to promote equal treatment and equal opportunities for men and women, including 71.96% of the Group's employees who are covered by Equality Plans and in companies representing 99.69% of the Group's employees, there are protocols against sexual harassment.

Similarly, in Group companies representing 99.73% of the Group's employees, measures have been taken to ensure equal opportunities and to avoid discrimination in the selection processes of any job. In this respect, it should be noted that, over the past few years, the ACS Group has committed to the presence of women in the workplace and their professional development. Since 2012, the number of women in managerial positions has increased by 134%. Likewise, in companies representing 28.19% of the Group's employees, specific development programs have been implemented for the promotion of female talent, in which 2,112 employees of the Group participated during 2019.



GENDER EQUALITY PROGRAMS (CPB CONTRACTORS)

By creating a more diverse and inclusive workplace, CPB Contractors hopes to take advantage of a greater diversity of vision and experience that will ultimately generate better business outcomes. CPB Contractors is committed to meeting its goal in a meaningful way, increasing the number of women in its business and by 2020, it wants women to represent 30 percent of its workforce. To achieve this goal, CPB Contractors has revised its recruitment practices to encourage women to apply for selection processes.

Other initiatives include regular reviews of equality measures, as well as the implementation of training and mentoring programs specific to women to encourage and support women for promotion within the company. Important training programs are also being conducted to encourage equality, such as "Equal Employment Opportunity" and "Unconscious Bias".

MANAGEMENT SKILLS TRAINING PLAN (ETRA)

A Management Skills Training Plan, primarily aimed at women in the organization, has been developed with the following content:

1. Teamwork
2. Communication
3. Leadership
4. Negotiation
5. People Management
6. Planning
7. Emotional Intelligence

The ACS Group promotes equal opportunities and diversity policies of all its companies, encouraging the participation of its employees in initiatives and proposals in this direction. The Group also ensures that remuneration and retention policies are in accordance with these basic principles. In this regard, the ACS Group is conducting a preliminary study on wage equalization among all the companies in the Group. This has enabled an assessment of the average remuneration of over 190,000 employees within the ACS Group. As average remuneration, the average annual remuneration of ACS Group employees has been considered in terms of their base salary and other cash incentives. The consolidated data shows the weighted average broken down by gender, professional classification and age.

The wage differences detected are mainly due to the greater presence in activities such as Construction in countries with a higher per capita income, as well as typology, specialization, working time, seniority, risk factors and the location of the Group's different activities, ranging from high-altitude operators in the United States or mining in Australia, with high levels of danger and higher per capita incomes, to

the Services activity, whose staff is mainly located in Spain and whose activity is concentrated in cleaning services, home assistance and caring for the elderly with salaries regulated by the collective agreements of each activity.

This diversification of activities and distribution of employees in countries with different income levels is what justifies the differences found in the breakdown of the average remuneration table. Also in the evolution of wages, it is important to note that given the high geographical diversification of activities and types of contracts, it is very difficult to show a homogeneous evolution of wages and salaries in different years, given the changes in the weight that different countries/activities represent in the total, substantially modifying the composition of the total payroll year to year.

Thus, the ACS Group is undertaking a more detailed study on remuneration by contract types, country, gender, category, in order to study the possible wage gap in the various countries of the Group. In addition, it is deepening the commitment to equality which one of the ACS Group's basic principles of action.

Annual average remuneration (Euro)	2018		% difference of average salary for men/average salary for women	2019		% difference of average salary for men/average salary for women
	Men	Women		Men	Women	
Senior management and university graduates	79,326.2	63,156.3	-20.4%	80,583.6	67,031.1	-16.8%
Non-qualified technicians,similar positions and administration staff	40,921.3	33,407.0	-18.4%	49,268.6	34,678.5	-29.6%
Operators and other staff						
Infrastructure and Industrial Services	30,916.2	30,193.5	-2.3%	30,198.7	26,861.3	-11.1%
Services	14,261.0	13,486.5	-5.4%	14,583.9	13,717.6	-5.9%

* For the calculation of the average remuneration for both 2018 and 2019, the data for the year includes both the fixed and variable remuneration. In 2018 and 2019, the data coverage is approximately 95% of the Group's employees.

** In 2019, the integrated projects of Industrial Services in Spain increased significantly (47.2%), especially those related to photovoltaic project, with which the number of non-qualified technicians in projects of this type in Spain, a position carried out mainly by men and with salaries by specialization higher than those of administrative positions, has increased compared to 2018.

Annual average remuneration (Euro)	2018	2019
Age <35 years	25,606.7	27,912.5
Age between 35-50 years	32,451.1	33,873.3
Age >50 years	42,821.6	43,604.6

The ACS Group also understands the relevance of local roots and sensitivity toward the particularities of each territory for the success of the company. For this reason, it promotes the direct hiring of local employees and managers. The ACS Group is also strongly committed to the

labor integration of disabled persons and other vulnerable groups. To be specific, in 2019, the ACS Group employed 7,944 disabled people. In companies representing 85.40% of employees, there were systems to ensure universal accessibility for their employees as architectural.

LABOR INTEGRATION OF VULNERABLE GROUPS IN CLECE

Clece Social is the social project of the Clece Group. The expression of its commitment to people. A commitment understood not as a duty of the company or a strategy designed for social responsibility, but as something inherent to its origin and development: a company of people for people. Its objectives include promoting equal opportunities through the integration of people from disadvantaged groups, mainly people with disabilities, people at risk of social exclusion, women suffering from gender-based violence, victims of terrorism and long-term unemployed young people.

Thus, in 2019, 9,277 people, or 11.8% of the staff of the Clece Group, belong to one of these groups. This figure has increased by 5.5% compared to the previous year.

To achieve this goal, during this year, Clece has continued to work through collaboration agreements with over 350 non-profit institutions and organizations, as well as their own initiatives. In addition, from the support units, promoted by Clece's HR department and which are cross-disciplinary departments, they ensure the welfare of especially vulnerable workers, employees with disabilities, victims of gender-based violence or people from situations of social exclusion. These units collaborate and liaise with these types of workers and the departments in which they work to achieve optimal adaptation of the person to their job position and to help resolve any situation that they can. There are currently support units in Madrid, Barcelona and Seville that have made interventions with 358 workers.

LaboralMAD, an event organized by Clece in Madrid aimed at selecting people from vulnerable groups to work in the various services the company provides in the Community of Madrid, was held once again in June 2019. This event gave rise to hundreds of personal interviews with candidates interested in occupying one of the more than 1,500 posts offered in home help, residences and centers for the elderly, real estate cleaning services, maintenance, gardening, information and access control. Once again this year, the collaboration of about 40 public and private business entities in the project was notable. Its main work was the dissemination of the project among its affiliates and the prior labor intermediation with the candidates. Its involvement and work were key to LaboralMAD's success.

This year, the new concept "me lo llevo puesto" (took the job) was introduced. This made it possible that if a candidate was eligible for any of the positions on offer, they would be offered a pre-contract signed after the interview.

More than 15 selection technicians worked at the event that remained open for 10 hours per day for 3 days. Interviews (of about 15 min.) were covered at twelve tables that remained open constantly. 4 technicians specialized in disability supported the selection process.

The result was more than 1,500 interviews conducted over three days, with an average wait time of less than 5 minutes. 295 people "took the job" and signed a pre-contract on the spot.



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5.2.2. ORGANIZATION OF WORK AND SOCIAL RELATIONS

At the ACS Group, a work-family balance is encouraged. Thus, in companies representing 84.37% of the Group's employees, measures such as time flexibility, remote working, and a higher number of vacation days than those legally established have been introduced, as well as more days of paternity/maternity leave than those legally established, improved reduced hours according to the law, and time for breastfeeding,

among others. In 2019, this has allowed for the reinstatement of 85.88% of women after maternity leave and 97.03% of men.

This improvement in the organization of work and also the improvements related to safety and health, both mandatory and voluntary programs carried out by the company, have reduced the rate of absenteeism in recent years.

	2016	2017	2018	2019
Total number of days lost (due to absenteeism)	1,046,251	765,812	700,019	694,806
Percentage of days lost due to absenteeism	2.3%	1.5%	1.3%	1.3%
	2018	2019		
Total number of hours lost (due to absenteeism)			4,201,618	5,001,540

[102-41]

The company also encourages, respects and promotes the free exercise of freedom of association and the right of association of its workers. Thus in 2019, 10.1% of ACS Group employees were affiliated with trade union organizations and 70.9% were covered by collective bargaining agreements or by an independent union. By country, in companies whose head office is in Spain 91.6% are covered by collective bargaining agreements or by an independent union. 77.7% of employees have their parent company located in Germany, 22.6% of employees have their parent company located in Australia, and 19.8% of employees have their parent company in the United

States and Canada. As regards collective bargaining agreements with health and safety, in 2019, 80.84% of ACS Group workers are represented on formal joint health and safety committees for management and employees, and these cover 99.59% of health and safety issues.

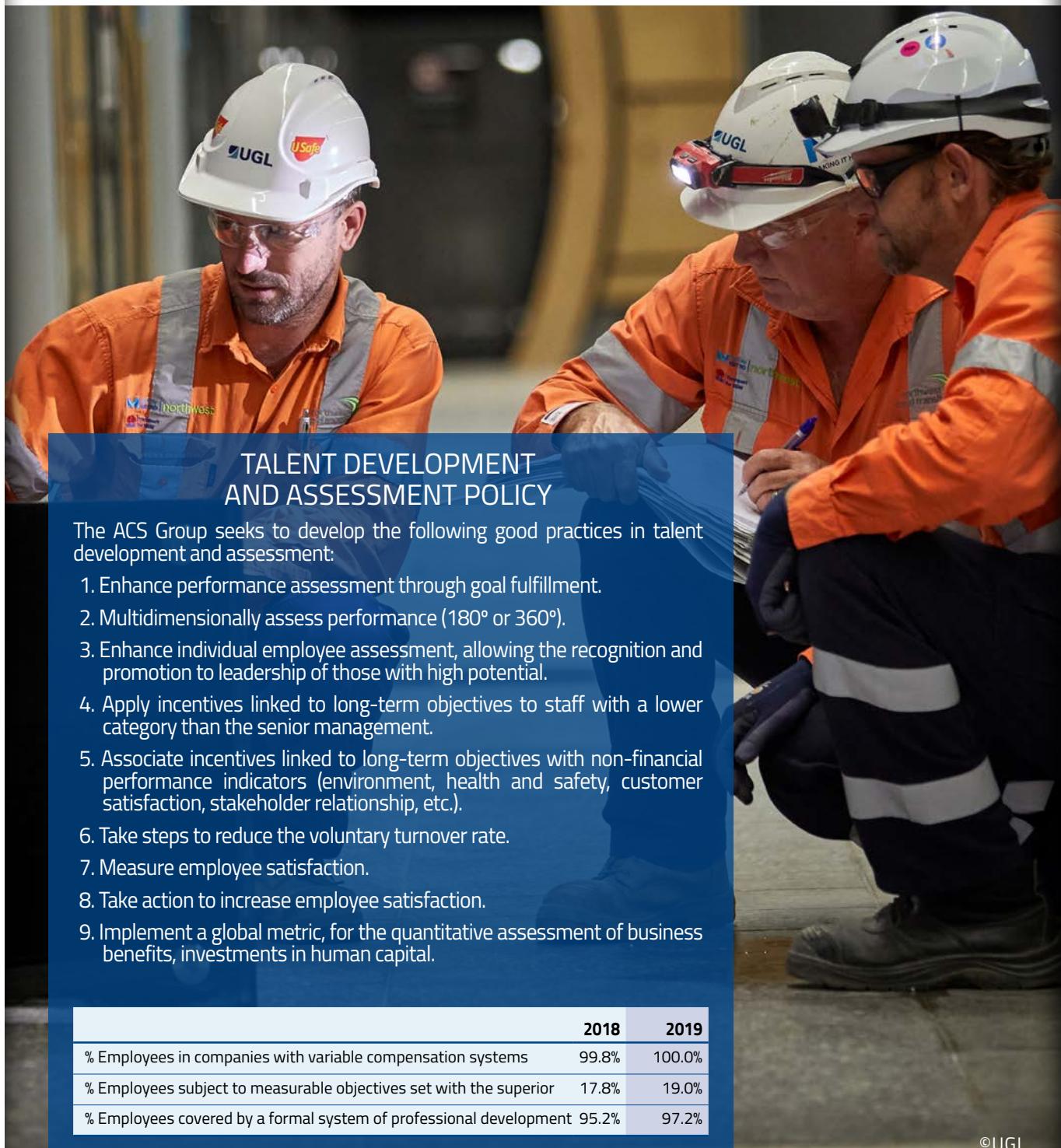
Furthermore, in addition to the relationship of the unions, the ACS Group offers formal channels of dialog for the relationship with workers, such as ethics channels. In most of the Group, there are minimum periods of notice for significant operational changes.

5.2.3. TALENT DEVELOPMENT

TRAINING: COMMITMENT TO PROFESSIONAL DEVELOPMENT

The ACS Group promotes the professional development of its workers. To this end, it has an employment policy that generates wealth in the areas where it operates.

Each company of the ACS Group manages the development of its professionals independently, adapting its needs to the specific characteristics of its activity, although they all serve the elements defined in the Talent Development and Assessment Policy:



TALENT DEVELOPMENT AND ASSESSMENT POLICY

The ACS Group seeks to develop the following good practices in talent development and assessment:

1. Enhance performance assessment through goal fulfillment.
2. Multidimensionally assess performance (180° or 360°).
3. Enhance individual employee assessment, allowing the recognition and promotion to leadership of those with high potential.
4. Apply incentives linked to long-term objectives to staff with a lower category than the senior management.
5. Associate incentives linked to long-term objectives with non-financial performance indicators (environment, health and safety, customer satisfaction, stakeholder relationship, etc.).
6. Take steps to reduce the voluntary turnover rate.
7. Measure employee satisfaction.
8. Take action to increase employee satisfaction.
9. Implement a global metric, for the quantitative assessment of business benefits, investments in human capital.

	2018	2019
% Employees in companies with variable compensation systems	99.8%	100.0%
% Employees subject to measurable objectives set with the superior	17.8%	19.0%
% Employees covered by a formal system of professional development	95.2%	97.2%

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DRAGADOS YOUNG TALENT PROGRAM

In an increasingly competitive international market in which talent search and retention is essential for business development, Dragados has once again this year committed to the incorporation of recently graduated young talent into its main construction projects, offering them the opportunity to learn and develop in this sector.

This program aims to guide these young people in their learning and development through experience in construction, training, mentoring and evaluation work aimed at obtaining information to identify and retain their talent based on their concerns.

For this reason, in 2019, 39 recent Civil Engineering (roads, canals and ports) graduates, and graduates in Business Administration and Industrial Engineering were incorporated into national projects with the aim of training them in the main areas and systems of the company. This training will enable them to acquire a global and comprehensive vision that is fundamental to their further development in Dragados' major national and international projects.

2014-2019 YOUNG TALENT PROMOTIONS

	National	International
Civil Engineers	69	27
Industrial Engineers	17	5
Business Administration	29	6
Architect	1	
Total	116	38

These technicians join the nearly 100 young participants in the program from previous editions who develop their career with us.

Since 2017, a coordinated project between the Human Resources Division of Dragados Spain, USA and Canada has been carried out to provide continuity at the international level to the young talent incorporation development program. The success achieved in this program in Spain since 2014 led to its rollout at the international level.

This has resulted in the involvement of the group's different American construction companies in this Plan. It is intended to encourage and promote young talent and offer them their first experience in the workplace.

The program called the "Engineering & Finance Development Program" now has more than 100 Engineers and 19 financiers, incorporated into North American construction companies. In 2019, 39 Engineers and 9 financiers have been incorporated. The plan consists of 3 years of training and monitoring where they receive courses from different areas and have a tutor who assesses and guides their performance. Practical training is obtained in the incorporation of the company's most significant works.

The company's interest in incorporating young graduates continues to be evident, providing them with projection and continuous development opportunities.



DRAGADOS EVALUATION AND TALENT PLAN

Dragados considers it essential to obtain information for the development and retention of domestic talent. For this reason, the project to evaluate incorporating young talent into the company, through the Dragados Young Talent Program, has continued during 2019.

The required profile is as follows: qualification in Civil Engineering (roads, canals and ports), graduates in Business Administration and Industrial Engineering, recently employable and with up to 4 years' experience, high level of English, learning potential and motivation to develop a career in the field of construction.

Currently, around 150 young talents are incorporated into large construction projects in Spain as well as in the rest of Europe, USA, Canada and South America. They are starting out or establishing themselves as great professionals in our company at the national and international levels, acquiring increasing responsibilities.

The aim of the evaluation is, on the one hand, to understand the professional situation of these workers in order to be able to respond to their professional concerns and expectations and, on the other hand, to identify the internal talent that, based on their attitudes and skills, will allow an employee to adjust to the internal needs of the company.

After conducting evaluations consisting of a questionnaire and individual interview with the worker and their professional manager/mentor, competency-level assessments and information have been obtained, as well as the worker's previous experience and professional expectations, which enable us to make decisions about possible internal transfers, promotions and professional development in the company.

COMPETENCY DEVELOPMENT PROGRAMS (CLECE)

The Higher Development Program for Heads of Service aims to enhance the competencies that ensure efficient management of the Services within the company's strategy. The contents of the Program have been developed by professionals within our organization, responsible for the different areas and activities, as well as external experts in the different subjects covered. The program has a duration of 300 hours that is developed through case studies, online content and hands-on classroom training. Through this training, technical, commercial, economic-financial, people management and management skills are developed. In 2019, 46 participants went through this program, bringing the total number of participants to 412 Clece employees.

In addition, the Advanced Management Program in the United Kingdom was launched in 2019

to develop management skills for potential expatriation candidates, with the aim of reducing and improving the period of assimilation and adaptation in service management in the United Kingdom, and to enhance professional development within Clece through international experiences. The program takes place in five face-to-face modules, with a total of 35 hours of instruction, and a practical visit to a service in the UK. The main differential issues that need to be taken into account in the management of services in the United Kingdom are analyzed, investigating the economic and financial processes and industrial relations in the United Kingdom, knowing the technical regulations, and working on the skills to develop communication styles, effective negotiation and leadership in such an environment. In 2019, 9 employees participated in this program.

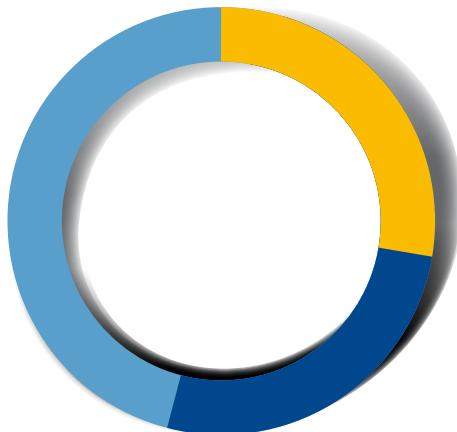
TRAINING PLANS

The ACS Group has ongoing training and skills development programs aimed at meeting the training needs and gaps of employees, which are identified during the year and are in line with the competencies established in the management models. Training plans are also highly oriented toward the professional and personal development of employees.

The training plans of the different companies are regularly updated to suit the needs of each business, and ultimately, each person.

To determine the effectiveness of the training programs, the group companies evaluate the courses offered at different levels: participant satisfaction, knowledge acquired by them, and impact on the performance of the participants in the area that they have been trained in.

BREAKDOWN OF CLASS HOURS OF TRAINING BY PROFESSIONAL CATEGORY



- GRADUATES AND PERSONNEL WITH DIPLOMAS **867,445 hours**
- NON-QUALIFIED TECHNICIANS AND ADMINISTRATION STAFF **866,127 hours**
- OTHER STAFF **1,257,216 hours**

	2018	2019
Total teaching hours provided	2,573,804	2,990,789
Teaching hours per employee (of total employees)	13.8	16.0
Employees participating in training activities	95,800	111,383
Teaching hours per employee (of total employees trained)	26.9	26.9
Investment in training (million euro)	33.3	34.6
Investment per employee in training (of total employees) (euro)	179.1	185.4
Investment per employee in training (of total employees trained) (euro)	347.9	311.1

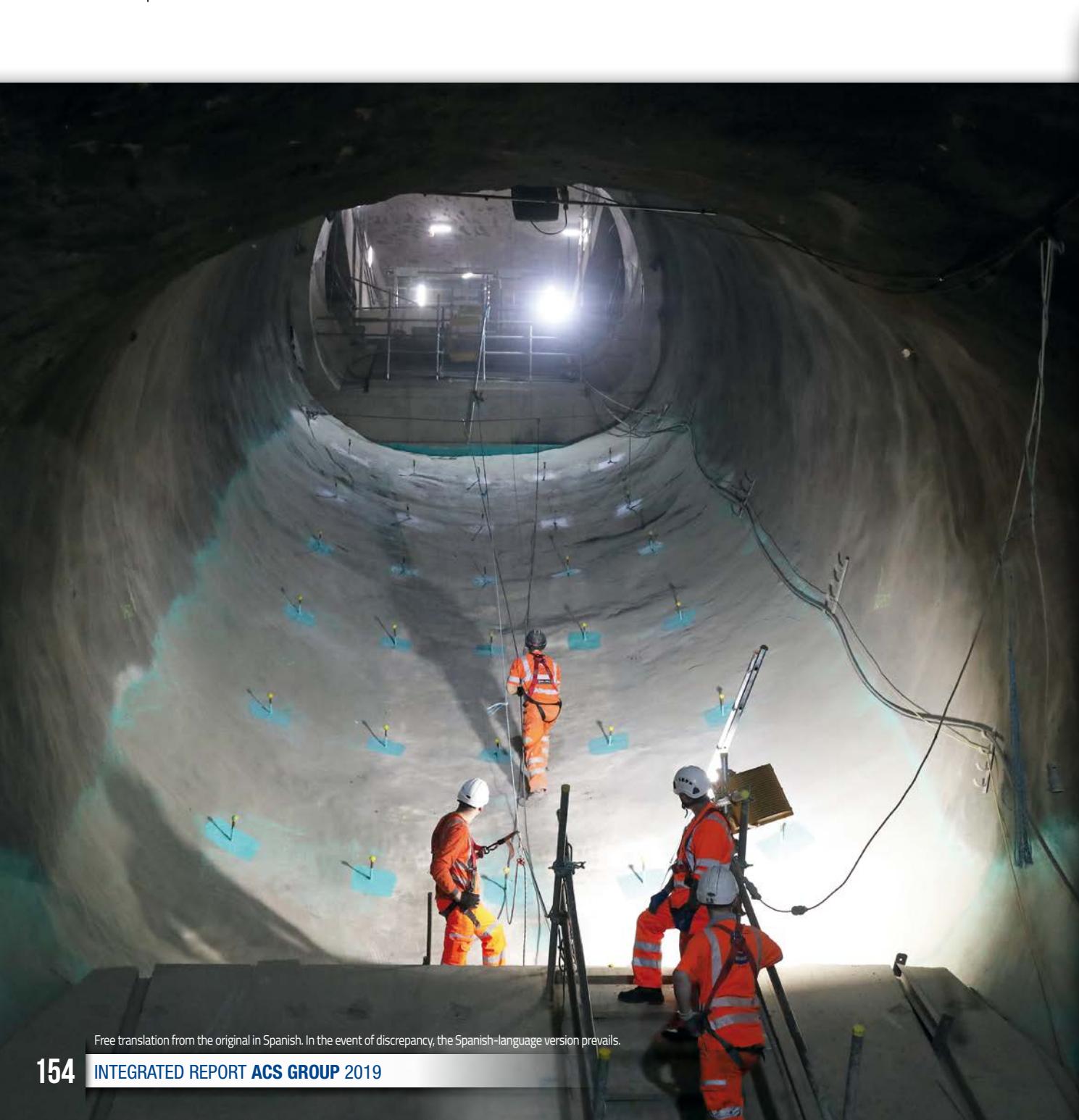


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5.2.4. RISK MANAGEMENT FOR STAFF ISSUES

Among the functions assigned to the Audit Committee of the Group's Board of Directors are the review, follow-up and evaluation of the Company's Corporate Social Responsibility Policy and its practices, as well as the rest of the associated internal standards, which includes the Code of Conduct, Diversity Policy and Human Resources Policy, which will be developed according to the characteristics and needs of each of the Group companies.

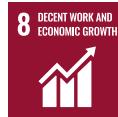
In addition, according to the internal materiality analysis carried out, the risks have been prioritized according to the relevance that they can have for carrying out the company's activities, according to the type of activity, areas of action, policies and management approaches. The results obtained from this prioritization of potential risks for the development of environmental activity and the management measures taken by the ACS Group are shown in the table below:



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Subject	Potential risks	Detection, prevention, management and mitigation measures	Associated management indicators	Applicable ACS Group policies
Responsibility to local communities	The company's activities can result in risks from the opposition of communities to the development of projects or from the negative perception of the management carried out. This may jeopardize the Group's reputation and business license to operate.	Promote proactive dialog with the community through the managers of the specific companies and projects. Personnel management measures, in accordance with the general principles established in the Group's policies, adapting to the specific characteristics of each of the Group's companies.	Indicators presented in this chapter 5.2.	<ul style="list-style-type: none"> ▪ Code of Conduct. ▪ Human Rights Policy. ▪ Diversity Policy. ▪ Talent Development and Evaluation Policy. ▪ Corporate Social Responsibility Policy.
Responsible supply chain	The bad practices of a company's suppliers pose a potential risk that, if they occur, can diminish its ability to do business. It is necessary to assess the counterparty risks to which it is exposed and engage in constant improvement of its performance.	The mandatory Code of Conduct for Business Partners establishes, among other basic principles of action, that: It is imperative that Business Partners, regardless of the country in which they operate, respect the internationally recognized fundamental human and labor rights Business Partners are committed to maintaining a training policy for the personal and professional development and learning of their members in order to achieve the highest performance, quality and satisfaction in the fulfillment of their functions, as well as compliance with the provisions of this Code. In particular, Business Partners undertake to train their members in the ethical values and respect for the Law set forth in this Code.	Thus, in 2019, of the 140,242 direct suppliers the Group works with, 91.64% of them have accepted the ACS Group Code of Conduct by signature or a similar method. In these formal supplier approval systems, the weight of sustainability-related factors (environmental, ethical and social criteria) out of the total factors used for approval varies according to the activities and areas of action of the companies, but the weighted average percentage of these factors exceeded 30% in 2019.	<ul style="list-style-type: none"> ▪ Code of Conduct for Business Partners.
Development of talent and diversity	Having a pluralistic environment, where diversity and equal opportunities take precedence, offers companies competitive advantages such as employee loyalty and productivity. In addition, increasing project complexity and new industry requirements –for example, energy efficiency and sustainability standards and certifications in construction– require greater knowledge and specialization. If these are not acquired quickly, they will become a disadvantage for the company against competitors, to the detriment of the business. However, efforts in attracting and retaining talent, and the commitment to training, help ACS keep one step ahead.	Plan 20-20 includes a commitment to improving professional performance by increasing investment in training. The Code of Conduct, the Diversity Policy and other developments in this area also define the framework for action. Within this common framework, each company manages the development of its professionals according to their specific needs, in accordance with the Group Policy. They define vocational and personal training and development programs and assess their impact on participants.	Indicators presented throughout this chapter 5.2., such as: Training hours, investment in training, trained employees Measures of social dialog, organization, flexibility and work-life balance. ▪ Policies, plans and measures for diversity and equality between men, women and people with disabilities.	<ul style="list-style-type: none"> ▪ Code of Conduct. ▪ Human Rights Policy. ▪ Diversity Policy. ▪ Talent Development and Evaluation Policy. ▪ Corporate Social Responsibility Policy.

5.3. OCCUPATIONAL HEALTH AND SAFETY



Occupational risk prevention is one of the strategic pillars of all ACS Group companies. Each of these companies and the Group in general remain committed to achieving the highest standards in the field, and thus become a benchmark in the protection of health and safety, not only of their employees, but also of those of their suppliers, contractors and collaborating companies.

The ultimate goal of the ACS Group is to implement a culture of prevention that allows zero accidents. Compliance with this objective is increasingly being achieved through the work of prevention services, and the commitment of workers, suppliers, contractors and collaborating companies.

Although each company in the group is managed independently, the vast majority of them have common principles for the management of the health and safety of their workers:

- Compliance with the current regulations on the prevention of occupational risks and other voluntary requirements.
- Integration of preventive action into all activities and hierarchical levels, through proper planning and implementation.
- Take measures beyond regulation to ensure the protection and well-being of employees.
- Application of the principle of continuous improvement of the system. The extension of their principles and the participation of workers through training and information.

- Investment in staff qualification and application of technological innovations for accident prevention.

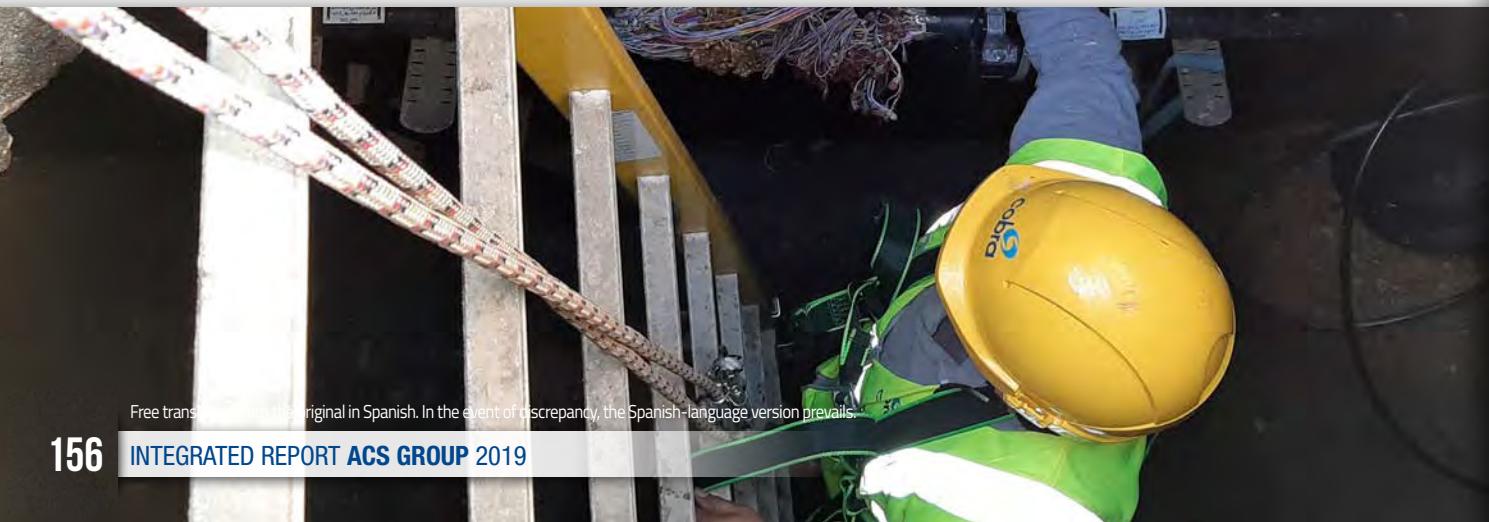
- Development of measures for the protection of the safety of third parties in the companies' facilities.

The vast majority of the companies have a specific role and a health and safety management system to comply with previous action plans and priorities.

Companies with this type of system carry out the following activities:

- Periodic assessment of the risks to which workers are exposed.
- Definition of prevention plans with formal objectives incorporating the improvements identified in the evaluation processes.
- Identification and recording of situations that could have resulted in an incident (near-misses).
- Linking the remuneration of workers and managers to the fulfillment of formal health and safety objectives.

Oversight and optimization of these systems involves the establishment and monitoring of generally annual objectives approved by senior management. The Prevention Plans carried out in the Group companies reflect the findings of the periodic risk assessments carried out, and establish the guidelines for achieving the objectives set.



5.3.1. TRAINING

Training and information are the most effective means of raising awareness and involving people in the company to meet health and safety objectives.

The ACS Group also collaborates with organizations specializing in safety, health and risk prevention issues, and actively participates in the main conferences, seminars and forums that are organized, both at the national and international levels.

	2018	2019
Employees who have been trained in health and safety over the year (%)	58.1%	72.4%
Employees who have received training in health and safety throughout their career at the company (%)	99.7%	99.2%



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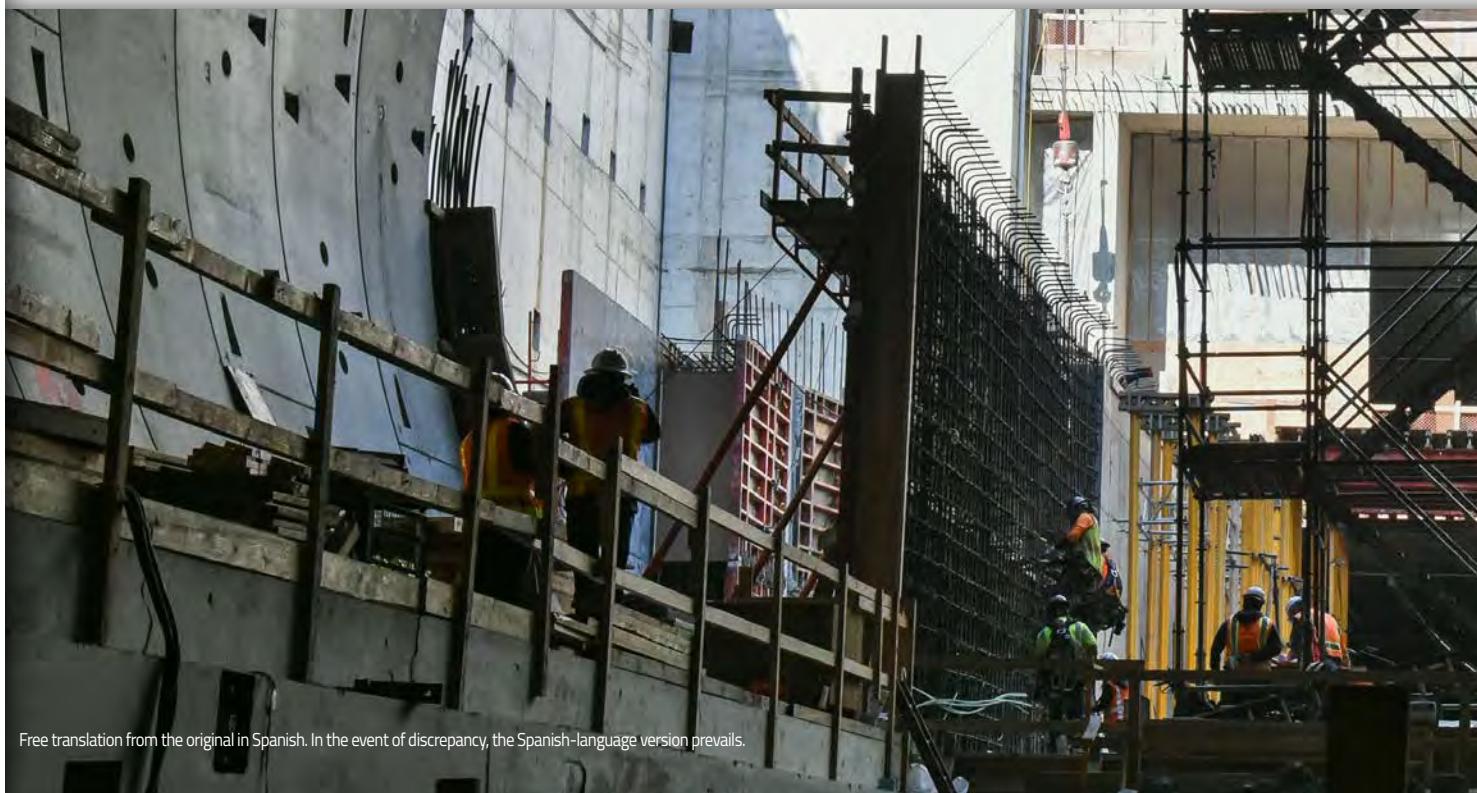
5.3.2. SECURITY STATISTICS

The continuous effort that all ACS Group companies make in the area of Health and Safety is reflected year to year in the improvement of accident rates that have fallen in both infrastructures and Services. However, in Industrial Services, the increase in projects in Latin American countries in the construction phase has led to a rise in these indicators.

The Services activity has, by its nature of business, a higher incidence and frequency. Given the weight of Services activity, it impacts all consolidated indicators, especially the gender breakdown as the Services activity is that with the highest concentration of women in the ACS Group.

	2016	2017	2018	2019
Percentage of total employees covered by OHSAS18001 certification	85.4%	88.0%	89.9%	91.3%
Investment in Health and Safety (millions of euro)	142	143	160	155
Expense per employee on Safety (euro)	838.0	783.5	795.5	778.1

Accident rates. Employees	2016	2017	2018	2019
Frequency	13.73	12.25	11.12	10.46
Infrastructure	3.02	2.72	2.40	2.14
Industrial services	6.81	6.33	6.13	5.74
Services	32.74	31.46	28.92	24.99
Severity	0.38	0.34	0.30	0.33
Infrastructure	0.11	0.08	0.08	0.08
Industrial services	0.17	0.17	0.15	0.35
Services	0.87	0.88	0.78	0.62
Incidence	25.85	23.14	20.98	20.84
Infrastructure	7.01	6.04	5.24	4.61
Industrial services	14.25	13.60	12.98	13.19
Services	46.79	44.95	41.86	41.24



Accident rates. Employees	2018		2019	
	Men	Women	Men	Women
Frequency	5.92	21.90	5.50	19.99
Infrastructure	2.70	0.64	2.47	0.27
Industrial services	6.66	1.54	6.84	1.64
Services	24.46	29.98	17.14	26.91
Severity	0.16	0.59	0.25	0.46
Infrastructure	0.08	0.03	0.09	0.01
Industrial services	0.17	0.04	0.39	0.04
Services	0.67	0.80	0.62	0.62
Incidence	12.23	34.65	12.03	35.03
Infrastructure	5.84	1.32	5.39	0.56
Industrial services	14.13	3.27	16.46	3.62
Services	35.43	43.39	28.31	44.38

	2018	2019
Total number of occupational disease cases (employees)	104	150
Total number of occupational disease cases (male employees)	74	107
Total number of occupational disease cases (female employees)	30	44
Frequency Index of Occupational Disease (employees)	0.278	0.371
Frequency Index of Occupational Disease (male employees)	0.293	0.408
Frequency Index of Occupational Disease (female employees)	0.246	0.309

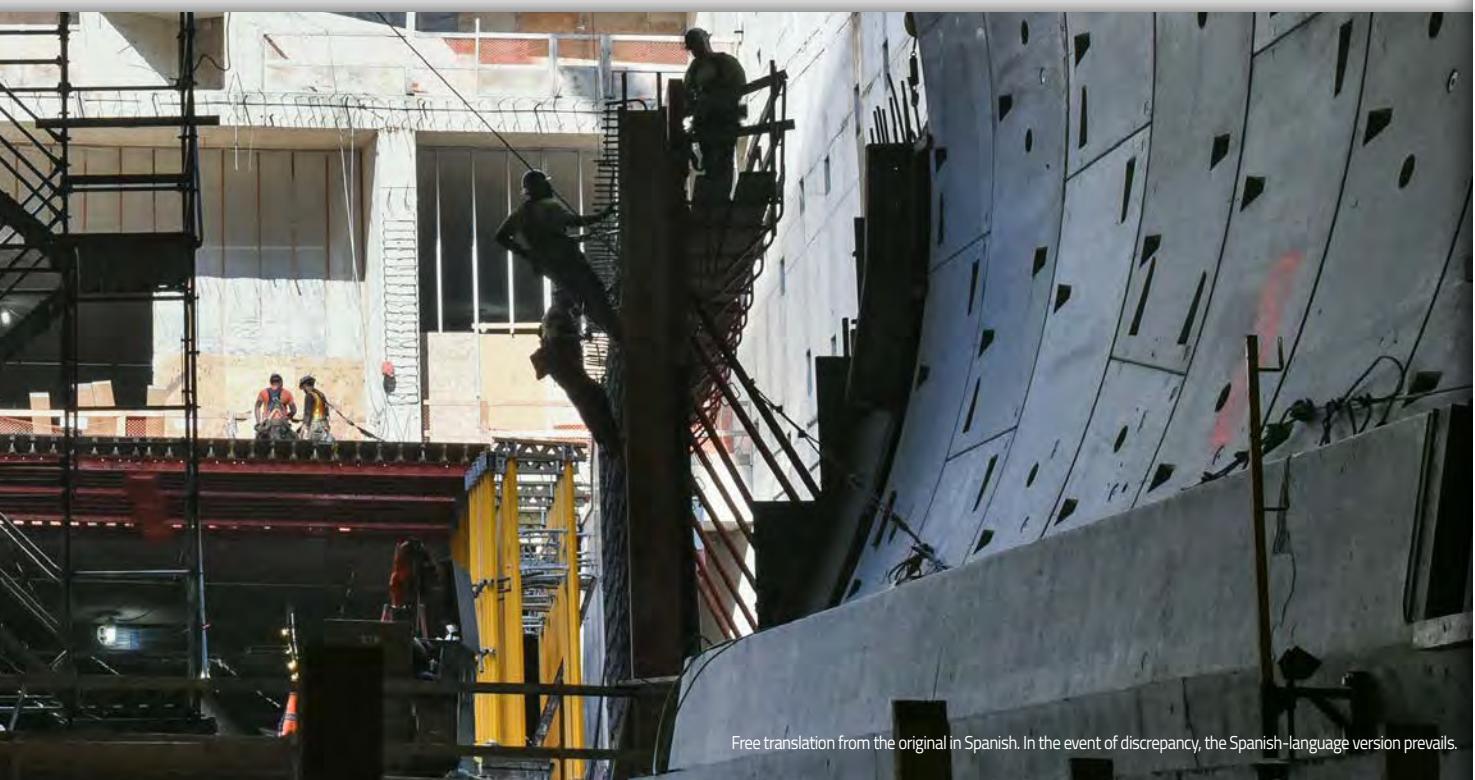
Health and Safety Glossary

Frequency Rate: Number of accidents during the working day per million hours worked

Severity Rate: Number of days lost per accident per thousand hours worked

Incidence rate: Number of accidents with time off from work per thousand workers

Occupational Frequency Rate: Number of occupational diseases per million hours worked



CULTURE OF PREVENTION OF OCCUPATIONAL RISKS (COBRA)



In May 2019, the Cobra Group updated its Occupational Health and Safety Policy, which is binding for all employees and subcontractors of the Group.

One of the key objectives of the Cobra Group's Health and Safety at work policy, integrated into its general policy, is to provide safe and healthy working conditions, with maximum levels of protection for its workers, fully in accordance and alignment in preventive terms with the provisions of the legislation in force and with the commitments of its clients in this area.

This policy, the main objective of which is to ensure the protection of the Health and Safety of the employees, must be transmitted to the entire Organization and be assumed individually by each and every employee, as part of the process of continuous improvement that includes the following COMMITMENTS to Occupational Safety and Health:

- Commitment to providing safe and healthy working conditions for the prevention of work-related injuries and health deterioration: The most important thing is safety and health. There is no greater value than that of people's lives.
- Commitment to complying with legal requirements: The applicable law and other requirements, both our own and of our clients in the field of occupational health and safety, must be complied with and enforced.
- Commitment to eliminate hazards and reduce risks: All work must be executed in a 100% safe way. In case of doubt or discrepancy, work must be stopped.
- Commitment to continuous improvement of the Occupational Health and Safety Management System.
- Commitment to consultation and participation of workers and their representatives: In addition to the channels established in this regard, encourage

reporting of incidents, actions and conditions considered unsafe and safety improvement measures, since it is an instrument of active worker participation.

- Commitment to training, education and information: The Cobra Group is committed to training its workers so that they can carry out their work safely, as well as informing them of all aspects that may compromise the safety and health of people as a result of their business.
- Commitment to contractor companies: The level of protection of workers in contractor companies will be equivalent to that provided by the Cobra Group to its workers, through effective coordination of business activities.

The Occupational Safety and Health objectives are established on the basis of the fulfillment of these commitments, with which the Cobra Group Management is fully identified. The Cobra Group's Occupational Risk Prevention Plan, which contains these commitments and the procedures that implement it, is imperative and binding.

The Cobra Group's commitment to occupational safety and health is demonstrated by the fact that in 2019, in more than 70% of delegations there have been zero accidents with time off from work. In addition, on October 10, 2019, the Second Prevention Forum organized by Telefónica was held, in which at the end of the event the "Hacia la excelencia preventiva" (Preventive excellence) award for the trajectory, commitment and results obtained in the field of occupational safety and health, was awarded to Cobra.

Frequency and severity rate targets have been set for 2020, combining own and subcontractor personnel. This is the first time in the history of the Cobra Group that common objectives have been set. This has been approved by the Cobra Group's Health and Safety Committee because of the absolute commitment to improving OSH management with collaborating companies.

STAND 4 SAFETY: OCCUPATIONAL RISK PREVENTION STRATEGY (DRAGADOS)

DRAGADOS

In order to promote and strengthen our preventive culture and encourage the fulfillment of our health and safety objectives, the Dragados construction group has established and implemented the "Stand4Safety" (S4S) initiative in its entire field of action. It has been implemented in all the countries in which we carry out our work.

S4S is designed to achieve the goal set forth in our Occupational Risk Prevention Policy: To create a safe and healthy working environment, eliminating or minimizing any impacts of our activities on people's health and safety.

S4S relies on sound management systems that are certified by international standards, but it is more than just compliance, it is the core of a markedly positive preventive culture.

S4S is based on a global preventive perspective that not only recognizes, but also uses, the advantage of diversity through a flexible application that promotes local initiatives. It is about improving the sharing of values, experiences and innovative initiatives.

Human Commitment

Our most important value is people and their right to work in a safe and healthy environment.

S4S is intended to ensure that everyone returns home every day in the same condition as when they arrived at work. All of us have only one life and that is why Dragados understands that being well is not just about avoiding injury. A positive, better and safer work environment will positively influence people's daily lives, creating a safer, healthier and more incident-free team of people.

Teamwork

Dragados promotes the integration of a safety culture at all levels and in all the activities carried out by the Company. Dragados creates an environment of collaboration between our

employees, our customers and our subcontractors so that, working as a team, we are committed to working in a safe environment.

S4S also requires clear preventive leadership at all levels, as well as a commitment to speaking and acting when a team member is failing to adopt an attitude of personal responsibility toward safety.

Responsibility

At Dragados, we strive to achieve common goals, including creating and maintaining a safe and healthy working atmosphere in which our team can do its job without being hurt or injured. S4S means having responsibility for a safe outcome and helping others achieve their goal safely.

Having common goals also means communication, information and mutual support to achieve a safe environment. Since we all have common goals, we at Dragados take care of each other and want to work in a safe and healthy way.



Accident rates. Subcontractors

The dissemination of a preventive culture among suppliers, contractors and collaborating companies is another of the Group's main lines of action in this area.

CONTRACTORS	2016	2017	2018	2019
Frequency	3.16	3.44	3.01	2.91
Infrastructure	4.46	4.75	3.85	3.43
Industrial services	1.36	1.60	1.78	1.48
Services	0.00	0.00	0.00	0.00
Severity	0.09	0.11	0.10	0.10
Infrastructure	0.13	0.09	0.10	0.12
Industrial services	0.04	0.13	0.09	0.04
Services	0.00	0.00	0.00	0.00

* Since Clece does not work with subcontractors, the indicators of the Services activity are reduced to 0.



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5.3.3. RISK MANAGEMENT FOR STAFF ISSUES (HEALTH AND SAFETY)

Among the functions assigned to the Audit Committee of the Group's Board of Directors are the review, follow-up and evaluation of the Company's Corporate Social Responsibility Policy and its practices, as well as the rest of the associated internal standards, which includes the Code of Conduct, and Code of Conduct for Business Partners. The companies of the ACS Group will develop these policies, which will be developed according to their characteristics and the needs of each of the Group companies, but always maintaining the common management principles described in section 5.3.1. and focusing

on the fundamental goal of the entire company: to achieve zero accidents.

In addition, according to the internal materiality analysis carried out, the risks have been prioritized according to the relevance that they can have for carrying out the company's activities, according to the type of activity, areas of action, policies and management approaches. The results obtained from this prioritization of potential risks for the development of health and safety activity and the management measures taken by the ACS Group are shown in the table below:

Subject	Potential risks	Detection, prevention, management and mitigation measures	Associated management indicators	Applicable ACS Group policies
Responsible supply chain	The bad practices of a company's suppliers pose a potential risk that, if they occur, can diminish its ability to do business. It is necessary to assess the counterparty risks to which it is exposed and engage in constant improvement of its performance.	<p>The mandatory Code of Conduct for Business Partners establishes, among other basic principles of action, that:</p> <ul style="list-style-type: none"> ▪ It is imperative that Business Partners, regardless of the country in which they operate, respect the internationally recognized fundamental human and labor rights ▪ Respect for the health and safety of people is a primary objective for ACS. Therefore, your Business Partners must be committed to ensuring a safe and healthy work environment for their members as well as greater respect for occupational safety and health regulations, in compliance with applicable occupational risk prevention regulations. 	<p>Thus, in 2019, of the 140,242 direct suppliers the Group works with, 91.64% of them have accepted the ACS Group Code of Conduct by signature or a similar method.</p> <p>In these formal supplier approval systems, the weight of sustainability-related factors (environmental, ethical and social criteria) out of the total factors used for approval varies according to the activities and areas of action of the companies, but the weighted average percentage of these factors exceeded 30% in 2019.</p>	<ul style="list-style-type: none"> ▪ Code of Conduct for Business Partners
Goal: Zero accidents	Despite advances in the infrastructure and services sector, the frequency indices in accident rates remain higher than in other sectors, negatively affecting stakeholders' perceptions. This, together with the costs associated with employee accidents and low productivity, negatively affects companies. To avoid this, it is key to have proper health and safety management, improving metrics, reducing operational costs and driving reputation building.	<p>Plan 20-20 is committed to reducing accident rates for its own employees. In order to achieve this global commitment, each company manages safety and health independently, planning and implementing activities and measures such as periodic risk assessments and the definition of prevention plans with annual objectives. Most have a management system to comply with action plans that are approved by senior management. The Group collaborates with specialized organizations and participates in conferences on this subject</p>	<p>Indicators presented throughout this point 5.3. concerning:</p> <ul style="list-style-type: none"> ▪ Health and safety standards, also required by the supply chain. ▪ Zero accident policies: mitigation plans and reduction goals. ▪ Health and safety awareness-raising and training. ▪ Monitoring of accident, frequency and severity indicators. 	<ul style="list-style-type: none"> ▪ Code of Conduct ▪ Corporate Social Responsibility Policy.

5.4. REGULATORY COMPLIANCE

The ACS Group and its constituent companies are firmly committed to complying with the law and the ethical principles contained in its compliance policies and procedures. Through the ACS Group Compliance Management System, members of the organization, their business partners and stakeholders are guaranteed transparent management in which financial and non-financial information is made available to their shareholders, analysts and investors, for risk assessment, both in the short and long term. This seeks to generate value in the Group and to strengthen investor confidence.

The parent company of the ACS Group, approved its compliance management model on July 25, 2018, giving the Compliance Committee, under the Audit Committee of the Board of Directors, the necessary powers in the areas of criminal compliance, anti-bribery, market abuse, competition, privacy and data and tax protection, which were extended in May 2019 to all matters covered by the ACS Group's consolidated non-financial information statement, and in general, any other matters that may be considered included within the compliance policy.

In this way, the Board of Directors, through the Audit Committee, has focused its compliance efforts in the past year on evolving from an eminently financial approach to a broader approach, emphasizing everything related to the environment, talent, diversity, social responsibility, good governance and sustainability.

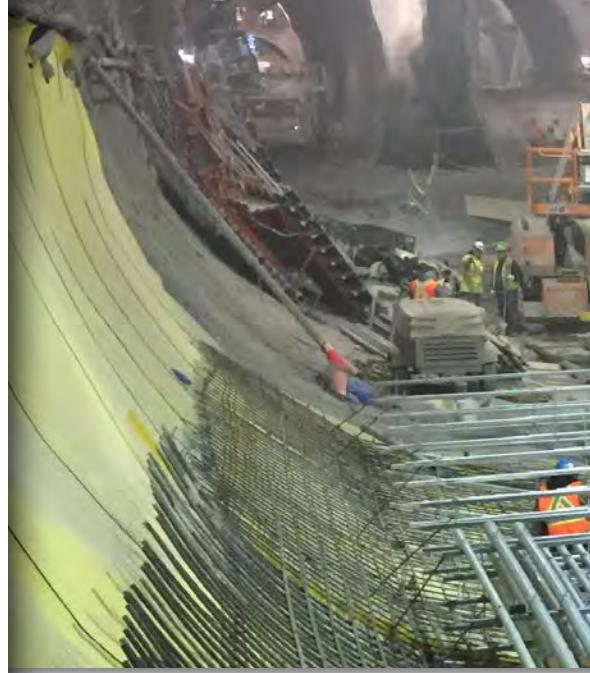
Thus, a set of appropriate policies and controls has been established to prevent corruption and other irregular practices, as well as for the identification, evaluation, management and control of risks and potential associated impacts, with the highest involvement of the Audit Committee, responsible for monitoring both the effectiveness of internal control and internal audit, and for ensuring the rigorous implementation of established policies and controls.

The main organizational compliance policies and procedures are available to all stakeholders and business partners on the corporate website www.grupoacs.com. The Board of Directors ensures the ongoing review of these policies and procedures to try to ensure their adequacy and their actual application, avoiding, in any case, situations that may affect the credit and reputation of society.

Without prejudice to the responsibility of the Board of Directors, the Audit Committee ensures compliance with the company's transparency obligations and especially because the information included in the Non-Financial Information Statement and Corporate Governance Annual Report, it is sufficient for the market and investors to understand the scope and importance of the corresponding facts and risks in the field of Non-Financial Information.

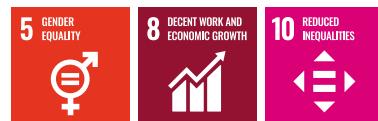
Among these obligations is the ongoing review of the implementation and development of the Group's Environmental Policy, through action plans, procedures and improvement programs implemented by the Environment Department of each of the Group's divisions, particularly affecting issues related to climate change.

In the area of risk management in personnel matters, the Audit Committee is also responsible for the ongoing review of the implementation and development of the Corporate Social Responsibility Policy and the Diversity Policy. They are developed according to the characteristics and needs of each of the Group companies.





5.4.1. RESPECT FOR HUMAN RIGHTS: ACS GROUP CODE OF CONDUCT AND HUMAN RIGHTS POLICY



For the ACS Group, the business commitment to respect for human rights, in accordance with the ethical principles and corporate culture that guide the conduct of its activities and the achievement of its aims, is a key aspect. The main commitments in this area are contained in the ACS Group Code of Conduct, Human Rights Policy, and the Corporate Due Diligence Protocol on Human Rights.

CODE OF CONDUCT

The Code of Conduct summarizes the ACS Group's basic principles of action and provides a guide for all ACS Group employees and managers regarding their daily professional performance, resources used and the business environment in which they carry it out.

The basic principles of action of the Code of Conduct are:

- **Integrity:** The ACS Group promotes among its employees the recognition of behaviors consistent with the fulfillment of this concept of: company loyalty, law enforcement, honest governance, fair competition, fiscal responsibility, and confidentiality.

- **Professionalism:** ACS Group employees and managers must stand out for their high professionalism. In this sense, their behavior must be based on the following principles: quality and innovation, customer focus, use and protection of business assets, impartiality and objectivity in relations with third parties and transparency.

▪ **Respect for people and the environment:** ACS is committed to acting at all times in accordance with the United Nations Global Compact, which it has ascribed to since its inception. Likewise, ACS Group companies undertake to proceed in a responsible and diligent manner, in order to identify, prevent, mitigate and respond to the negative consequences that their activities may entail. The Code also includes the company's adaptation to the framework of the United Nations Ruggie Report on Human Rights and Business.

Any action by the ACS Group and its employees shall be scrupulously respected in the Human Rights and Civil Liberties contained in the Universal Declaration of Human Rights and, specifically, in the United Nations Ruggie Report on the question of Human Rights and Business. Therefore, the relationship of the Group with its employees, such as those of each other, will be based on the following commitments:

- Equal opportunities
- Non-discrimination
- Training
- Occupational safety and health
- Eradication of child labor
- Eradication of forced labor
- Respect for minority rights
- Respect for the environment





HUMAN RIGHTS POLICY

The ACS Group, in accordance with its Human Rights Policy, undertakes to assume its responsibility to respect human rights. This includes a process of due diligence to identify, prevent, mitigate and account for how it addresses the impact of its activity on human rights, as a process that allows it to remedy all the negative human rights consequences it has caused or contributed to.

The systems established by the company for managing its compliance systems include regulatory aspects related to human rights, such as workers' rights, terrorist financing, hate crimes, juvenile corruption, public health, etc. In fact, the company includes issues relating to the existence of a formal and documented commitment to the Universal Declaration of Human Rights in the principles of action of the Group's Code of Conduct.

The regulations state that organizations should, for example, identify and assess their risks, take disciplinary action, monitor the compliance system, and create a culture in which the company's compliance management system and policy are integrated.

It should be noted that in the 2019 financial year, the Board of Directors, through the Audit Committee and the Compliance Committee, has approved and developed a Human Rights Risk Prevention System, consisting of the following policies and procedures, as a supplement to the Human Rights Policy, adopted by the Board on July 29, 2016:

▪ **Corporate Human Rights Due Diligence Protocol:** The Protocol defines the conduct to prevent and arbitrate specific measures for such prevention. In this way, the management and mitigation of effects are facilitated, and complaints or claims are addressed that may be made by anyone who has been the subject of the aforementioned conduct. Its implementation ensures that all ACS Group Companies have a mechanism to identify, prevent, mitigate and respond to the possible negative consequences of their activities on human rights.

The document sets out:

1. The basis for practical compliance with the company's commitment to Human Rights.
2. Mechanisms for the identification of impacts on human rights, their integration and management in the societies where the company operates.
3. Monitoring of the established prevention and management mechanisms.
4. Redress and mitigation mechanisms to cover violations caused directly and indirectly.
5. Guidelines for adapting measures to the size, scope and context of each risk.
6. Guidelines for the communication and accountability of the company's performance in the field of human rights and implementation of the Protocol.

▪ **Corporate Guide to the Protection of Human Rights:** The document provides the keys to facilitate and optimize the in-depth understanding and application (at all levels of the ACS Group) of the Risk Analysis for human rights and the ACS Group's Corporate Due Diligence Protocol in human rights.

▪ **ACS Group Human Rights Positioning Framework:** The document deals in depth with the relationships and main areas of interconnection between the effective development of ACS Group activities and the respect for and guarantee of human rights, taking as its main reference the United Nations Guiding Principles on Business and Human Rights, and the rights contained in the United Nations Universal Declaration of Human Rights.

▪ **Human Rights Risk Analysis in terms of the Potential to be Violated:** The document develops a corporate tool to facilitate a consistent understanding that ensures understanding of the risks of human rights violations that the ACS Group may be subjected to, based on their

activities, and the relationships they establish with people from all levels of the organization. It establishes an overview and allows a deeper understanding of what these global risks are, which the ACS Group can be involved in through the implementation of three phases of analysis:

- Phase A: Identification of human rights and composition of the risk matrix in human rights.
- Phase B: Global map based on the level of protection of human rights by country and business area.
- Phase C: Classification of potentially vulnerable human rights by country and business area based on potential risk of human rights violations.

These documents form the basis for the due diligence procedure for the detection of human rights risks within the ACS Group and during 2019, the various companies of the Group have begun to develop and implement these procedures, both in their own operations and in the analysis of their supply chain, according to their own characteristics and areas of action. During the second half of 2020, after the first 12 months of approval of this risk prevention system in the field of human rights, the Group Compliance Committee is expected to conduct a detailed study of the initiatives undertaken by the different companies in implementing these procedures.

It should be noted that during 2019, there have been no legal complaints about human rights violations in ACS Group companies.



5.4.2. FIGHT AGAINST CORRUPTION AND BRIBERY: CRIMINAL COMPLIANCE MANAGEMENT SYSTEMS (UNE 19601) AND ANTI-BRIBERY MANAGEMENT SYSTEMS (UNE-ISO 37001)

In the field of criminal risk control and management, the adequacy and effectiveness of the Group's parent company model were recognized on December 11, 2018 by obtaining the following certifications:

- ASO-2018/0018, as recognition and evidence of the conformity of its management system with the UNE ISO 37001:2017 standard.
- GCP-2018/0044, as recognition and evidence of the conformity of its management system with the UNE 19601:2017 standard.

In October 2019, both the internal audit and external audit monitoring processes of both criminal compliance and anti-bribery management systems were successfully conducted.

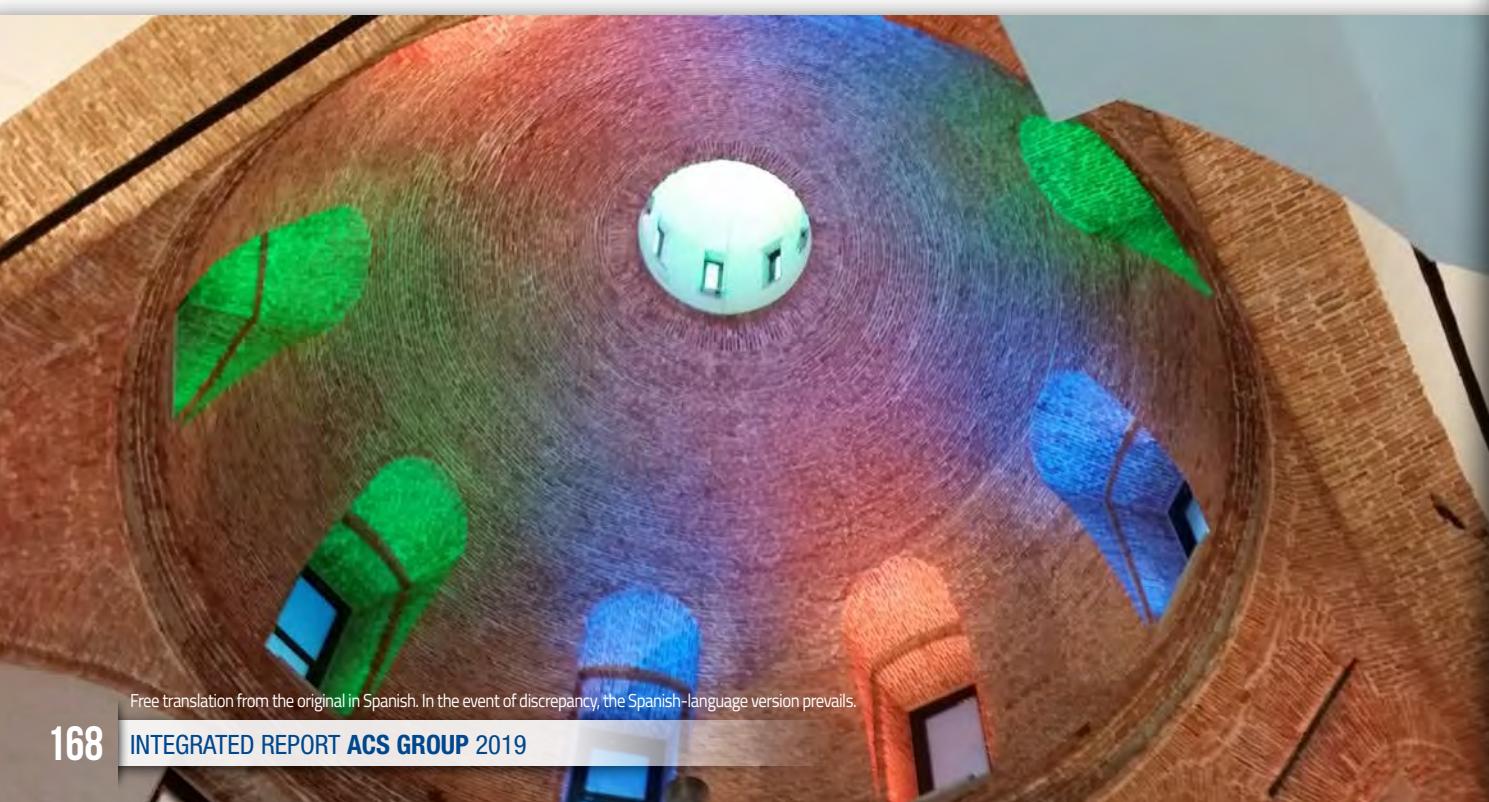
Throughout the 2019 financial year, ACS Group companies have advanced in the design and implementation of criminal compliance management systems in the various jurisdictions in which they are present, focusing their efforts on verifying their effectiveness through annual internal and external audit processes. Thus, the ACS Group has a criminal compliance and anti-bribery management system to structure an environment of prevention, early detection and management of criminal compliance and anti-bribery risks. With this system, the aim is to reduce the unwanted effects of risk, in the event that they materialize, contributing to the generation of an ethical culture and respect for the Law among all ACS members. The key document of this system is the Criminal Compliance and Anti-Bribery Policy.

During 2019, the ACS Group has not made any financial or in-kind contributions to political parties and the value of contributions made to trade, business and other associations is as follows:



	2018	2019
Value of financial and in-kind contributions made by the organization to associations (trade associations, business associations, etc.)* (Euro)	1,739,114	1,424,977

*This includes contributions made by ACS, Actividades de Construcción y Servicios.



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5.4.3. CONTROL AND MONITORING MEASURES

CODE OF CONDUCT MONITORING COMMITTEE AND COMPLIANCE COMMITTEE

The implementation of compliance management systems has resulted in the creation of a new Compliance Committee that has criminal prevention functions and will ensure the effectiveness of the Criminal Compliance and Anti-Bribery Policy. The ACS Governing Body has appointed the Compliance Committee, providing it with autonomous powers of initiative and control, as well as the maximum possible independence to carry out its tasks, so that it is free from any business conditions that could impair its performance. The independence of the Compliance Committee ensures neutrality in decision-making. This independence is supported by its functional relationship and direct access to the Governing Body through its Audit Committee and, therefore, by distancing itself from the management team and interim managers in charge of operational management. In addition, the Compliance Committee's performance assessment is ultimately the responsibility of the Governing Body.

The Criminal Compliance and Anti-Bribery Policy groups together, in a structured manner, the main tasks of the Compliance Committee.

The Code of Conduct Monitoring Committee, in accordance with its Rules of Procedure, is entrusted, among other things, with the function of maintaining two-way communication with the Compliance Committee, especially with regard to consultations or complaints received through the Ethics Channel.

THE COMPLIANCE CHANNEL AND THE ETHICS CHANNEL

To ensure maximum flexibility and enhance the effectiveness of the Compliance Committee, complaints or observations in criminal matters may be made through the different channels available to the organization, ranging from simple reporting to the line manager to verbal or written communication (by mail, for example) addressed to any of the members of the Compliance Committee, as well as through the ACS Ethics Channel (which is managed by the Code of Conduct Monitoring Committee).

The following can be used to contact the ACS Compliance Committee:

Compliance Committee
Grupo ACS
Avda. Pío XII 102, 28036 Madrid, España.
+34 913439200
cumplimiento@grupoacs.com

Moreover, the following address can be used to access the ACS Ethics Channel:

Ethics Channel
Grupo ACS
Avda. Pío XII 102, 28036 Madrid, España.
canaletico@grupoacs.com

Without prejudice to the existence of different avenues for communicating compliance risk observations or complaints, any criminal prevention complaints received by the Compliance Committee, that translate into the existence of actions that might violate the basic principles of action of the ACS Group Code of Conduct should be transferred to the Code of Conduct Monitoring Committee to assess the opening of an investigation file. In the event that the parent company of the ACS Group receives complaints relating to the actions of member companies of the Hochtief Group, or its CIMIC subgroup, which, as they are listed, have their own systems, the Monitoring Committee shall inform the complainant of the corresponding internal complaint mechanisms to enable them to address the respective channel in each instance.

In 2019, 25 communications have been received in the ACS Ethics Channel, leading to the opening of eleven files, all of which were received digitally. Of the files, 3 were from Spain, 4 from Mexico, 1 from South Africa and the remaining 4 were from different Latin American countries. These 4 files were opened for complaints by third parties, 4 suppliers/contractors, 2 employees/former employees and 1 shareholder. Of these 11 files, after being studied, 7 of them were found not to be the competence of the Committee (falsifying the identify of the ACS Group on the Internet for fraudulent purposes, incorrect use of the communication channel and claim of non-payment not subject to arbitration). The other 3 were related to possible breaches of the Code of Conduct and conflicts of interest in the selection of suppliers who have been dismissed following an internal investigation process and 1 was related to a labor issue that has been referred to the competent body of the related division in order to resolve it. The average resolution time for these files was 15 days or less for 6 of them, and the remaining 5 were resolved in more than 30 days.



In addition, an effort has been made during 2018 and 2019 to strengthen the ethical channels of the different parent companies of the ACS Group. The following is a summary by Division of communications received:

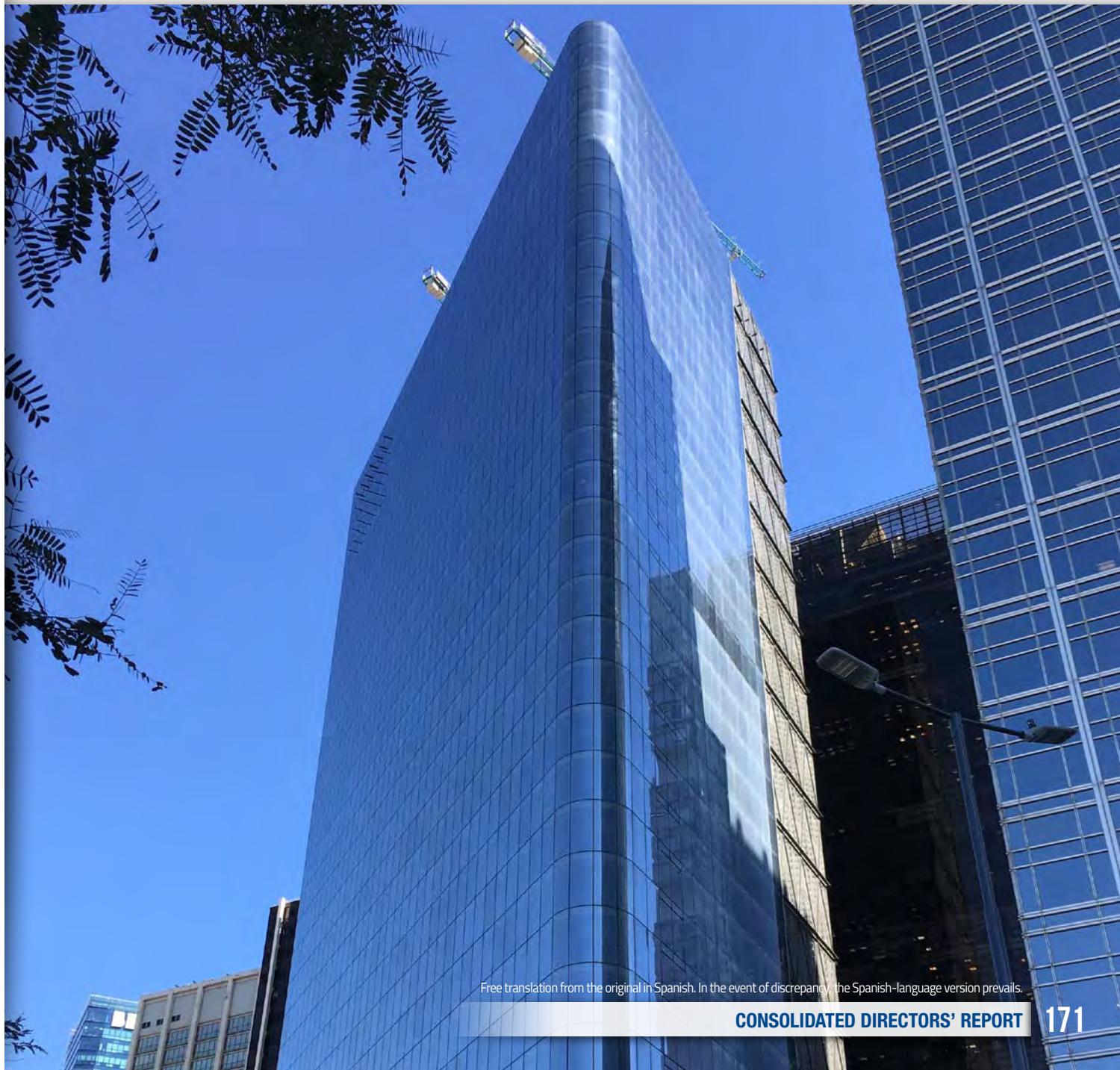
- **Dragados Group:** It has received, through its different ethical channels, 14 communications from different users (22 total communications), 8 of them digitally, 4 by telephone and 2 via the website. The origin of these communications was 7 from Spain, 4 from the United States and 3 from Argentina, and 9 of them were from employees, 3 from former employees and the rest from others. The reason for the communications received was: two to process modifications and the liquidation of works, 3 for alleged cases of discrimination, 3 for labor relations and the rest for miscellaneous reasons. Six of the communications were resolved in less than 15 days and the remaining eight in more than 30 days. Eleven communications, after investigation, were filed, one was filed with corrective actions, and another is in process.
- **Iridium:** It has received, through its Ethics Channel, 2 communications in Spain, all digitally, regarding concerns about the internal policies that have been answered in less than 15 days.
- **Clece:** It has received 66 communications through its Ethics Channel, all of them from Spain and via email. Of these, 14 were for harassment, 21 for quality of service, 13 for labor relations, 11 for irregular behavior and 7 information inquiries. 56 of the communications received were resolved in an average period of less than 15 days and the rest were resolved in less than 90 days.
- **ACS Industrial:** It has received 33 communications from different users (38 total communications) through its Ethics Channels, 27 of them by email, 5 by postal mail and 1 at a meeting. Of these communications the breakdown by country of origin is: 7 from Spain, 11 from Mexico, 4 from Peru, 3 from South Africa and the rest from various origins (mainly Latin America). Of these communications, 13 of them were relevant, 9 were related to breaches of the Code of Conduct, 4 to payments and the rest for miscellaneous reasons. Of these 33 communications, in 24 of the cases it is concluded that no evidence of non-compliance has been observed, 3 reviews of carrying out procedures to avoid future situations, 2 of them were admonitions, 1 of them involved the dismissal of the employees involved, 1 denunciation of the competent authorities and 1 agreement with the subcontractor. Of the 33 communications, 19 of them were resolved in 30 days or less and the rest between 60 and 120 days.

TRAINING

In order to ensure compliance with all internal commitments and regulations, the ACS Group promotes the knowledge of these by all its

employees, through dissemination campaigns and training courses that are developed in all the companies of the group.

	2018	2019
Scope of the training plans related to Human Rights, Ethics, Integrity, Conduct or other Compliance policies and procedures (% employees)	98.9%	100.0%
Number of courses delivered in Human Rights, Ethics, Integrity or Conduct during the year or other Compliance policies and procedures	896	1,833
Number of employees trained in Human Rights, Ethics, Integrity or Conduct during the year or other Compliance policies and procedures	53,340	67,260
Training hours per trained employee	2.9	2.0



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5.4.4. RISK MANAGEMENT ON COMPLIANCE ISSUES

The ACS Group's risk control system is based on a range of strategic and operational actions to mitigate these risks and meet the objectives set by the Board of Directors. The diversity and complexity of the sectors in which the Group operates involve a variety of risks. The Corporation is responsible for the definition of the basic guidelines, in order to homogenize the operating criteria in each of the divisions to ensure an adequate level of internal control. The General Risk Management and Control Policy, adopted on July 29, 2016 and amended by the Group's Board of Directors on July 25, 2018 to adapt it to the Compliance Management System, aims to:

- a. achieve the strategic objectives determined by the Group with controlled volatility;
- b. provide the highest level of guarantees to shareholders;
- c. protect the results and reputation of the Group by trying to prevent or minimize the likelihood of irregular practices and, if they occur, to stop them and demand accountability.
- d. defend the interests of shareholders, clients, and other groups interested in the running of the Company and society in general; and
- e. ensure business stability and financial soundness on a sustained basis over time.

It is the societies and divisions that make up the Group that are responsible for developing the necessary and appropriate internal regulations so that, depending on the peculiarities of their activity, they implement effective internal control systems.

The parent company of the ACS Group, approved its compliance management model on July 25, 2018, giving the Compliance Committee, under the Audit Committee of the Board of Directors, the necessary powers in the areas of criminal compliance, anti-bribery, market abuse, competition, privacy and data and tax protection, which were extended in May 2019 to all matters covered by the ACS Group's consolidated non-financial information statement, and in general, any other matters that may be considered included within the compliance policy.

The Board of Directors of the Company has a permanent commitment to ensure that the risk control and management model, in particular with respect to crime prevention, eliminates or minimizes the likelihood of irregular behavioral practices as far as possible and to ensure, when detected, that they are stopped, and the corresponding accountability is demanded, seeking a policy of utmost rigor in this respect. In this regard, the Audit Committee takes into account the above in its role of monitoring the efficiency of internal control and internal audit, in accordance with the criteria of the supervisory bodies, without due regard, in any case, to the perceptive information to the markets through the Consolidated Annual Accounts, the Non-Financial Information Statement (NFIS) and the Annual Corporate Governance Report.

In 2019, the response and monitoring plans have extended their focus to non-financial information, and especially irregular practices, which include corruption, but are not limited to it.

ACS Group companies are parties in litigation, competition proceedings and other judicial proceedings, in the ordinary course of their business. Details of this can be found in Note 36 to the Consolidated Annual Accounts.



5.5. MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS

[102-42]

The ACS Group defines stakeholders as those groups that have the capacity to influence the achievement of the organization's objectives or that may be impacted by its activities. The basic principles of action of the ACS Group in relation to its interest groups and the environment are based on compliance with existing

national and international legislation, as well as with commitments to corporate social responsibility, which are made voluntarily by the ACS Group.

This figure identifies the main stakeholders that it has relations with:

[102-40]; [102-43]



Also, in order to build trust and maintain a good relationship with its stakeholders, the ACS Group and its various companies have for years been providing different channels and departments with the specific function of maintaining an honest, pluralistic and transparent dialog with them:

[102-40]; [102-42]; [102-43]

Stakeholder	Relevant areas for the stakeholders	Related mechanisms and agencies
Customers	<ul style="list-style-type: none"> ▪ Quality and innovation of the products and services offered ▪ Risk management 	<ul style="list-style-type: none"> ▪ Recruitment management ▪ Customer Satisfaction Survey ▪ Complaint/claim channels ▪ Ethics channel/Compliance Committee
Employees	<ul style="list-style-type: none"> ▪ People ▪ Health and Safety Management ▪ Transparency, ethics and integrity ▪ Contribution to society 	<ul style="list-style-type: none"> ▪ HR Department of the companies ▪ Employee Satisfaction Survey ▪ Performance evaluation ▪ Ethics channel/Compliance Committee ▪ Prevention Committee
Shareholders	<ul style="list-style-type: none"> ▪ Economic/financial results ▪ Risk management ▪ Transparency, ethics and integrity ▪ Corporate Governance 	<ul style="list-style-type: none"> ▪ Investor Relations Department ▪ Shareholders' Meeting ▪ Electronic forum and shareholder services office. ▪ Section on the website for shareholders and investors ▪ Ethics channel/Compliance Committee
Investors, Analysts and Rating Agencies	<ul style="list-style-type: none"> ▪ Economic/financial results ▪ Risk management ▪ Transparency, ethics and integrity ▪ Corporate Governance 	<ul style="list-style-type: none"> ▪ Investor Relations Department. ▪ Section on the website for shareholders and investors.
Financial institutions	<ul style="list-style-type: none"> ▪ Financial strength 	<ul style="list-style-type: none"> ▪ Financial directors
Partners	<ul style="list-style-type: none"> ▪ Contracting with ACS Group ▪ Health and Safety Management ▪ Transparency, ethics and integrity 	<ul style="list-style-type: none"> ▪ At the Group level, Chair of the ACS Group. ▪ At the local level, those responsible for specific companies and projects.
Suppliers and Contractors	<ul style="list-style-type: none"> ▪ Contracting with ACS Group ▪ Ability to pay ▪ Health and Safety Management ▪ Transparency, ethics and integrity 	<ul style="list-style-type: none"> ▪ Purchase Department of the companies ▪ Supplier approval and management process ▪ Ethics channel/Compliance Committee
Supranational Bodies, Public Administration and Regulators ¹	<ul style="list-style-type: none"> ▪ Contribution to society ▪ People ▪ Health and Safety Management ▪ Transparency, ethics and integrity ▪ Management of the Environment ▪ Economic/financial results 	<ul style="list-style-type: none"> ▪ At the Group level, Chair of the ACS Group. ▪ At the local level, those responsible for specific companies and projects.
Local Community, Society and NGOs	<ul style="list-style-type: none"> ▪ Contribution to society ▪ Transparency, ethics and integrity ▪ People ▪ Health and Safety Management ▪ Management of the Environment 	<ul style="list-style-type: none"> ▪ Regular ACS Foundation meetings with civil society organizations ▪ Environmental impact assessments. ▪ Ethics channel/Compliance Committee
Sectoral associations	<ul style="list-style-type: none"> ▪ All matters mentioned above 	<ul style="list-style-type: none"> ▪ Participation in partnerships, working groups and discussion forums²
Media	<ul style="list-style-type: none"> ▪ All matters mentioned above 	<ul style="list-style-type: none"> ▪ Communication departments of the companies and the ACS Group

¹ During 2019, the ACS Group has not made any financial or in-kind contributions to political parties.

The accumulated subsidies recorded in 2019, as reflected in the consolidated balance sheet of the Group, included in the Financial Economic Report published together with this Report, amount to 2.7 million euro. For more information, see point 5.9 of this report.

² Some sectoral associations in which ACS participates are CNC, AESPLA, SEOPAN, PESI, IEFP, Labor Inspectorate, ENCORD, Australian Contractors Association, Safety Institute of Australia, National Safety Council of Australia, Federal Safety Commission Accreditation, Associated General Contractors, Infrastructure Health & Safety Association, among others.

It should be noted that, within the framework of the definition of material matters for the report, the ACS Group consults the stakeholders to identify the areas of the company management that they consider most relevant. The results of this consultation can be found in point 7.2. Identification of relevant issues. In addition, during 2018, the main subsidiaries of the various Infrastructures, Services and Concessions and Industrial Services divisions underwent

independent external audit procedures in order to obtain certificates for criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001), the latter of which especially had procedures relating to certain stakeholders. In October 2019, both the internal audit and external audit monitoring processes of both criminal compliance and anti-bribery management systems were successfully conducted.

COMMITMENT TO INFORMATION TRANSPARENCY

An essential requirement for the ACS Group to fulfill its mission of generating profitability for the shareholders and the society in which it is integrated is information transparency. This strategy aims to give its activity as much clarity as possible, always respectful of the interests of the customers and the rest of the company's social partners.

The ACS Group remains fully committed to the information it transmits, especially as regards the media.

This general objective of transparency is articulated through the following guidelines:

- Transmit corporate and specific strategies to each business area of the company abroad.
- Project the business reality, so that the different audiences of the Group recognize it as a solid and well managed group within Spain and abroad.
- Contribute to shaping a positive corporate image, helping to achieve business goals and business action.
- Maintain a smooth relationship with the environment, especially with media representatives.
- All of the above is in order to increase the value of the ACS brand and its different companies and businesses.

The ACS Group manages its commitment to transparency toward its stakeholders through three main ways:

- The ACS Group's address for communication.
- The ACS Group's website.
- Activities to inform shareholders and investors.

Transparency indicators	2018	2019
Website		
Visits to the website	351,510	392,991
Pages viewed	1,059,045	1,063,937
% of new visitors	13%	12%
Shareholders and investors		
Meetings organized by Investor Relations	167	309
Calls/emails from shareholders answered	524	514

5.6. CONTRIBUTION TO SOCIETY



One of the Group's main objectives is to create value in the environments in which it operates, acting as a driving force for economic and social development that can generate new opportunities for infrastructure development.

The joint commitment to permanence and growth combined with the open dialog with its stakeholders gives the Group companies a clear competitive advantage in forging relationships of trust in the operating environments.

(201-1) Generated, distributed, and withheld economic value (millions of euro)	2018	2019
Total production value	36,659	39,049
Financial income	155	205
Divestments*	3,264	532
(1) Economic value generated	40,078	39,786
Operating and purchasing expenses	26,435	28,383
Personnel expenses	7,910	8,394
Income Tax**	389	-84
Dividends	316	486
Financial expenses	451	497
Investment in Social Action	12	13
(2) Distributed economic value	35,513	37,689
Withheld economic value (1-2)	4,564	2,097

* Divestments in 2018 mainly corresponding to the sale of a minority stake in Hochtief included within the acquisition of Abertis, which increased the gross investments made.

** Fiscal credit derived from the provision of BICC is included in 2019. The income tax paid was 208 million euro.



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SOCIAL ACTION

To maximize value creation, ACS prioritizes the use of local resources, which favors the exchange of knowledge, the transfer of technology and the growth of an industrial fabric that fosters economic growth and contributes to social welfare. Thus, the Group contributes to social improvement from two perspectives:

1. Contributing to the development of society through value creation, local development and the fulfillment of the Sustainable Development Goals
2. Through its social action that is articulated following the Group's business strategy and the SDGs to which the company contributes, both through the Group's companies and through the Foundation which has autonomous management.



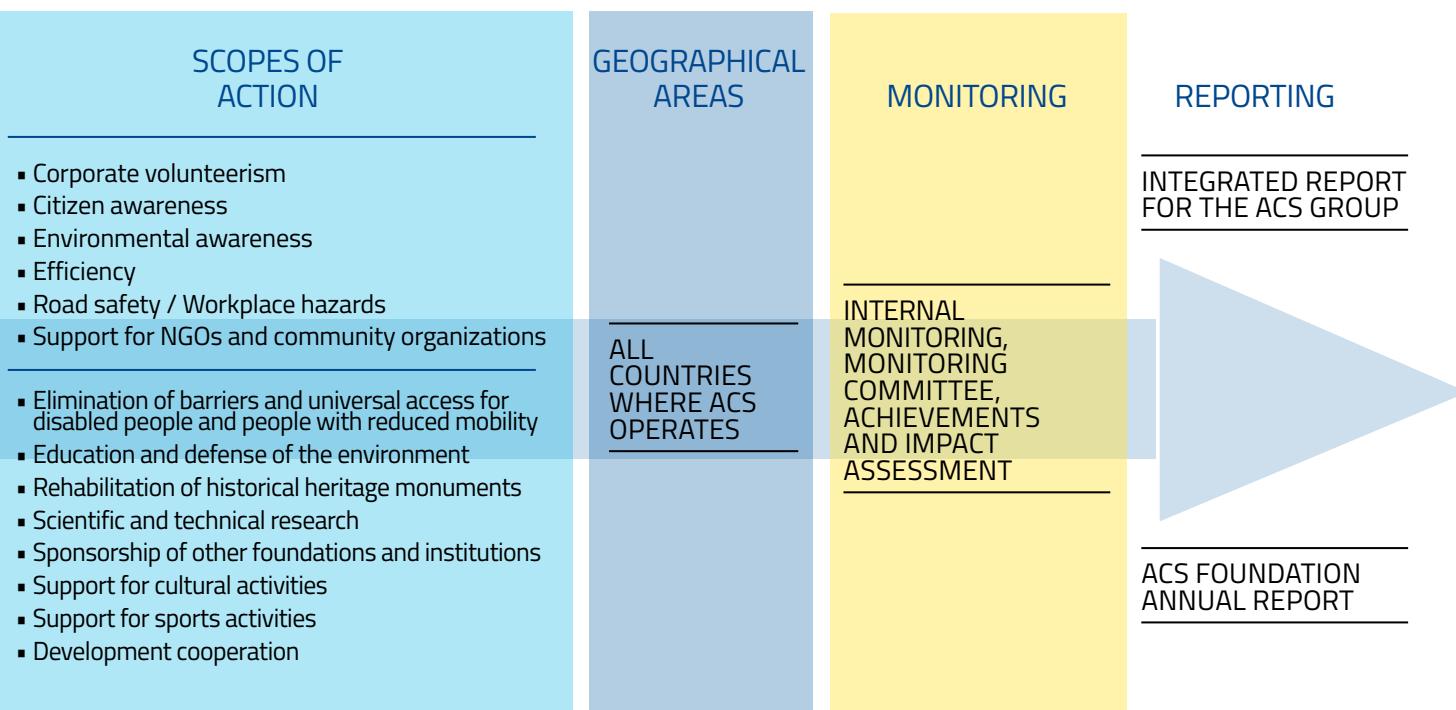
Contribution of ACS's activity to complying with the SDGs.
2.6.4 Contributing to the fulfillment of the Sustainable Development Goals.

To articulate this commitment, the ACS Group has defined a Social Action Policy, with the following main objectives:

- Promote business momentum and sustainability.
- Improve the company's recognition and reputation.
- Increase employee and collaborator satisfaction.
- Contribute to the improvement of the society in which the ACS Group operates.

The policy is governed by an Action Plan, which defines the application procedures in its different business areas. It has been drafted in accordance with the guidelines and recommendations of the London Benchmarking Group (LBG), incorporating the experience accumulated over the years by the ACS Foundation, and serves the current actions of ACS Group companies.

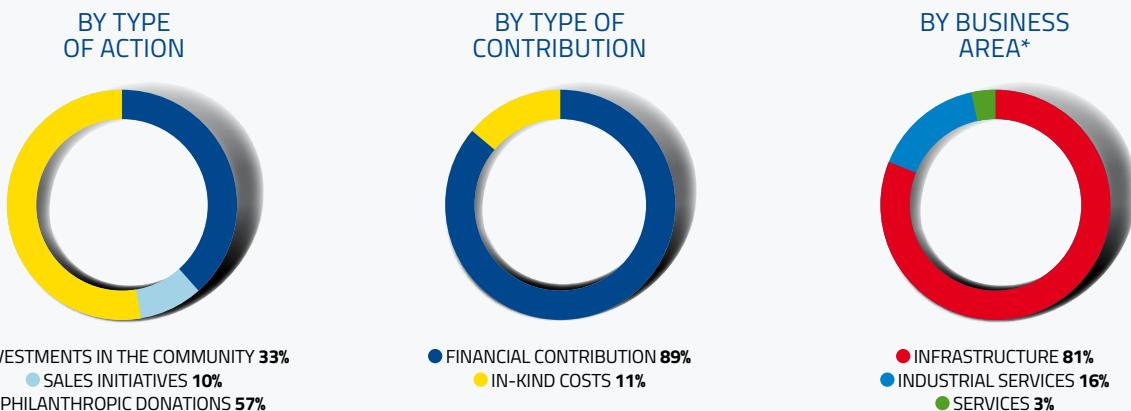
It defines the allocation of responsibilities for social action, the categories and areas of action providing a framework for projects, the types of contributions that can be made, the geographical areas of action, the follow-up model for the initiatives and the communication of the results obtained:



5.6.1. SOCIAL ACTION OF THE ACS GROUP COMPANIES

Main Indicators of Social Action of Group Companies	2018	2019
Cash Funds for Social Action (million euro)	6.0	6.4
Monetary estimate of in-kind contributions to Social Action (million euro)*	1.7	1.7
Estimate of the number of people benefiting from social action	148,786	137,878
Number of courses or citizen awareness-raising activities conducted (road safety, environment, efficiency, social integration, etc.)	153	179
Number of volunteers (employees) who have participated in these awareness-raising activities	2,405	2,219
Number of foundations or NGOs that received aid/support during the year	409	424
Number of events (conferences, exhibitions, sporting events, etc.) sponsored during the year	76	108
Time employees spent this year volunteering during working hours (h)	14,190	11,501

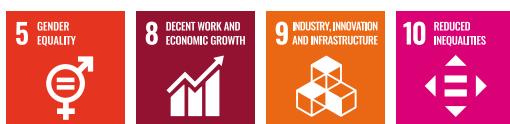
*Includes administrative costs in 2018 and 2019 of 0.83 million euro and 0.97 million euro, respectively.



*Excludes 0.97 million in administrative expenses. Including them by business areas, the distribution would be as follows: 71% Infrastructure; 14% Industrial Services and 14% Services.

Each company of the Group has the freedom to select its own activities in the field of social action, provided that they are linked to the experience gained in its business and contribute to the objectives of this policy. The company's own employees can

then be linked to these activities through corporate volunteering. However, the main lines of action of ACS Group companies in terms of Social Action are linked to the following SDGs to which the Group also contributes through its activity:



These social action activities can be carried out directly by the companies of the Group or through alliances with other associations to achieve these

objectives (SDG 17). During 2019, ACS Group companies collaborated with 424 foundations and/or NGOs.

BRIDGES TO PROSPERITY (B2P) DE HOCHTIEF

10 REDUCED
INEQUALITIES

11 SUSTAINABLE CITIES
AND COMMUNITIES



As part of the "Creating and maintaining living spaces" sponsorship program, HOCHTIEF supports projects executed by the NGO Bridges to Prosperity (B2P). This collaboration revolves around the construction of pedestrian bridges in remote regions. Bridges provide local residents with a safe way to access education, health facilities and markets, especially during the rainy season, when rivers often flow so dramatically that crossing them represents a serious danger. HOCHTIEF and its Group companies have been working with B2P since 2010.

As for the B2P projects, HOCHTIEF is involved in regions where it is not active.

By helping to improve people's connections with other areas, they are allowed to participate in economic development at both the national and local levels. Better access to educational institutions is especially important for increasing the potential for economic success and translates into better prospects for young people. According to B2P estimates, pedestrian bridges built by HOCHTIEF have contributed to 59% more women finding work, and increased agricultural productivity by 75%. Increased household income in areas with regular access

to commercial areas is on average 30% higher. Projects benefit not only local communities, but also HOCHTIEF, CIMIC and ACS employees involved in teams traveling to the region to build bridges along with locals. This creates a network within the Group team and strengthens loyalty to the company. More than 270 people in the Group have participated in B2P projects to date. Their reactions have been decidedly positive.

In order to ensure that bridges are maintained over the long-term, local assistants are recruited in each region. Their assistance and training provide them with good knowledge to maintain and repair the bridges later. In addition, the B2P project has multiple benefits, such as the fact that subcontractors and suppliers are usually local teams, which benefit from a fair wage. Last but not least, our employees are also involved in the social communities, for example, visiting schools and sharing sports activities. This helps to contribute to long-term growth and knowledge transfer.

In the year of the report, a 34-meter bridge was built in Rwanda, which is estimated to benefit more than 1,000 people. So far, 26 pedestrian bridges have been built through B2P in Rwanda and Latin American countries.



HEART AND HANDS PROJECT (CLECE)

The Heart and Hands Project (Proyecto Corazón y Manos) is a non-profit association created in 2017 that was founded based on the social commitment of the Clece employees. Through solidarity projects, it contributes to the welfare and social stability of Clece employees who need it. They also collaborate with Third Sector associations in caring for socially vulnerable groups, such as people at risk of social exclusion or victims of gender-based violence.

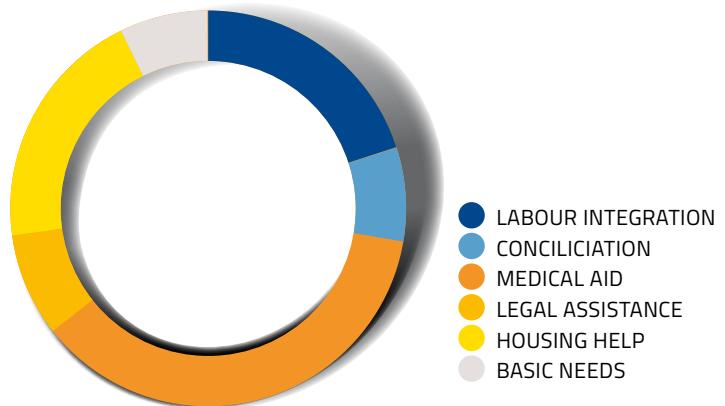
The association has 3 founding partners, 86 associates, 40 collaborators and 29 collaborating entities (Red Cross, Fundación La Caixa, Real Madrid, Garrigues, Cepsa, etc.). Over 53 actions have been carried out throughout the past two years in Spain.

In Clece, there are numerous cases of workers in social emergency situations. This assistance helps many employees get out of this situation. Assistance has been provided to 1,199 workers in the Clece Group in a situation of social emergency.



The project has different phases:

1. Database of workers eligible for assistance.
2. Detailed study of these people's situation.
3. Solutions/assistance.



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Some projects carried out by Heart and Hands in 2018/2019:

▪ **Balancing work and family life** Some workers leave their jobs in the summer months because they do not have sufficient social coverage to care for their children during holiday periods. To enable these workers to continue with a job that is very necessary to them, Hearts and Hands has funded several weeks of summer camps. The camps have been held during the weeks of school holidays where mothers had the most difficulty caring for their children. The help of Heart and Hands has allowed these mothers to continue to work with the assurance that their children were well cared for in a safe environment.

▪ **Montse Project:** Montse is a colleague who works in a cleaning service in an outpatient clinic in Barcelona. She suffered abuse from her son and was forced to leave her home. The situation was too much for her and she ended up secretly sleeping in her workplace. Upon discovering the situation, Heart and Hands put her up in a hotel and helped her find a new home. At Clece, a new contract was secured for Montse in a work center where her son cannot find her, and allowed her to start over.

▪ **Change cannot be achieved alone:** Okechukwu Anaso is a Nigerian national who entered Spain on a boat at the age of 17. After passing through reception centers and a multitude of jobs and cities, he started working for a cleaning service managed by Clece. Having achieved a stable job, Anaso began to try to reunite his family in Spain. Heart and Hands worked with him to help him through the difficult procedures and, after the arrival of his family, supported them in everything that came up when they first arrived. In the end, we were successful in regrouping his family in Spain.

▪ **Yeneira Project:** Due to the loss of one leg by a colleague from Las Palmas, a joint initiative was launched in order to raise money and support Yeneira for the purchase of a new orthopedic prosthesis. To do this, actions such as paddle tournaments were organized, bottle caps were collected, raffles and beneficial events were held, etc. After this, we began to work on the design of a totally personalized prosthesis equipped

with the latest technology. In July 2018, the whole process came to an end and Yeneira started a new phase in her life thanks to her new prosthesis. The project required 10,000 euro to cover the expenses and thanks to the collections from tournaments and events held, the donations received amounted to almost 12,000 euro.

▪ **Training to make a new start:** M. is a female victim of gender-based violence who fled her abuser, and ended up living on the other side of Spain. The lack of support and a degree of disability of more than 33% led to social exclusion. She wanted to work as a Home Help, but for this she had to have professional training that she did not have and her lack of means did not allow her to pay for the necessary training. Heart and Hands granted her a scholarship to train in a course that allowed her to obtain the official title of Home Help. Clece managed a work contract for her with a schedule that allowed her to work and study simultaneously. Today M., at age 50, has completed her training and has a job that has finally enabled her to stabilize her life.

▪ **Three Wise Men at the Refugee Center:** The Three Wise Men of the Orient visited the children of the Seville Refugee Center (CAR). In collaboration with the PRODEAM Foundation, Heart and Hands carried out this initiative to bring a day of excitement to children of all kinds of nationalities, cultures and religions who are forced to live through a difficult process of change and adaptation. This action was repeated elsewhere in Spain with other associations,

▪ **We are with Ardales:** The torrential rains in October 2018 in the mountains around Málaga flooded and damaged the infrastructures of several towns. The town of Ardales was one of the most affected.

Just 48 hours after the downpour, Heart and Hands mobilized its own resources and Clece's neighbors and workers as volunteers to collect more than 4,000 liters of bottled water, over 1,000 cleaning utensils, 300 liters of cleaning products, large quantities of clothing, non-perishable foods, cribs, carts, diapers, etc.

BREAKING THE GAP



During 2019, the Clece Group held Equality Workshops at Institutes for teenage students between 14 and 16 years of age. The project, driven by the Human Resources Division and coordinated by the Equality Area, consists of a series of lectures at institutes throughout Spain, which aim to mitigate the impact of gender stereotypes and roles when choosing a profession.

The workshops have two parts:

- The first part deals with equality and warns about possible involuntary chauvinist attitudes and role stereotypes. It begins with a theatrical reading of the comic "The Story of Juan and Laura" by the students as a conversation starter.
- In the second part, Clece staff who hold jobs traditionally occupied by people of the

other gender, explain their experiences to the students in an interview-discussion format. Women who work in security, maintenance or technical management positions and men who work as home helps or educators in children's schools were asked to share their career experiences. The aim of this workshop is to emphasize that gender should not be a condition for choosing a career and to offer students examples and references when it comes to starting to consider the direction their career will take.

The workshops were held at institutes in Madrid, Valencia, Seville, Málaga and Valladolid and were very successful, as expressed both by the students who attended and the teaching staff. Graphic material, t-shirts and the solidarity game "Role breakers" were also distributed.



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EDUCATE TO TRANSFORM, IHSA



Iberoamericana de Hidrocarburos S.A (IHSA), is a consortium formed by Cobra with Monclova Pirineos Gas, the winner of the Nejo development block in the Mexican state of Tamaulipas. During its work in the area, it has implemented the social action program "Committed to San Fernando" to promote local development.

This program has focused on students in the surrounding area and their families, with actions in the field of education, health and values. The initiative which was the result of this program is the "Educate to Transform" project, launched in 2012, focused on selecting the most prominent students of the municipality and those with scarce resources, providing them with support for their professional studies and offering them job opportunities in the company.

To do this, IHSA periodically opens an application submission and receipt stage, a selection process and a monitoring phase.

The students selected studied in the degree program and university of their choice. Support from IHSA included the payment of all costs for the studies, from the start of their career until completion, including diploma and title, language courses, and a monthly stipend for their entire degree program.

Generation	Grant period	Students
1st	2012-2017	8 graduates
2nd	2013-2018	10 graduates
3rd	2014-2019	11 graduates
4th	2017-2021	10 active students
5th	2018-2023	11 active students
6th	2019-2024	13 active students

Iberoamericana de Hidrocarburos also held a series of conferences with high school students from San Fernando (about 300 participants) in order to make young students aware of the activities that the company carries out in the community and to share professional experiences to motivate them.



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5.6.2. SOCIAL ACTION OF THE ACS FOUNDATION

The objective of the Foundation is to integrate and manage the ACS Group's efforts in the area of cultural, institutional, sporting and environmental sponsorship and patronage, granting awards and scholarships, training and research, and charitable and similar activities, at the national and international levels, by dedicating its greatest social efforts to the cause.

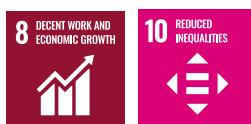
The Social Action of the Foundation allows part of the ACS Group's profits to be diverted to society, to assist in improving the quality of life of citizens and contributing to the Sustainable Development Goals that cannot be achieved through the conduct of business activity. Thus, the ACS Foundation carries out different programs aimed at this objective as outlined below, along with the SDGs and goals contributed to, all of which are carried out by contributing to SDG 17 on partnerships to achieve objectives:

- Improving the quality of life of people with physical or sensory disabilities, or in a situation of dependency, through three subprograms, all of which contribute to SDG 10 and in particular to goal 10.2 on promoting social, economic and political inclusion, in addition to contributing to specific SDGs:

o Universal Accessibility:



o Professional and social training and integration:

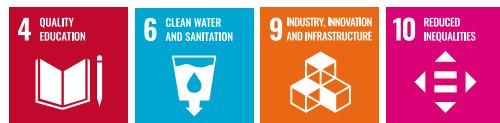


o Integration for sport.

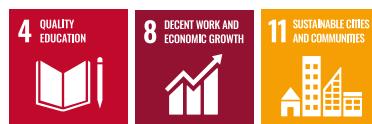
- Advocacy and support for good environmental practices:



- Collaborations with institutions in the field of innovation, engineering, science, economics and law:



- Contribution to the dissemination, rehabilitation and maintenance of buildings of Spanish Artistic Heritage.



- Support to culture through contribution to the dissemination, rehabilitation and maintenance of buildings of Spanish Artistic Heritage, as well as support to entities that improve people's level of culture.



- Research support, mainly for medical research, including rare diseases.



- Development cooperation and technical assistance. In order to support development objectives and respect for human rights, through collaboration with competent entities.



- Social collaborations and collaborations with entities of general interest.





During 2019, the ACS Foundation spent 4.90 million euro, equivalent to 94% of its budget.

BREAKDOWN OF THE BUDGET EARMARKED BY THE FOUNDATION ACCORDING TO PROJECT CATEGORY (IN MILLION EURO)



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PARISH OF SANTA EULALIA

The collaboration agreement between the Foundation and the Parish of Santa Eulalia de Toledo was signed on March 4, 2019, in order to assist in the restoration of the aforementioned church, under the direction of the Chief Architect of the Cathedral of Toledo, Mr. Jaime Castañón and its Restorer, Mr. Antonio Sánchez Barriga.

The Mozarabic Church of Santa Eulalia is a Site of Cultural Interest, and was declared a Historical-Artistic Monument by the Decree of the Ministry of Public Instruction and Fine Arts.

The building we admire today dates back to the 13th Century, although it has remains of other previous buildings used in its decoration and construction, including Roman marble columns with Visigoth capitals. The oldest documented reference we are aware of, dates back to 675. Prior to that, the references are uncertain. It wasn't until the reconquest of Toledo in 1085 and the subsequent orders given by Alfonso VI that the Church of Santa Eulalia was to be authorized, along with five others, so that they could continue to celebrate the Spanish liturgy. Therefore, it was a building in use and well recognized at the end of the 11th century. After drafting a project to eliminate dampness

and adapt the liturgical spaces of the Church of Santa Eulalia of the Spanish-Mozarabic rite, the corresponding permits from City Council and Department of Culture of Castilla la Mancha Council were requested. The permits were subsequently granted and the works began in May 2019.

After raising the floor for the execution of the works, we began to find references from previous times. First, there were burials found in different layers. Those closest to the surface date back to the 18th and 17th centuries, and subsequent excavations found burials from the 15th and 16th centuries.

This Church of Santa Eulalia is the only parish in Spain that has continued the Mozarabic or Spanish cult without interruption since its foundation back in the 7th century, that is, before the Muslim invasion. The current construction, the subject of the restoration, is a gem of the horseshoe arch style.

The collaboration of the ACS Foundation in this restoration has been spread over two years, 2019 and 2020, with completion planned for the end of 2020.



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5.7. SUPPLIERS AND CONTRACTORS



Code of Conduct for Business Partners.

The management of suppliers and contractors is an important aspect for the Group, as their work has a direct influence on the quality of the final outcome of the projects carried out by the Group.

In ACS Group companies, procurement departments are responsible for managing the relationship with suppliers and contractors through specific management, classification, certification and risk control systems.

As a distinguishing feature of the Group from other competitors, it is important to note in this area the strong decentralization of procurement and supplier management departments. This feature provides group companies with a competitive advantage, because of the agility, flexibility and autonomy that this model provides.

At ACS, there are several schemes in this regard, which vary according to the needs of the operating companies. It starts with a central corporate reference department, which defines policies and prices, and goes to a higher level of autonomy, always using a common and generalized policy. In this respect, it is worth noting that in 2018, the ACS Group Board of Directors approved the ACS Partner Code of Conduct which sets out the principles of action based on the Group's Code of Conduct that Business Partners must comply with in their relationship with ACS.

Business Partners must expressly accept (by signature and commitment to compliance) the content of this Code, however, in the event that Business Partners certify—and the Organization accepts it—the existence of a Code of Conduct or other internal rules with content similar to those required by the above standards, they will be exempted from the explicit signature of this Code. Thus, in 2019, of the 140,242 direct suppliers the Group works with, 91.64% of them have accepted the ACS Group Code of Conduct by signature or a similar method, and 22.23% of the suppliers have received training in this regard.

The Group's companies work with three distinct types of suppliers or subcontractors:

- Suppliers of materials and/or services defined by the client.
- Service providers or subcontractors contracted by the ACS Group.
- Suppliers of materials contracted by the ACS Group.

In the first case, the customer contractually defines the type of suppliers, as well as the amount and characteristics of the materials to be used, and the companies of the Group, in general, adapt to these requirements. However, the ACS Group's purchasing and supplier departments have established a control procedure to confirm the efficiency of the supplier designated by the client, and can report setbacks and promote corrective measures for other jobs.

In the case of direct contracting of service and material suppliers by the ACS Group, either through a central purchasing department or decentralized through the managers, detailed management and control processes are defined. They present the following common points in all companies of the Group:

- There are specific rules and a system for the management, classification, approval and risk control of suppliers and subcontractors.
- The level of compliance with these systems is analyzed.
- Collaboration with suppliers and transparency in contractual relations is promoted.
- There is a policy of comparative breadth that favors the participation of various suppliers in the selection processes. In order to objectify decisions and facilitate access to new suppliers in different parts of the world, a study of regular suppliers has been launched.

- Visible purchasing portals are developed for all services, which offer a wide range of products from different suppliers. This helps in real cost savings (because the most competitive prices are identified), and it favors control of material consumption by employees or managers. In Spain, this portal helps local suppliers sell their products at the national level, promoting their development and growth.

5.7.1. SUPPLIER APPROVAL SYSTEMS

Companies representing 97.52% of the ACS Group's procurement costs present a formal system for the approval of suppliers and subcontractors, according to a set of clearly established criteria. It is then used by project managers and provides them with information on the suitability or unsuitability of the supplier to perform the intended task. The main concepts used for supplier approval are:

- Cost, payment and collection period, experience, professional prestige and technical capacity.
- History of compliance with contractual clauses in their previous relationship with ACS.
- Additional non-financial criteria, related to compliance with the Code of Conduct for Business Partners. In these formal supplier approval systems, the weight of sustainability-related factors (environmental, ethical and social criteria) out of the total factors used for approval varies according to the activities and areas of action of the companies, but the weighted average percentage of these factors exceeded 30% in 2019. In the areas of evaluation, aspects such as certification in environmental aspects (ISO14001, EMAS or similar), and certification in quality aspects (ISO 9001 and similar) are considered, as well as adherence to international standards on human rights and labor rights and analysis of labor standards and practices of suppliers and subcontractors, among others. Thus, in 2019, 47.0% of suppliers with whom the Group has worked have adhered to ethical, social and environmental commitment standards or have certifications in this field.

The ACS Group's supplier approval system provides for a post-analysis phase of contracted suppliers, a process that provides feedback to the system. This process, which seeks to ensure compliance with contractual clauses and agreements and includes the identification of economic, environmental and social risks, is based primarily on the detection of non-compliance and the corrective or management measures to be applied.

In the case of detection and control initiatives, they are based on periodic audits, both internal and independent.

Once breaches or risks are detected, appropriate corrective measures are implemented, which are adapted taking into account the following circumstances:

- If it is a critical supplier to the company, the reasons for the negative assessment are analyzed and initiatives are proposed to enhance identified areas of improvement including, but not limited to, training and collaboration activities.
- If the supplier is not critical to the company, it is catalogued as not approved in the database.
- In cases of serious breaches, contracts or supplier relationship agreements may be terminated immediately.

In the case of the subcontractors of the ACS Group, it is very important to highlight the Group's commitment to Occupational Safety and Health. The dissemination of a preventive culture among suppliers, contractors and collaborating companies is another of the Group's main lines of action in this area, and the accident rates in this area are closely monitored. At the same time, common training and prevention measures are established.

In the case of companies such as Cobra, the Health and Safety policies are common for both the employees of the Group and for contractors, even establishing common objectives. Periodic assessments of the data on subcontractor accidents are also carried out, and specific corrective plans are established on the basis of the results obtained in the assessment.

5.7.2. ANALYSIS OF CRITICAL SUPPLIERS

ACS Group companies develop analyses to identify critical suppliers in their supply chains. The Group considers critical suppliers to be those in which a percentage of the cost of procurement or subcontracting is concentrated significantly above the average of the other suppliers of the company.

Thus, companies representing 89.6% of the Group's procurement costs have defined processes to identify critical suppliers. As a result of these processes, the main data on the analysis of critical suppliers is as follows:

- Companies representing 86.36% of suppliers have conducted these analyses.
- Of these, 2.2% are considered critical suppliers.
- These suppliers account for 35.1% of the total expenditure of the Group companies that have critical suppliers.
- Nearly all of these providers regard ACS as a key customer in their business activity.

In addition, the Group's companies are beginning to consider the full analysis of the Group's value chain, identifying not only direct suppliers, but also critical suppliers of direct suppliers (critical tier-2 suppliers), identifying 5,634 suppliers in this category in 2019.

Similarly, given the importance of supply chain analysis for risk management, ACS Group companies have begun identifying critical suppliers from their direct suppliers. During 2019, the ACS Group assessed 1,719 Tier-1 suppliers in terms of the sustainability of the 3,120 critical Tier-1 suppliers identified, representing 55.1% of the total. Of these 1,719 suppliers assessed, 1.2% of them have been identified at risk in terms of sustainability, which are understood to be those that lack certifications, have incurred breaches or for which other risks have been detected. Depending on the risks identified, the reasons for the negative assessment are analyzed and initiatives are being taken to enhance identified areas of improvement, including, but not limited to, training and collaboration activities, or if it is a serious breach, it may result in the immediate termination of contracts or agreements with suppliers.



AVERAGE PAYMENT PERIOD TO SUPPLIERS

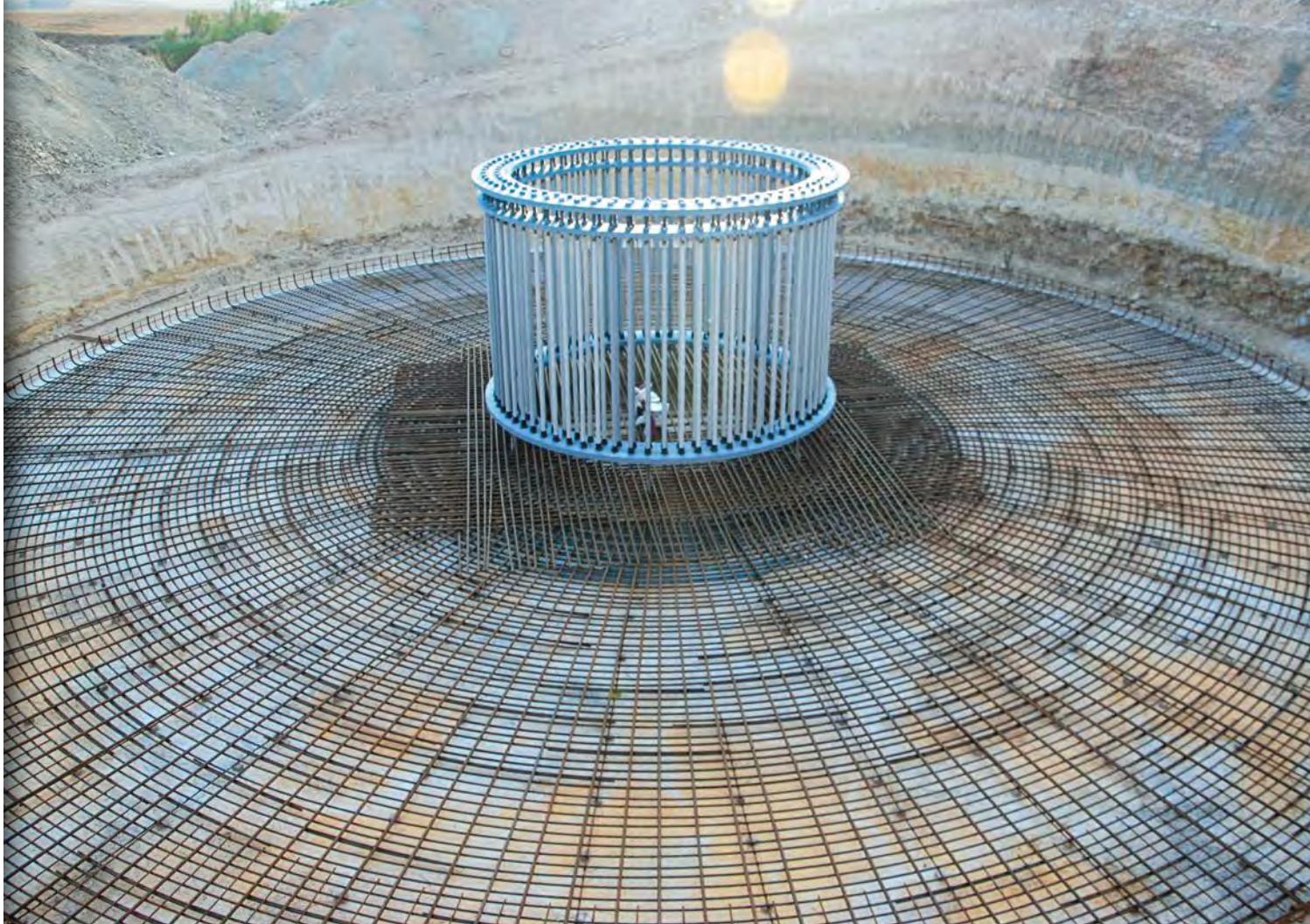
The information required by the second final provision of Law 31/2014, of December 3, which has been prepared pursuant to the Resolution of January 29, 2016 of the Institute of Accounting and Audits, is set

out below, regarding the information to be incorporated into the Directors' Report for the average payment period to suppliers in sales transactions:

	2018	2019
	Days	
Average payment period to suppliers	66	62
Ratio of paid transactions	65	59
Ratio of transactions pending payment	67	69
	Thousands of euro	
Total payments made	3,248,352	3,523,154
Total payments pending	1,423,922	1,555,565



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5.7.3. RISK MANAGEMENT ON SUPPLY CHAIN ISSUES

Among the functions assigned to the Audit Committee of the Group's Board of Directors are the review, monitoring and evaluation of the Company's Corporate Social Responsibility Policy and its practices, as well as the other internal regulations associated with the Code of Conduct for Business Partners. The companies of the ACS Group will develop these policies according to the characteristics and needs of each of the Group companies.

In addition, according to the internal materiality analysis carried out, the risks have been prioritized according to the relevance that they can have for carrying out the company's activities, according to the type of activity, areas of action, policies and management approaches. The results obtained from this prioritization of potential risks for the development of the activity related to the supply chain and the management measures taken by the ACS Group are shown in the table below.

In managing the risk chain, it must be considered that the potential poor practices of a company's suppliers pose a potential risk that, if realized, can undermine its ability to do business. It is important to assess the counterparty risks (in terms of personnel, health and safety, the environment, ethics, integrity and rights) to which there is exposure, and engage in efforts to constantly improve performance. To this end, there is the Code of Conduct for Business Partners, which sets out the basic principles of action that Partners must fulfill in their relationship with the Group, as well as the management systems expected of them in certain aspects. In addition to the own management systems defined by companies in their relationship with suppliers, the Group's specific regulations on issues such as Environmental Policy or the Corporate Due Diligence Protocol on Human Rights, extends not only to Group employees but to the entire value chain.

5.8. COMMITMENT OF QUALITY TO THE CUSTOMER⁹



5.8.1. QUALITY IN OUR ACTIVITY

For the ACS Group, which works in an industry with a high level of technical sophistication, quality represents a fundamental competitive advantage over the competition.

Quality management in the ACS Group is carried out in a decentralized manner, with each company responsible for managing this aspect. Although each company has autonomy to manage it according to its interests, a number of common lines of action have been identified:

- Setting goals and regular monitoring of their fulfillment.
- Development of actions aimed at improving the quality of the services provided.

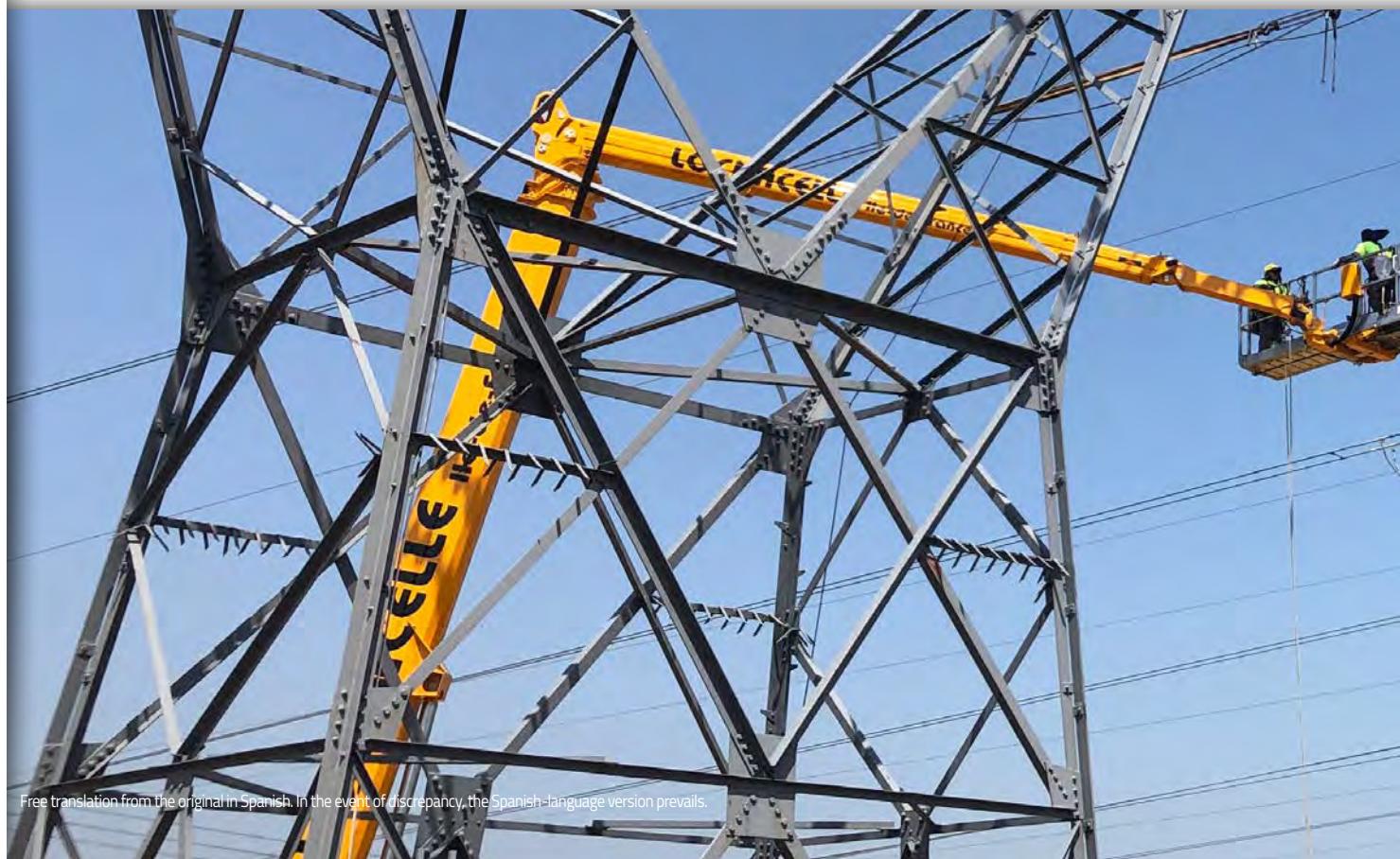
9. Given its infrastructure and service provider activity, ACS Group works with clients and not with end consumers.

- Carrying out collaborative activities with suppliers and subcontractors for improving quality.

To make progress in these aspects, most companies in the Group have a quality management system. These are audited periodically, to verify compliance and conformity with the reference standard, typically ISO 9001.

Typical improvement goals are:

- Obtaining and expanding the scope of certifications, especially when developing a new technique or expanding the activity to a new geographic area.
- Implementing management improvement tools.
- Improving specific performance indicators.
- Improving the training of managers, operators and project managers.



- Increasing customer satisfaction rates, reducing performance complaints and incidents.
- Meeting delivery times, and fulfilling quality expectations.
- Increasing the number and capacity of internal quality auditors.

MAIN MANAGEMENT INDICATORS - QUALITY

The percentage of production certified according to ISO 9001 decreased in 2019 compared to 2018 due to increased sales in the United States, where these certification systems are not as common. However, the quality principles followed are the common principles established in the Corporate Social Responsibility Policy.

	2018	2019
Production certified according to ISO 9001		
Infrastructure	48.2%	44.1%
Industrial Services	95.8%	96.0%
Services	96.0%	98.0%
ACS Group total	58.4%	55.0%
Other management indicators	2018	2019
Number of quality audits	1,221	11,986
Number of quality audits performed for every million euro in revenue	0.035	0.317
Investment in measures to promote and improve quality	2.2	2.4
Intensity of investment in measures to promote and improve quality (euro of investment/millions of euro in revenue)	63.30	63.21



5.8.2. RELATIONSHIP WITH THE CUSTOMER

Because of the nature of the ACS Group's business, which carries out large infrastructure projects or general service provision agreements (such as cleaning a city or maintaining a power grid), the number of customers it interacts with is very small, or they are large corporations or public institutions worldwide.

The ACS Group's commitment is focused on maintaining a high degree of customer confidence, offering high value-added services over time. The relationship strategy is built around the following fundamental principles:

- Troubleshooting guidance.
- Feedback on the relationship with the customer.
- Information on the capabilities of the ACS Group.
- Identification of future collaboration needs and opportunities.

FOLLOW-UP AND COMMUNICATION

ACS Group companies conduct regular follow-up meetings with clients, through the managers of each project. In those particular projects in which the client devotes resources to the control of production, an even more continuous relationship is maintained.

Objectives, tracking systems and customer information plans are also defined for each project. In these plans, checkpoints are established at the end of important production phases, and certification meetings are held for the payment in installments of the work, with partial follow-up points established.

In addition, CRM management computer systems are being progressively implemented for the

collection of customer information to facilitate the analysis and realization of satisfaction improvement actions.

CUSTOMER SATISFACTION

The second key aspect of ACS's customer relationshipmanagementpolicyistthemeasurement of satisfaction and the establishment of plans for improvement. Thus companies representing 87.55% of the Group's sales have defined a system of measuring customer satisfaction.

In addition, companies representing 16.41% of the Group's sales have established particular channels and processes to enable customers to formalize their complaints and claims. In this respect, we must consider that the company's business is not focused on end customers but focuses on business with other companies or with the public administration. This means that these systems are mostly managed through customized tracking systems. In 2019, 850 claims have been received, of which 87.6% were resolved in the reporting year.

In addition, for projects that pose the greatest technological challenges, the ACS Group establishes alliances with partners (usually detail engineering companies) that contribute to providing the end customer with the best technical and most economical solution.

Another value of the Group is confidentiality. Recruitment and client management of ACS Group companies promote the responsible use of information, thus ensuring the confidentiality of clients.

As a result of the good relationship, closeness, transparency and satisfaction of clients' quality expectations in the services provided, the level of recurrence of ACS Group's clients is very high.

Main Management Indicators - Clients	2018	2019
Number of customer satisfaction surveys received	1,287	1,177
Percentage of "satisfied" or "very satisfied" customer responses in all surveys RECEIVED (%)	92.5%	94.6%

*In 2018 and 2019, coverage of 28.55% and 29.85% of sales, respectively, has been achieved in these indicators.

5.9. TAX INFORMATION

In 2015, ACS's Board of Directors approved the corporate tax policy, which seeks a cooperative relationship with tax administrations, based on mutual trust and transparency. In addition, the Group undertakes to refrain from creating artificial corporate structures outside the Company's business activity with the sole aim of reducing the payment of taxes, or to achieve opacity, as well as from carrying out transactions between controlled entities that seek the erosion of taxable bases and the artificial transfer of benefits to low-tax territories.

All companies in the Group comply in each country with the applicable tax rules on transparency and tax information.

In particular, in Spain, ACS signed in 2010 the Code of Good Tax Practices promoted by the State Agency for Tax Administration and, in applying it, voluntarily

submits to the aforementioned Agency the Annual Report on Fiscal Transparency, with particular emphasis on the international composition of the Group, including information regarding tax havens.

Therefore, the current policy of the ACS Group is to not promote the creation of new companies residing in tax havens or territories with low or no taxation (except those necessary for the execution of works or physical installations in those territories), as well as to undertake the progressive liquidation of pre-existing ones. In this regard, several of the entities residing in tax havens are in the process of liquidation.

As stipulated in the tax rules in most countries, income is taxed in the country in which it is earned, that is, taking into account the very nature of the construction activity, in the place where the work or installation is carried out.



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According to this criterion, the following table shows, by country, the taxes paid by the ACS Group for all concepts, the pre-tax income, and the subsidies received in 2019 (amounts in thousands of euro):

Country	TAXES PAID IN 2019 ⁽¹⁾				Profit before taxes ⁽⁶⁾	Subsidies received
	Total	Income Tax Paid	Other input taxes	Taxes collected		
Australia	1,030,575	117,455	215,423	697,697	-1,165,702	
Spain	947,216	-154,410 ⁽²⁾	412,460	689,166	546,727	909
United States	572,290	49,474	109,278	413,538	65,504	
Germany	222,848	3,533	46,861	172,454	-74,849	
Mexico	102,618	27,842	1,834	72,942	49,638	
Indonesia	97,902	73,399	5,950	18,553	252,258	
Peru	72,738	23,141	5,859	43,738	58,092	
Brazil	68,863	22,475	39,582	6,807	157,964	
United Kingdom	53,366	-2,420 ⁽²⁾	12,803	42,982	16,738	
Canada	46,873	-2,242 ⁽²⁾	8,709	40,407	90,282	
Chile	35,364	2,509	5,579	27,275	-21,959	
Portugal	24,161	3,145	9,690	11,326	10,382	
Singapore	21,640	18,100	2,932	608	-24,528	
Argentina	18,044	596	7,437	10,010	7,917	
India	12,287	1,103	1,208	9,976	6,205	
New Zealand	11,115	13	2,456	8,645	30,286	
Philippines	10,848	2,024	1,345	7,478	10,134	
Hong Kong	9,016	8,376	411	229	95,268	
Mongolia	8,033	3,811	1,806	2,417	25,609	
Botswana	7,853	2,321	185	5,347	34,246	
Panama	6,521	661	2,964	2,896	10,118	
Saudi Arabia	6,027	1,093	794	4,140	28,693	
Luxembourg	2,239	23	389	1,827	33,354	
Others ^(*) (3)	123,039	6,141	89,396	27,502	-111,020	
Non-attributable consolidation adjustments ⁽⁴⁾					-57,616	
Total	3,511,477	208,166 ⁽⁵⁾	985,351	2,317,960	73,741	909

(*) Countries with profit before taxes below 10 million euro and taxes paid below 10 million euro

(1) Following the OECD methodology, social security contributions are included as taxes paid.

(2) The reduced tax paid in these countries is due to the effect of the refund of excess taxes paid in previous years, as well as the application of tax credits for losses from previous years. In particular, in the case of Spain, the refund of excess tax amounted to 229,620 thousand euro.

(3) Losses are included in countries considered to be a tax haven by Spanish regulations, or "non-cooperating countries and territories for tax purposes" according to European Union standards, for a total of 37,291 thousand euro and in which a tax payment of 217 thousand euro has been made.

(4) Accounting line entries not subject to objective attribution to specific countries (primarily amortization of Purchase Price Allocation (PPA)) are included, without any of them having an impact on tax payments.

(5) Significant deviations from the nominal tax rates of each country are due to the fact that the tax regulations themselves generate differences between the tax in terms of payment and the tax in terms of accrual. These differences are offset in the long term.

(6) It corresponds to the profit before taxes according to the consolidated income statement, not including the profit/loss accounted for by the equity method (which are presented, according to the accounting regulations, already net of taxes, without having more information available, since they are not companies controlled by the group) and without excluding the adjustment to minority interests.

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The data for 2018 relating to pre-tax income, income tax paid and subsidies received are as follows:

Country	Profit before taxes (thousands of euro)	Income Tax Paid (thousands of euro)	Subsidies received
(thousands of euro)			
Australia	336,125	3,067 ⁽¹⁾	0
Spain	284,979	117,064	1,215
Indonesia	194,526	12,937 ⁽¹⁾	0
Brazil	99,816	46,330	0
India	93,248	531 ⁽¹⁾	0
Singapore	72,940	8,494	0
United States	70,493	52,092	21
Mexico	61,339	6,579	0
Hong Kong	52,901	9,878	14
Luxembourg	34,130	3,652	0
Mongolia	33,267	7,203	0
United Arab Emirates	28,630	0	0
Saudi Arabia	26,810	992	0
Japan	18,887	1,546	0
Malaysia	16,749	925	0
Argentina	11,723	2,076	0
Portugal	10,685	-289	0
New Zealand	10,256	334	0
Algeria	9,424	2,782	0
Ireland	6,583	86	0
Others with a profit of less than 5 million euro or losses	-144,170 ⁽²⁾	22,180	6
Non-attributable consolidation adjustments	-64,856 ⁽³⁾	3,368	0
Total	1,264,488 ⁽⁴⁾	301,826 ⁽⁵⁾	1,242

(1) The reduced tax paid in these countries is due to the effect of the refund of excess taxes paid in previous years, as well as the application of tax credits for losses also from previous years.

(2) Losses are included in countries considered to be a tax haven by Spanish regulations, or "non-cooperating countries and territories for tax purposes" according to European Union standards, for a total of 1,329 thousand euro and in which a tax payment of 341 thousand euro has been made.

(3) Accounting line entries not subject to objective attribution to specific countries (primarily amortization of Purchase Price Allocation (PPA)) are included, without any of them having an impact on tax payments.

(4) It corresponds to the profit before taxes according to the consolidated Balance Sheet, not including the profit/loss accounted for by the equity method (which are presented, according to the accounting regulations, already net of taxes, without having more information available, since they are not companies controlled by the group) and without excluding the adjustment to minority interests.

(5) Significant deviations from the nominal tax rates of each country are due to the fact that the tax regulations themselves generate differences between the tax in terms of payment and the tax in terms of accrual. These differences are offset in the long term.

5.10. INNOVATION

The ACS Group is an organization that is constantly evolving, responding to the growing demand for process improvements, technological advances and quality of service from clients and society.

The company's commitment to innovation is evident in the increase in investment and efforts in R+D+i made by the ACS Group year after year. The result of this effort is, among others, improvements in productivity, quality, customer satisfaction, job security, use of new materials and products, and design of more efficient production processes or systems.

IN 2019, THE ACS GROUP INVESTED A TOTAL OF 38 MILLION EURO IN RESEARCH¹⁰, DEVELOPMENT AND INNOVATION.

The management of innovation in the companies of the group is normally as follows:

- The function is assumed by technology management, usually the Committee for Technological Development.
- R&D management is articulated through recognized management systems. Usually, the UNE 166002:2006 standard.
- Compliance with reference standards is reviewed through independent audits.

Compliance with the requirements of these systems usually involves the development of individualized strategic lines of research, collaboration with external organizations and an investment that will intended to promote research and the regular generation of new patents and operational techniques.

DURING 2019, THE ACS GROUP¹⁰ HAD 141 ONGOING PROJECTS AND REGISTERED 7 PATENTS. OVER THE PAST 10 YEARS, THE GROUP'S COMPANIES HAVE REGISTERED A TOTAL OF 58 PATENTS.

Through partnerships with technological and research centers and universities, as well as other R+D+i-related institutions, the ACS Group's capabilities are strengthened and complemented to successfully complete innovation processes.

The projects developed from the Innovation area of the ACS Group are focused on responding to the specific challenges and opportunities presented by the current infrastructure and services environment, representing one of the Group's key value-building lines. Thus, the main lines of development of the Group's Innovation activities are linked to:

- Solutions related to sustainability, efficiency and climate change:
 - Development of construction materials and techniques to improve infrastructure resilience.
 - New technologies related to renewable energies.
 - Improving resource efficiency.
 - Development of solutions for smart cities.
- Process automation, digitization, and data management:
 - BIM and virtual reality.
 - Artificial intelligence.
 - Shared learning systems.
 - The Internet of Things.

10. Data scope 30.5% sales

5.10.1. INFRASTRUCTURE

The management of research, development and innovation in infrastructure activity is coordinated by the Dragados departments and by the Hochtief companies.

Following the objectives set by the parent companies, at the end of 2019 the infrastructure companies of the ACS Group had 56 ongoing projects. For the development of this R+D+i activity in 2019, an investment of 22.1 million euro has been made.

NEXPLORE (HOCHTIEF AND ACS)

HOCHTIEF is working with ACS and the Group's operating companies to actively promote digitization in its core activities through the Nexplore company, which was created in 2018. Nexplore is currently working with innovation centers located in Essen, Frankfurt/Darmstadt, Madrid, Minneapolis, Sydney and Hong Kong, as well as leading universities (collaboration agreements have been signed in 2019 with Massachusetts Institute of Technology (MIT), Polytechnic University of Madrid and Darmstadt Technical University, among others) and computer consulting firms. The aim is to exploit the opportunities that digitization offers for business, such as through artificial intelligence, virtual reality, the Internet of Things and Industry 4.0.

Through the products and processes developed by Nexplore, HOCHTIEF has the goal of increasing efficiency, quality and improving project control, providing immediate benefits to our employees, customers and Group partners.

Example of a project carried out by Nexplore:

IMPROVEMENT OF THE INFORMATION SYSTEM IN CONSTRUCTION PROCESSES

The technologies that communicate with each other independently via the Internet (Internet of Things (IoT)) allow data to be processed automatically. To allow multiple construction-related data to be measured continuously, HOCHTIEF Innovation Management is working with Nexplore and the employees of the Technical Competence Center, HOCHTIEF Engineering, and HOCHTIEF ViCon for sensor integration to improve efficiency in the construction process. Sensor data is transferred to a digital platform and through a system developed by Nexplore, the data from the different sensors is translated and integrated, sending it to a common platform, generating additional information that facilitates decision making, especially in critical situations in construction processes.

The Internet of Things applications not only provide project managers with a very helpful information base during construction processes, but can be used for predictive maintenance with the help of artificial intelligence systems in the later stages.

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MADAME PROJECT (DRAGADOS AND DRACE)

The MADAME R+D project: Development and validation of Highly Durable Materials for Application in Maritime Structures and Barriers (Materiales de Alta Durabilidad para su Aplicación en estructuras Marítimas y Espaldones) vulnerable to climate change was approved in the 2017 CHALLENGES-COLLABORATION (RETOS-COLABORACIÓN 2017) tender within the scientific-technical priority I: Climate change, line (vii) adaptation to climate change in critical infrastructures. This initiative was co-financed by the Ministry of Science and Innovation within the National Plan for Scientific Research, Development and Technological Innovation. The project, which will be completed in 2021, is coordinated by DRAGADOS, with the participation of DRACE INFRASTRUCTURE, Galaicontrol, CTC Technological Center and the Fundación Agustín de Betancourt (Ports and Coasts Laboratory, Polytechnic University of Madrid).

The overall objective of the project is the development of a new concept of barriers for vertical seawalls that combines the use of new construction materials, optimal structural design and construction processes for obtaining elements of high structural integrity and durability against environmental agents. Likewise, the development of a robust instrumentation system for monitoring the structural and functional performance of barriers throughout their useful life is also considered. Both developments will increase the resilience of port infrastructures against the effects of climate change.

The use of alternative materials to adapt the barriers to structural and environmental conditions of both in-service barriers and new barriers is being analyzed. To this end, the project includes the design of a new barrier that allows the use of these new materials.

These new designs should serve to improve the performance and especially the long-term durability of the barriers. In addition, construction processes are introduced as one more variable to be taken into account in risk analysis, which will allow the selection of optimal solutions from a global point of view.

As a novelty, the project uses the Marine Corrosion Test Site El Bocal, which belongs to the CTC Technological Center located in Santander, as a new study methodology for the analysis of the durability of concrete structures subjected to demanding conditions of waves, tide, currents and wind. This facility allows installation and recording over a period of several months of the degradation processes of concrete cores subjected to the real marine environments affecting port structures. The results obtained will be applicable in the calibration of numerical degradation models. Likewise, they can be compared with the results of accelerated physical trials.

A total of 24 examples have been manufactured, 20 of which have been installed at the MCTS El Bocal at different heights: submerged and in tidal, splash and marine air areas. The other four have been placed in the facilities of the Spanish Institute of Oceanography, near the test site, to analyze performance in structures near the coastline, but without being subjected directly to the action of the sea.

The samples will be removed after an 18-month exposure and analyzed in a laboratory to determine their performance. This information will optimize the concrete design to adapt it to the required durability as well as to the new design of the barrier planned for the project.

EXPANSION OF BIM CAPABILITIES AT HOCHTIEF

Building Information Modeling (BIM) is the digital tool of the future for project execution. The design and construction of projects using BIM is what customers in many countries currently demand. The methodology is based on actively connecting all the people involved in a project using 3D computer models that can be detailed with additional information, such as deadlines, costs and use.

Based on this model, project participants can also calculate carbon footprint and potential savings.

HOCHTIEF recognized this potential from the outset and founded HOCHTIEF ViCon GmbH, which specializes in these methods. The goal

is for HOCHTIEF ViCon to be the overall BIM expert at HOCHTIEF, offering courses in this area for both own employees and a course provider for other companies, as well as a consultant and advisor specializing in BIM for projects undertaken by public administration or private companies. Additionally, BIM is already used in many of HOCHTIEF's companies.

Thus, in 2019, the total number of projects carried out using BIM increased to 2,560 projects (compared to 2,300 in 2018) and the number of employees trained in this area is 3,375 (1,179 in 2018), to meet the needs of customers, offer sustainable products and services and thus improve their market position.

NUMBER OF EMPLOYEES PROVIDED WITH BIM OR SIMILAR TRAINING IN 2019

	TOTAL HOCHTIEF	HOCHTIEF AMERICAS	HOCHTIEF ASIA PACIFIC	HOCHTIEF EUROPE
EMPLOYEES	3,375	450	2,165	760



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E-TESTING PROJECT (GEOCISA)

Since November 10, 2017, GEOCISA has worked, with the collaboration of the International Center for Numerical Methods for Engineering (CIMNE) of the Polytechnic University of Catalonia (UPC) on the E-TESTING project, which is a numerical-experimental tool for determining the integrity status of structures, especially aimed at railway bridges.

The methodology that the tool follows for establishing the structural health study consists of:

- Detailed study of the structure. It includes the collection of the existing information, that is, all types of plans, measures and primary inspection in the field to verify their conservation status and adjust the plans to reality. Preparation of a preliminary model of the structure.
- Adjusting the Model. The preliminary model is refined with real information, from on-site trials, in which the structure is implemented comprehensively to acquire the maximum information from it. These consist, among others, of a static and dynamic load test.

The static part consists of placing known overloads (locomotives, gang cars, etc.) for a certain time to verify their elastic performance and to compare the actual deformation produced, with the theoretical one from the model.

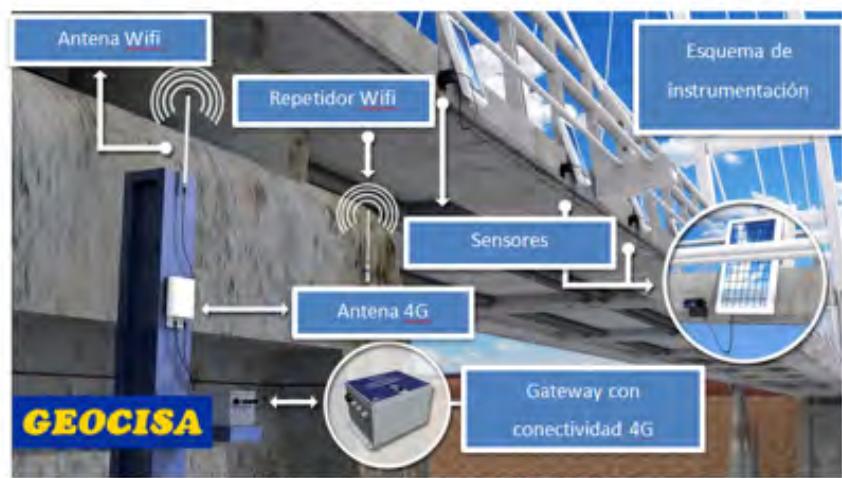
The dynamic part consists of passing several times over the structure at different speeds to

achieve parameters such as frequencies of the main modes of vibration, impact coefficient or dynamic amplification and damping.

The adjustment of the model continues at a later stage, and is fed by the permanent instrumentation of the structure. What is ultimately intended is to find out the actual response of the structure to the environmental and operational effects (temperature, humidity, wind speed, loads, etc.). In this way, any abnormalities detected, where an abnormality is understood to be any event that cannot be correlated with the effects mentioned above, would be a candidate to be regarded as a deterioration.

- The sensors that are permanently available in the structures are essentially accelerometers and temperature and humidity sensors. These sensors are wireless and self-sufficient in terms of power, as they have solar panels. The signal from all of them is received by a router with Internet access, which is also powered by a solar panel. The router sends the data to the cabinet for treatment and analysis. This system is fully scalable for better adaptability.

Test structures are currently being monitored. The result of the project will provide both monitoring of information and the software tools required to assess structural health and to track it over the long term, both routinely and at specific times after the occurrence of unique events.



5.10.2. INDUSTRIAL SERVICES

The Industrial Services area of the ACS Group carries out an important task of promoting research, development and innovation through the different R+D+i sites in several of the companies in this area of activity.

The R+D+i strategy is based on an external approach, oriented toward its stakeholders,

and an internal approach, oriented toward modernization and improvement of processes.

At the end of 2019, ACS Group's industrial services companies had 79 ongoing projects. For the development of the projects, 14.6 million euro has been dedicated as an investment.

STARDUST PROJECT (SICE)

The STARDUST project: a holistic and integrated urban model for Smart Cities, it was selected by the European Commission as part of the "Smart Cities and Communities" tender of the Horizon 2020 Research and Innovation Framework Program, and has a budget of 21 million euro.

SICE is the partner responsible for developing the Smart City platform for Pamplona. The Kaliopé Platform is the integrating core of the project, whose main objective is to provide to the City Council a unique and integrated view of information on the state of the city and the management of services, facilitating decision-making.

The platform incorporates Business Intelligence (BI) tools for creating Control Panels, as well as operational control and monitoring of each of the vertical services deployed in the city. The platform, therefore, will make the operational management of each of the services independent from the specific vertical solution with which each of these services is managed.

In addition, the platform has components capable of storing, analyzing and adding a large amount of data from a wide range of devices, including sensors, actuators, mobile devices, vertical service management applications, etc. It should be possible to combine this data and analyze it for processes based on artificial intelligence (AI) to provide descriptive and predictive analytical capabilities.

The Software components that make up the Kaliopé platform are available in an open, layered architecture (explained in the next section) to cover the full life cycle of "Big Data".

During the first years of project development, data on some of the vertical applications and pilot actions envisaged under the project have been integrated, such as:

- Energy analysis in municipal installations: implementation of a system to monitor municipal electrical supplies, both in buildings and in public lighting. Some of the installations have photovoltaic installations for energy production that are also monitored. Among the main objectives sought in the definition of the proposed control panel are to facilitate the control and knowledge of municipal energy expenditure, integrating smart meters, as well as providing detailed and disaggregated data on consumption to establish strategies for action and to analyze the impact of savings and efficiency measures.
- Control panel for the analysis of "last mile services" in restricted access control zones (ZAC): analysis by managers of Pamplona City Council regarding the service given by distributors of goods accessing the city center. In this case, it is intended to analyze the length of time spent by these vehicles, the roads through which the vehicles enter and leave, as well as to know the characteristics of the park or fleet of vehicles that access this restricted access control zone whose graphs are shown. With this information, the development of more sustainable last-mile services with less impact on emissions can be promoted.

FLOTANT PROJECT (COBRA)

Working to achieve the goals of the UN-approved sustainable development goals is fundamental to almost all of the great challenges and opportunities facing society. In particular, advancing renewable energy generation is especially important in combating climate change and creating more sustainable communities.

FLOTANT was founded based on these premises. It is a project that develops new solutions for the generation of offshore wind power. The proposed solutions for >10MW wind turbines aim to increase the economic profitability of this renewable energy source by reducing the environmental impact through innovative anchoring, mooring, energy export systems and operating and maintenance strategies.

The floating structure and the systems included in the scope of the FLOTANT project are designed to be installed at deep sea depths between 100 and 600 meters. All this development will allow for the sale of offshore wind farms floating at great depths at competitive costs.

TECHNOLOGICAL DEVELOPMENTS OF FLOTANT

Hybrid floating structure of concrete and other materials. The benefits of other non-conventional materials in the offshore environment will be utilized to reduce manufacturing, installation and maintenance costs.

Development of reliable, sustainable and cost-effective mooring and anchoring systems. Innovative solutions for the absorption of tensions in the



anchorage system will be studied and validated. At the same time, the design and configuration of the mooring lines, the anchorage to the seabed and the connection to the floating structure will be optimized.

Optimization of energy evacuation at large depths.

A high-performance, lightweight dynamic cable will be developed along with marine connectors to facilitate installation and maintenance operations.

O&M strategies and sensor monitoring. Operating and maintenance costs in offshore wind farms will be reduced to great depths and distances far from the coast.

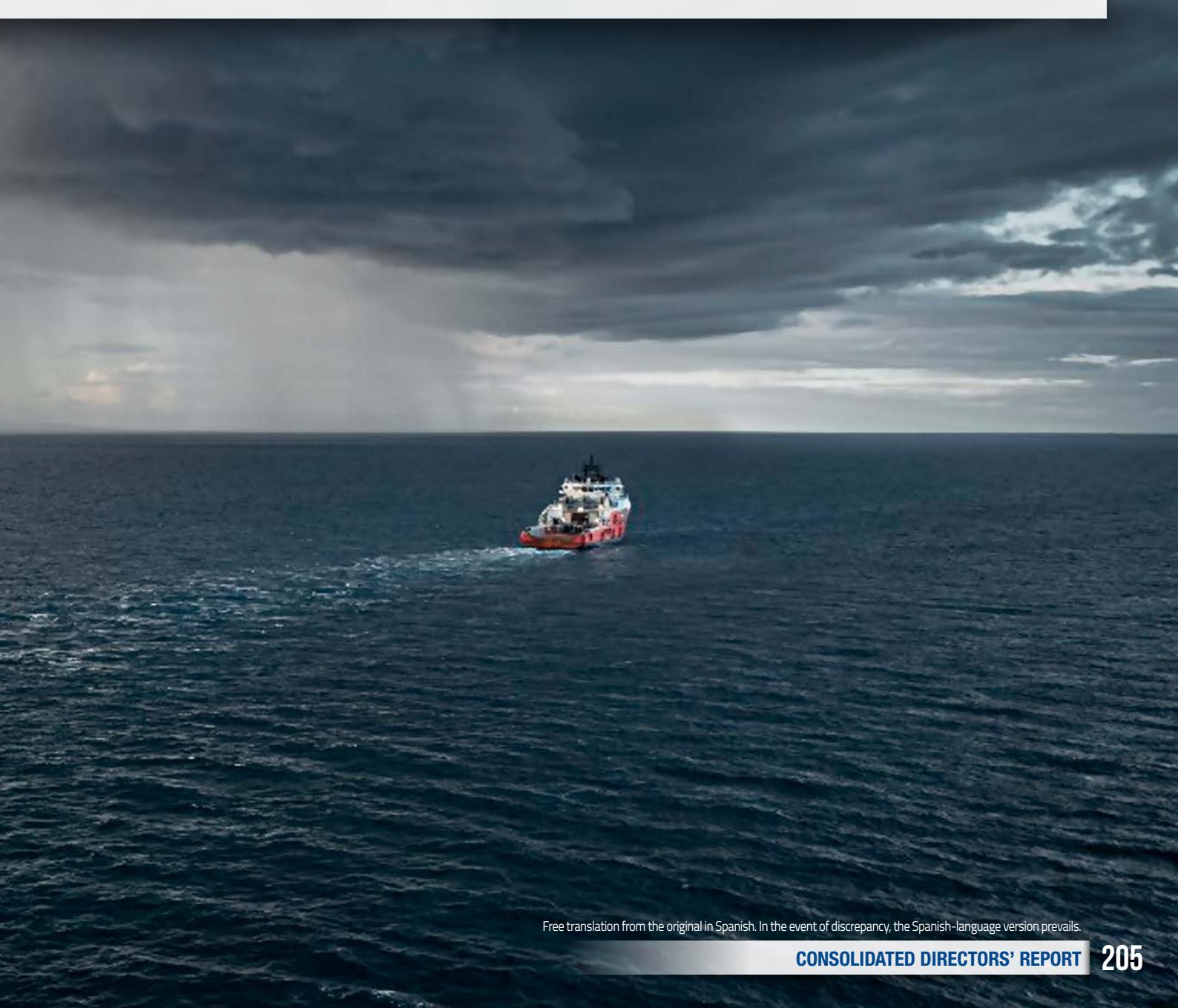
Installation and decommissioning techniques.

Appropriate systems will be designed to allow the largest number of operations to be carried out on the ground, reducing costs.

FLOTANT's technological developments are tested at MARIN facilities (Netherlands) and under real marine conditions at PLOCAN (Spain) in order to analyze behavior and validate performance.

BENEFITS AND IMPACTS

FLOTANT's goal is to achieve a 60% reduction in CAPEX by 2030. As well as a nearly 55% reduction in OPEX for the same year. This will contribute to a reduction in LCOE of about 60% by 2030, reaching an LCOE of 85-95 €/MWh by 2030 at great sea depths (100-600 meters).



MEISTER PROJECT (ETRA)

ETRA leads the European MEISTER project, which aims to promote large-scale deployment of electric vehicles in the European Union, tackling the three main challenges facing the sector: the cost of the vehicles, the level of acceptance by the consumer and the progress in the deployment of recharging stations.

MEISTER provides cities, operators and users with interoperable platforms and services, allowing easy and barrier-free access to electric vehicle recharging. At the same time, the use of energy from renewable sources is encouraged.

To achieve this, MEISTER has developed five products that encourage the large-scale adoption of electrical mobility through:

- Demonstration of innovative and sustainable business models to reduce installation and operating costs of load infrastructures.
- Optimization of infrastructure use by intelligently combining load and parking services.
- Integration of electric vehicles within the Sustainable Urban Mobility plans of cities.
- Provision of interoperable platforms and services to users for easy and barrier-free access to a smart network, billing and collection services, including the increased use of renewable energy and self-generation to power electric vehicles.

These solutions will be evaluated in three urban areas: Málaga (Spain), Berlin (Germany) and Stockholm (Sweden), involving one thousand electric vehicles, more than 500 charging points and several tens of thousands of users.

MEISTER is another part of the electromobility strategy that has made GRUPOETRA the industry leader through its company GIC.

GIC, a GRUPOETRA company specialized in sustainable mobility, is a reference in the field of electromobility in Spain and Portugal thanks to the projects developed with the main stakeholders of the market and is a reference in the three segments of the business (public charging, B2B and charging linked to end users), providing the

latest technology of GRUPOETRA and expertise in infrastructure installation, maintenance and operation.

Examples of unique projects are:

- The deployment and management of the public recharging network of the main municipalities, such as Madrid (including EMT), Barcelona or AMB.
- Private projects for public charging, such as IONITY, AENA or through collaboration with the main gas station networks (Cepsa, Galp, Total, Shell...) and electrical grids (EDP, ELEIA...).
- Collaboration with major VE manufacturers through arrangements for the installation of charging points with PSA, Ford, Toyota, Lexus and BMW.

Thus, the combination of the most advanced technology together with the introduction into the market puts GRUPOETRA in an optimal position to take advantage of the high growth expected in the emerging market for electric mobility. It should experience exponential growth in the coming years thanks to European regulations and manufacturers' commitment to low-emission mobility.

For more information:

<https://meisterproject.eu/>
<https://www.recargavehiculoselectricos.com/>
www.grupoetra.com



5.10.3. SERVICES

For the development of this function, Clece has a specific R+D+i department, and a formal management system certified on the basis of the UNE 166002:2006 standard, which is audited by an independent third party.

As of December 31, 2019, there were 6 ongoing research and development projects, in which 1.03 million euro was invested.



5.11. LIST OF CONTENTS OF THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

Information requested by the Non-financial Information Bill	Linking with GRI content	Location Information included
General information		
A brief description of the group's business model, which will include its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that can affect its future evolution.	102-2 Activities, brands, products and services 102-4 Location of operations 102-6 Markets served 102-7 Organization size 102-15 Main impacts, risks and opportunities	5.0. Business model Page 118
A description of the group's policies on these issues [environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as those related to the personnel, including measures which, where appropriate, have been adopted to promote the principle of equal treatment and opportunities for women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility], which will include the due diligence procedures applied for identification, evaluation, prevention and mitigation of significant risks and impacts and verification and control, including what measures have been taken.	103-2 The management approach and its components	5.1. Environment 5.2. People in the ACS Group 5.4.1. Respect for human rights: ACS Group Code of Conduct and Human Rights Policy 5.4.2. Fight against corruption and bribery 5.6. Contribution to society Page 123, 142, 165, 168, 177
The results of these policies should include key indicators of relevant non-financial results that allow for the monitoring and evaluation of progress and that favor comparability between societies and sectors, in accordance with the national, European or international frameworks of reference used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	5.1. Environment 5.2. People in the ACS Group 5.4.1. Respect for human rights: ACS Group Code of Conduct and Human Rights Policy 5.4.2. Fight against corruption and bribery 5.6. Contribution to society Page 123, 142, 165, 168, 177
The main risks related to these issues [environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as those related to personnel, including measures which, where appropriate, have been adopted to promote the principle of equal treatment and opportunities for women and men, non-discrimination and inclusion of people with disabilities and universal accessibility] linked to the activities of the group, including, where relevant and proportionate, their trade relations, products or services that may have negative effects on these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international frameworks of reference for each subject. Information should be included on the impacts that have been detected, providing a breakdown of the impacts, in particular on the main short-, medium- and long-term risks.	102-15 Major impacts, risks and opportunities	5.0.2.Risks 5.1.5. Risks related to environmental issues 5.2.4. Risks related to personnel issues 5.3.3. Risks related to personnel issues (Health and Safety) 5.4.4. Risks related to compliance issues 5.7.3. Risks related to supply chain issues Page 120; 140-141; 155; 163; 172; 191

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Information requested by the Non-financial Information Bill	Linking with GRI content	Location Information included
<p>Key indicators of non-financial results that are relevant to the specific business activity and meet the criteria of comparability, materiality, relevance and reliability. In order to facilitate the comparison of information, both in time and between entities, the standards of key non-financial indicators that can be generally applied and which comply with the European Commission's guidelines on this matter and the Global Reporting Initiative standards, will be particularly used, and should mention in the report the national, European or international framework used for each subject. Key indicators of non-financial results should be applied to each of the non-financial information statement sections. These indicators should be useful, taking into account specific circumstances and consistent with the parameters used in their internal risk management and assessment procedures. In any case, the information presented must be accurate, comparable and verifiable.</p>	<p>103-2 The management approach and its components 103-3 Evaluation of the management approach 102-54 Declaration of the preparation of the report in accordance with the GRI standards</p>	<p>5.0.3 Evolution of indicators relevant to the non-financial management of the ACS Group Page 121</p>
Environmental issues		
Detailed General Information		
On the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety	-	<p>5.1. Environment Page 123-124</p>
About environmental assessment or certification procedures	-	<p>5.1. Environment Page 123-124</p>
About resources devoted to the prevention of environmental risks	-	<p>5.1.5. Risks related to environmental issues Page 140</p>
About the application of the precautionary principle	102-11 Precautionary principle or approach	<p>5.1. Environment Page 124</p>
About the amount of provisions and guarantees for environmental risks	-	<p>5.1.5. Risks related to environmental issues Page 140</p>
Contamination		
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	<p>305-1 Direct GHG emissions (Scope 1) 305-2 Indirect GHG emissions in energy generation (Scope 2) 305-3 Other indirect GHG emissions (Scope 3) 305-5 Reduction of GHG emissions</p>	<p>5.1.1. Emissions: Pollution and climate change Page 124-128</p>
Circular economy and waste prevention and management		
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste	<p>301-2 Recycled inputs 301-3 Reused products and packaging materials 303-3 Recycled and reused water 306-1 Discharge of water according to quality and destination 306-2 Waste by type and method of disposal</p>	<p>5.1.2. Circular economy and waste prevention 5.1.3. Sustainable use of resources. Efficient use of water resources Actions to combat food waste is not applicable to the ACS Group given the activity carried out by the Group Page 129-130</p>
Sustainable use of resources		
Water consumption and water supply according to local limitations	<p>303-1 Source water extraction 303-2 Water sources significantly affected by water extraction</p>	<p>5.1.3. Sustainable use of resources. Efficient use of water resources Page 132-133</p>
Consumption of raw materials and measures taken to improve the efficiency of their use	<p>301-1 Materials used by weight or volume</p>	<p>5.1.3. Sustainable use of resources. Material consumption: Sustainable construction Page 134-138</p>

Information requested by the Non-financial Information Bill	Linking with GRI content	Location Information included
Direct and indirect consumption of energy	302-1 Energy consumption within the organization 302-2 Energy consumption outside the organization	5.1.3. Sustainable use of resources. Energy consumption. Page 131
Measures taken to improve energy efficiency	302-4 Reducing energy consumption 302-5 Reducing energy requirements for products and services	5.1.3. Sustainable use of resources. Energy consumption. Page 131
Use of renewable energies	302-1 Energy consumption within the organization	5.1.3. Sustainable use of resources. Energy consumption. Page 131
Climate change		
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services that it produces	305-1 Direct GHG emissions (Scope 1) 305-2 Indirect GHG emissions in energy generation (Scope 2) 305-3 Other indirect GHG emissions (Scope 3)	5.1.1. Emissions: Pollution and climate change Page 124-128
Measures taken to adapt to the consequences of climate change		5.1.1. Emissions: Pollution and climate change Page 124-128
Voluntary medium- and long-term reduction targets for reducing greenhouse gas emissions and the resources implemented for this purpose	305-5 Reduction of GHG emissions	5.1.1. Emissions: Pollution and climate change Page 124-128
Protection of Biodiversity		
Measures taken to preserve or restore biodiversity	304-3 Protected or restored habitats	5.1.4. Biodiversity Page 139
Impacts caused by activities or operations in protected areas	304-2 Significant impacts of activities, products and services on biodiversity	5.1.4. Biodiversity Page 139
Social and personnel issues		
Employment		
Total number and distribution of employees based on representative criteria of diversity (sex, age, country, etc.)	102-8 Information on employees and other workers 405-1 Diversity in governing bodies and employees	5.2. People in the ACS Group. Page 142-144
Total number and distribution of labor contract categories, annual average of indefinite contracts, temporary contracts and part-time contracts by sex, age and professional classification	102-8 Information about employees and other workers	5.2. People in the ACS Group. Page 142-144
Number of layoffs by sex, age and professional classification		5.2. People in the ACS Group. Page 142-144
Average remuneration and its evolution disaggregated by sex, age and professional classification or equal value	102-38 Ratio of total annual compensation 102-39 Ratio of the percentage increase of the total annual compensation	5.2. 1. Diversity and equality. Page 147
Wage gap, remuneration for the same job or average in the company	405-2 Ratio of the base salary and the remuneration of women compared to men	5.2. 1. Diversity and equality. Page 147
The average remuneration of directors and senior management, including variable remuneration, subsistence allowance, and severance pay	-	5.2. 1. Diversity and equality. Page 145
Payment to long-term savings-investment systems and any other income disaggregated by sex	201-3 Defined benefit plan and other retirement plan obligations	5.2. 1. Diversity and equality. Page 145
Implementation of work disconnection policies	-	ACS Group companies currently do not have a disconnection policy, but different companies in the Group, such as Clece, which has 42% of the Group's employees, are developing initiatives to develop it during this year.
Employees with disabilities	405-1 Diversity in governing bodies and employees	5.2. 1. Diversity and equality. Page 147

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Information requested by the Non-financial Information Bill	Linking with GRI content	Location Information included
Organization of work		
Organization of work time	-	5.2.2. Organization of work and social relations. Page 149
Number of hours of absenteeism	403-2 Types of accidents and frequency of accidents, occupational diseases, lost days, absenteeism and number of deaths from occupational accidents or occupational disease	5.2.2. Organization of work and social relations. Page 149
Measures to facilitate the enjoyment of work-life balance and to encourage this for both parents	401-3 Parental Leave	5.2.2. Organization of work and social relations. Page 149
Health and Safety		
Health and safety conditions at work	403-3 Workers with high incidence or high risk of disease related to their activity	5.3. Occupational Health and Safety Page 156-163
Accidents at work, particularly their frequency and severity, as well as occupational diseases; disaggregated by sex.	403-2 Types of accidents and frequency of accidents, occupational diseases, lost days, absenteeism and number of deaths from occupational accidents or occupational disease	5.3. Occupational Health and Safety Page 156-163
Social Relations		
Organization of social dialog, including procedures for informing and consulting staff and negotiating with staff	102-43 Approach for participation of stakeholders 402-1 Minimum notice periods on operational changes 403-1 Representation of workers on formal worker- company health and safety committees	5.2.2. Organization of work and social relations. Page 149
Percentage of employees covered by collective bargaining agreements by country	102-41 Collective bargaining agreements	5.2.2. Organization of work and social relations. Page 149
The balance sheet of collective bargaining agreements, particularly in the field of health and safety at work	403-4 Health and safety issues addressed in formal agreements with trade unions	5.2.2. Organization of work and social relations. Page 149
Training		
Policies implemented in the field of training	404-2 Programs to improve employee skills and transition assistance programs	5.2.3. Talent Development. Page150-153
Total number of training hours per professional category	404-1 Average training hours per year per employee	5.2.3. Talent Development. Page153
Universal accessibility of people with disabilities		
Universal accessibility of people with disabilities	-	5.2. 1. Diversity and equality. Page147
Equality		
Measures taken to promote equal treatment and equal opportunities for women and men	401-3 Parental Leave	5.2. 1. Diversity and equality. Page 144-147
Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men), measures taken to promote employment, protocols against sexual and gender harassment, integration and universal accessibility of people with disabilities	-	5.0.3 Evolution of indicators relevant to the non-financial management of the ACS Group 5.2. 1. Diversity and equality. Page 121,144-145
Policy against all discrimination and, where appropriate, diversity management	406-1 Cases of discrimination and corrective actions taken	5.2. 1. Diversity and equality. Page 144

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Information requested by the Non-financial Information Bill	Linking with GRI content	Location Information included
Respect for human rights		
Human rights		
Application of human rights due diligence procedures; prevention of risks of human rights violations; and, where appropriate, measures to mitigate, manage and redress possible abuses	102-16 Values, principles, standards and codes of conduct 102-17 Advisory mechanisms and ethical concerns 410-1 Security personnel trained in human rights policies or procedures 412-1 Operations subject to human rights impact reviews or assessments 412-2 Training of employees in human rights policies or procedures 412-3 Agreements and significant investment contracts with human rights clauses or human rights assessments	5.4.1. Respect for human rights: ACS Group Code of Conduct and Human Rights Policy Page 166-167
Complaints about human rights violations	419-1 Non-compliance with social and economic laws and regulations	5.4.1. Respect for human rights: ACS Group Code of Conduct and Human Rights Policy Page 167
Promotion and compliance with the provisions of the fundamental Conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and work; elimination of forced or compulsory labor; effective abolition of child labor.	406-1 Cases of discrimination and corrective actions taken 407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk 408-1 Operations and suppliers with significant risk of child labor cases 409-1 Operations and providers with significant risk of forced or compulsory labor cases	5.4.1. Respect for human rights: ACS Group Code of Conduct and Human Rights Policy Page 165
Fight against corruption and bribery		
Corruption and bribery		
Measures taken to prevent corruption and bribery	102-16 Values, principles, standards and codes of conduct 102-17 Advisory mechanisms and ethical concerns 205-1 Operations assessed for corruption-related risks	5.4.2. Fight against corruption and bribery: criminal compliance management systems (UNE-ISO 19601) and anti-bribery management systems (UNE-ISO 37001) Page 164, 168
Measures to combat money laundering	205-2 Communication and training on anti-corruption policies and procedures 205-3 Confirmed corruption cases and measures taken	5.4.2. Fight against corruption and bribery: criminal compliance management systems (UNE-ISO 19601) and anti-bribery management systems (UNE-ISO 37001) Page 168
Contributions to foundations and non-profit entities		5.4.2. Fight against corruption and bribery: criminal compliance management systems (UNE-ISO 19601) and anti-bribery management systems (UNE-ISO 37001) Page 168

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Information requested by the Non-financial Information Bill	Linking with GRI content	Location Information included
Company information		
Company commitments to sustainable development		
Impact of the company's activity on employment and local development	204-1 Proportion of spending on local suppliers 413-1 Operations involving the local community, impact assessments and development programs	5.6. Contribution to society Page 176-186
The impact of the company's activity on local populations and on the territory	204-1 Proportion of spending on local suppliers	5.6. Contribution to society Page 176-186
Relations with local community leaders and the methods of dialog with them	102-43 Approach for the participation of stakeholders	5.5. Management of the relationship with stakeholders Page 173-178
Association or sponsorship actions	-	5.6. Contribution to society Page 178
Outsourcing and suppliers		
Inclusion of social, gender equality and environmental issues in the purchasing policy	308-1 New suppliers who have passed evaluation and selection filters according to environmental criteria 414-1 New suppliers who have passed evaluation and selection filters according to social criteria	5.7. Suppliers and contractors Page 187-191
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility	308-1 New suppliers who have passed evaluation and selection filters according to environmental criteria 414-1 New suppliers who have passed evaluation and selection filters according to social criteria	5.7. Suppliers and contractors Page 187-191
Monitoring and audit systems and their results	308-2 Negative environmental impacts on the supply chain and measures taken 414-2 Negative social impacts on the supply chain and measures taken	5.7. Suppliers and contractors Page 188
Consumers		
Measures for the health and safety of consumers	416-1 Assessment of the health and safety impacts of product or service categories	The subject is not applicable according to the materiality report (chapter 7.2), because of the type of business (business to business), the company does not have direct consumers. However, the information on the commitment to quality with the client can be found in Chapter 5.8. Page 192
Claim systems, complaints received and their resolution	102-43 Approach for the participation of stakeholders 102-44 Key issues and concerns mentioned 418-1 Essential claims related to customer privacy violations and loss of customer data	5.8.2. Customer Management Page 194
Tax information		
Country-by-country benefits obtained	201-1 Direct economic value generated and distributed	5.9. Tax information Page 197
Income tax paid	201-1 Direct economic value generated and distributed	5.9. Tax information Page 197
Public subsidies received	201-4 Financial assistance received from the government	5.9. Tax information Page 197

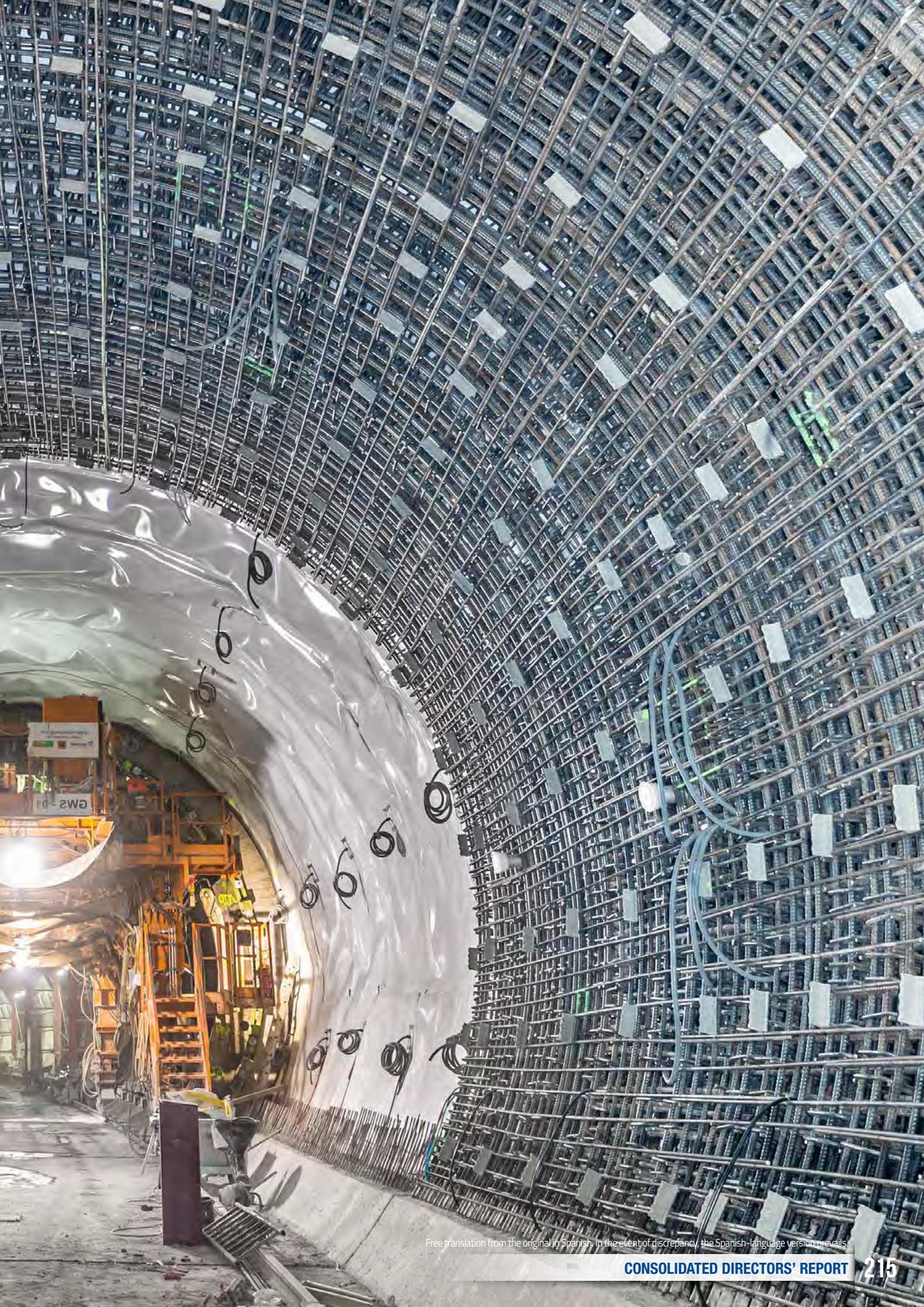
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6. CORPORATE GOVERNANCE

6.1. GENERAL SHAREHOLDERS' MEETING

6.2. BOARD OF DIRECTORS



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6. CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OF THE ACS GROUP

The ACS Group, following the latest recommendations of the reference entities, such as the National Securities Market Commission and best practices in corporate governance, has adopted a governance model consisting of the following bodies:

GENERAL SHAREHOLDERS' MEETING

The General Meeting is the highest body of expression of the Company's intentions and decisions, adopted in accordance with the provisions of the Bylaws, binding for all shareholders. It is responsible for approval of the annual accounts, implementation of the profits and approval of the social management. It is also responsible for the appointment and dismissal of directors, as well as any other functions that may be determined by Law or by the Bylaws.

BOARD OF DIRECTORS

The Board has the broadest powers to represent the company and to administer it as a supervisory and control body for its activity, but also to directly assume the responsibilities and decision-making regarding business management. It submits its management to the approval of the General Shareholders' Meeting.

DELEGATED COMMITTEES OF THE BOARD

EXECUTIVE COMMITTEE	AUDIT COMMITTEE	APPOINTMENTS COMMITTEE	REMUNERATION COMMITTEE
Delegated committee of the Board of Directors that may exercise all powers of the Board of Directors except those that cannot be delegated or those that the Board advocates as being within its competence.	Delegated committee of the Board of Directors responsible for the accounting and risk management functions, including supervision of compliance with corporate governance rules, Internal Codes of Conduct and Corporate Social Responsibility Policy.	Delegated committee of the Board of Directors responsible for proposing the appointment of Directors and the Secretary General of the Board, appointment of Senior Managers and gender diversity issues in the Board of Directors.	Delegated committee of the Board of Directors responsible for control of the remuneration of directors and senior managers.



The ACS Group's governance model, as well as the composition, functioning and functions of government bodies, are developed in the Group's Internal regulations.

The Group also has regulations on mechanisms for detecting, determining and resolving potential conflicts of interest between the company and/or its group, and its directors, senior management or significant shareholders.

RULES RELATING TO THE GOOD GOVERNANCE OF THE ACS GROUP

- | | |
|---|---|
|  Company bylaws |  Rules of Procedure of the General Shareholders' Meeting |
|  Regulation of conduct in the securities markets |  Rules of procedure of the Board of Directors |
|  Diversity policy | |

6.1. GENERAL SHAREHOLDERS' MEETING

ACS, Actividades de Construcción y Servicios, S.A., parent company of the ACS Group, is a corporation registered in Spain whose share capital, as of December 31, 2019, amounted to 157,332,297 euro, represented by 314,664,594 shares, with a nominal value of 0.50 euro per share, fully subscribed and disbursed, all of them in a single class and with the same rights.

The General Shareholders' Meeting is the highest body of expression of the Company's intentions and decisions, adopted in accordance with the provisions of the Bylaws and the Rules of Procedure of the General Shareholders' Meeting, binding for all shareholders, even those absent, disagreeing and abstaining.

The General Shareholders' Meeting is composed of all holders of at least one hundred shares, present or represented. Owners or holders of less than one hundred shares can be grouped to reach that number, representing themselves or another shareholder holding only the number of shares necessary to form part of the General Shareholders' Meeting.

The announcement of the summons for the General Shareholders' Meeting shall be published simultaneously in the Official Gazette of the Commercial Registry, on the company's website and on the website of the National Securities

Market Commission, stating all the regulations governing the following matters:

- Addendum to the meeting announcement and submission of new agreement proposals.
- Attendance and voting rights and shareholder registration.
- Voluntary representation.
- Appointment or revocation of the representative and notification to the company, both in writing and electronically.
- Conflict of interest of the representative.
- Public request for representation and exercise of voting rights by directors in the event of a public request for representation.
- Remote early voting.
- Special information instruments: corporate website and electronic shareholders' forum.

From the same day of publication of the announcement of the General Shareholders' Meeting and until the fifth day before, including that scheduled for holding the meeting on first call, shareholders may request in writing any



information or clarifications that they deem accurate or may ask in writing the questions they deem pertinent to matters covered by the agenda, as well as in relation to information accessible to the public that had been provided by the company to the national securities market commission since the last general meeting or the report from the statutory auditor. The Board of Directors shall be obliged to provide written information until the day of the general meeting.

All of these requests for information may be carried out by sending a request to the registered office, sending it to the company by post or electronically or remotely. Valid requests for written information, clarifications or questions and replies provided in writing by the Board of Directors shall be included on the company's website.

In addition to written requests for information, during the General Meeting, the shareholders of the Company may verbally request information or clarification they deem appropriate on matters on the agenda or in relation to information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or the report from the Company's audit officer. If it is not possible to satisfy the shareholder's right at that time, the Board of Directors shall be obliged

to provide written information within seven days of the termination of the General Meeting.

From the publication of the meeting announcement and until the holding of the general meeting, the company will continuously publish on its website www.grupoacs.com the following information that any shareholder may, likewise, examine in the registered office, or obtain immediately and free of charge:

- All documents or agreements to be voted on or considered by the general meeting, in particular reports from directors, auditors and independent experts.
- The system and forms for the issuance of the vote by representation, the forms for the delegation of the vote and the means to be used so that the company can accept an electronic notification of the representations conferred.
- Procedures and forms established for the issuance of remote voting.

The measures taken by the Group to encourage attendance at the General Shareholders' Meeting are reflected in the attendance percentages.

	2013	2014	2015	2016	2017	2018	2019
Total Quorum	75.25%	70.20%	73.23%	70.00%	64.45%	61.51%	66.63%
Quorum of shareholders present	20.19%	7.31%	7.52%	6.85%	1.90%	1.59%	1.05%
Quorum of shareholders present	55.06%	62.89%	65.71%	63.15%	62.54%	59.91%	65.57%



6.2. BOARD OF DIRECTORS

The composition of the Board of Directors is based on a principle of proportionality, whereby the interests of all ACS shareholder groups are represented within the Board.

The mission of independent and external directors is to represent the interests of floating capital within the Board of Directors.

The General Shareholders' Meeting is responsible, upon request by the Board of Directors, for setting both the exact number of members of the Board and the appointment of people to hold those positions. As of December 31, 2019, the ACS Board of Directors was composed of 17 members. The Company understands that the composition of the Board of Directors is adequate to represent the interests of shareholders, both majority and minority. In this regard, it should also be considered that a significant part (three out of four) of the other external directors are directors who, while, because the legal regulation for exceeding the maximum period of 12 years prevents them from being independent, are considered to be directors who, in accordance with their personal and professional capacities, can perform their functions without being conditioned by relations with the company or its group, its significant shareholders or its senior management.



For more information:
**Composition of the ACS
Board of Directors**
1. Management Bodies



**Annual Corporate
Governance Report**

FUNCTIONS

The Board of Directors assumes the functions of representation and administration of the company, as the highest supervisory and control body for its activity. It includes among its non-delegable functions, among others, the following:

- Investment and financing policy.
- Definition of the structure of the group of companies.
- Corporate Governance Policy.
- Corporate Social Responsibility Policy.
- Approval of financial information.
- Strategic or Business Plan, management objectives, and annual budgets.
- Senior management remuneration and performance evaluation policy.
- Risk management and control policy, including fiscal risks, and oversight of internal information and control systems.
- Dividend policy, as well as the policy related to equity or shares.
- Related operations, except in those cases provided for by the Rules of Procedure.
- Determination of the Company's fiscal strategy.

Principles governing the composition of the Board and its functioning can be reviewed in the Corporate Governance Report prepared annually by the ACS Group.

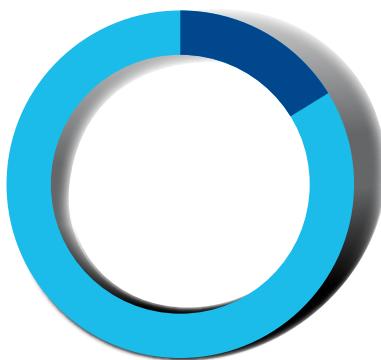
The full list of non-delegable functions can be found in Article 5 of the Rules of Procedure of the Board of Directors.

During the 2019 financial year, an analysis of the responsibilities of the members of the Board of Directors was prepared, the results of which are reflected in the following matrix of competences:

MATRIX OF COMPETENCES OF THE BOARD OF DIRECTORS

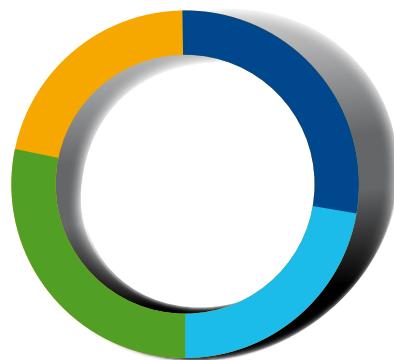
	Executive Chairman	CEO	Vice-chairman 1	Vice-chairman 2	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8	Board Member 9	Board Member 10	Board Member 11	Board Member 12	Board Member 13
EXPERIENCE																	
Sectorial	●	●	●	●	●		●		●	●		●	●		●	●	●
International	●	●		●			●	●		●		●		●	●	●	●
Academic	●			●		●		●	●	●	●	●		●	●		
Public administration	●					●		●	●		●	●	●		●	●	●
KNOWLEDGE																	
Accounting and finance	●	●	●	●	●		●	●		●		●	●				●
Risks	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Operations	●	●	●	●	●				●			●			●		
Legal and fiscal						●	●	●		●		●		●	●	●	●
Technology and digital transformation		●					●										●
Human resources	●	●	●	●			●		●		●	●	●	●	●	●	●

BOARD COMPOSITION



● WOMEN 3
● MEN 14

BOARD COMPOSITION BY TYPE OF DIRECTOR

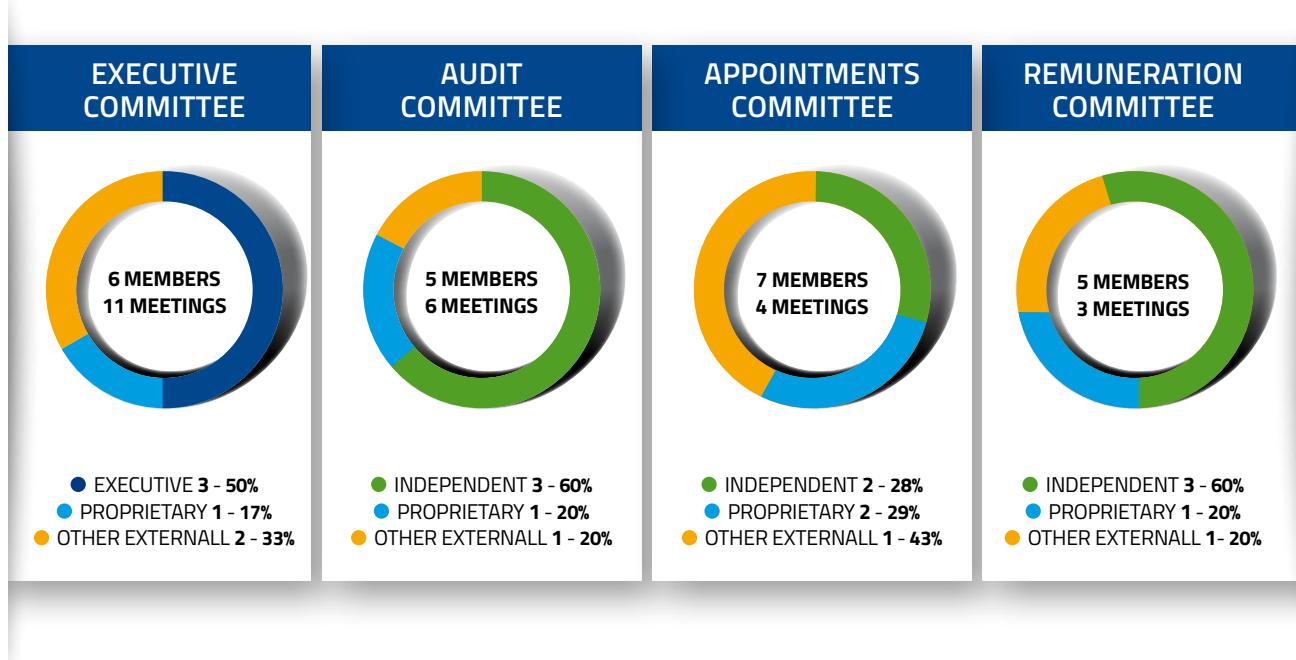


● EXECUTIVE 29%
● PROPRIETARY 18%
● INDEPENDENT 29%
● OTHER EXTERNAL 24%

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6.2.1. DELEGATED COMMITTEES

The specific and detailed functions of each of the Delegated Committees of the ACS Group Board of Directors are described in Title 4 of the ACS Group Rules of Procedure of the Board of Directors.



6.2.2. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board Members is defined by a general policy approved by the Board in full, in accordance with the recommendations of the Remuneration Committee.

The details of the remuneration received by the Governing Body, as well as the criteria for its

determination, are published in the Annual Remuneration Report.

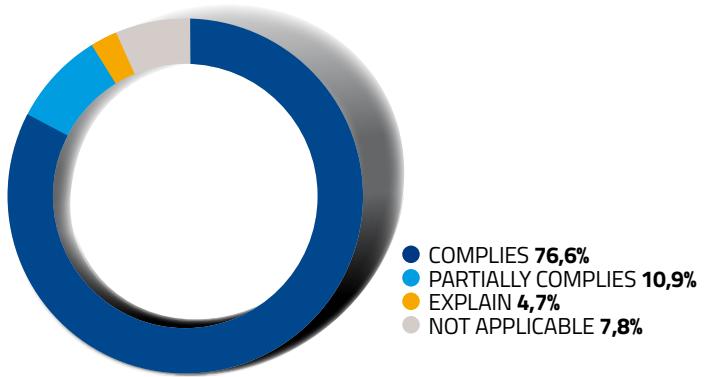
During the 2019 General Shareholders' Meeting, the Board's remuneration was approved with 95.71% of the votes cast in favor.



	Number	% over total
Votes cast	209,674,147	66.63%
Opposing votes	6,879,271	3.28%
Votes in favour	200,679,554	95.71%
Abstention	2,115,322	1.01%

6.2.3. GOOD GOVERNANCE

In the 2019 financial year, the ACS Group's parent company has continued to develop the work of adapting its Internal regulatory body to monitor the recommendations of the Code of Good Governance of listed companies. The degree of monitoring can be found in point G. of the Corporate Governance Report which forms part of and is attached to this Consolidated Directors' Report.



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7. ANNEXES

7.1. REPORTING PRINCIPLES

7.2. IDENTIFICATION OF MATERIAL ISSUES

7.3. NON-FINANCIAL INFORMATION ANNEXES

7.4. FINANCIAL-ECONOMIC ANNEX

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7.1. REPORTING PRINCIPLES

This ACS Group Report has been prepared in accordance with the principles established within the framework of the International Integrated Reporting Council (IIRC¹¹).

This report integrates financial and extra-financial information considered relevant to ACS Group stakeholders. Information regarding relevant extra-financial issues has been reported in accordance with the Global Reporting Initiative standards, including additional applicable information required by the Construction and Real Estate Sectoral Supplement. This report has been drawn up in accordance with the comprehensive option of the GRI standards. This extra-financial information has been verified by an independent third party, including the verification letter on page 256-257 of this document.

With regard to the Group's financial and management information, the Integrated Annual Report responds to the recommendations of the National Securities Market Commission contained in the Guide for preparing management reports of listed companies, as well as law 11/2018 on the dissemination of non-financial information and diversity information.

The main issues identified as relevant and addressed in this report are as follows (in order of priority):

[102-46]

- Responsibility to local communities
- Efficient resource management
- Development and talent of diversity
- Comprehensive and responsible companies
- Climate: global concern
- Zero accidents goal
- Responsible supply chain
- Resilient and socially responsible infrastructures
- Protection of Human Rights
- Tools and new financing models

For the preparation of this report, the ACS Group has applied the following criteria:

11. For more information, visit the International Integrated Reporting Council's website at <http://integratedreporting.org/>



PRINCIPLES FOR DEFINING THE CONTENT OF THE REPORT:

Inclusion of stakeholders: the ACS Group aligns the management of relevant issues with the expectations of its stakeholders. To this end, it has mechanisms of dialog adapted to its relationship with each of them (indicated in paragraph 5.5 of this report). In line with this commitment, in 2018, a comprehensive review process of materiality was carried out both through external documentation and through the holding of 1,724 consultations throughout the ACS Group with stakeholders to incorporate their perspective on the relevant issues concerning the Group. In 2019, this vision was updated with consultations with the major banks, financial institutions, investors and analysts with which the ACS Group matrix is related (39consultations held).

Sustainability context: this report aims to reflect the management of the ACS Group in each of the three dimensions of sustainability: economic, social and environmental. Throughout the document, information is provided to contextualize each of them.

Relevance: The ACS Group has conducted an analysis of issues, the methodology and results of which can be found in paragraph 7.2. of this report, which has made it possible to find out which matters are relevant to the ACS Group and its stakeholders.

Completeness: In the process of producing this report, its coverage and scope have been clearly defined, giving priority to the information considered to be applicable and including all significant events that have taken place in 2019, without omitting relevant information for our stakeholders.

[102-48] [102-49]

Together with the determination of its content, the coverage of the Report has been established. In 2018 and 2019, ACS Group companies have been involved in transformation processes that have led to organizational and management changes, which involves a variation in the scope of some indicators. Annex 7.3.3 shows the scope and coverage of each of the reported indicators. In addition, in the event of significant changes to coverage, these have been indicated throughout the chapters.

The relevant issues, indicators collected and coverage of the 2019 Integrated Annual Report provide an overview of the significant impacts on the economic, social and environmental and activity fields of the ACS Group.

[102-46]

PRINCIPLES FOR DEFINING THE QUALITY OF THE REPORT:

Accuracy and clarity: This report contains tables, charts, and schemes, with the intention of facilitating its understanding. The information collected is intended to be clear and precise, in order to be able to assess the performance of the ACS Group. In addition, the use of technicalities whose meaning may be unknown to stakeholders has been avoided to the greatest extent possible.

Balance: Both positive and negative aspects are included, with the aim of presenting an unbiased image and allowing stakeholders to make a reasonable assessment of the Company's performance.

[102-46], [102-48], [102-49]

Comparability: To the extent possible, the information reflected has been organized in such a way that stakeholders can interpret the changes made by the ACS Group with respect to previous financial years. For the sake of comparability of data, where possible, certain data from 2018 has been recalculated with the same scope as the one reported in 2019. In the indicators in which it appears, in some indicators it has not been possible to recalculate data retroactively, the data historically reported has been presented for information purposes.

Reliability: The reliability of the data collected in this 2019 Integrated Annual Report in relation to Corporate Social Responsibility has been confirmed by KPMG, a firm that has carried out its verification. The verification letter is located on page 256-257.

Punctuality: The ACS Group is committed to reporting annually on its performance as a Group. This report reflects its activities during 2019 in the economic, social, environmental and activity fields.

7.2. IDENTIFICATION OF MATERIAL ISSUES

[102-47]

Following the principles established by the GRI Standards to define the contents of the 2019 Integrated Report, in 2018, the ACS Group carried out a process of updating the materiality analysis that it executed in 2015 and that was revised in subsequent years. In 2019, this update has been expanded by holding consultations with the major banks, financial institutions, investors and analysts with which the ACS Group matrix is related.

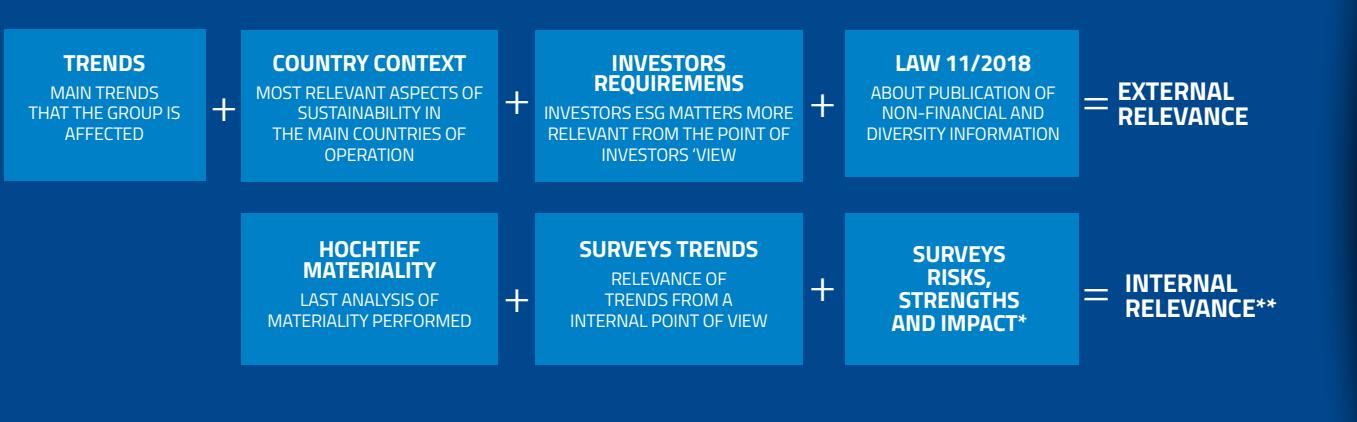
The list of relevant issues identified in 2015 was reviewed for the 2018 analysis update, which was taken as a basis and updated through an external cabinet study.

Public sources and International reference agencies were reviewed to identify the main trends and challenges affecting the sector. In addition, from the external perspective, the main financial and extra-financial aspects assessed by investors were considered. With regard to the analysis of risks and opportunities in the different

markets, it was considered that the analysis carried out in 2015 was still valid, with only a brief update. Special emphasis is also placed on policy changes in reporting non-financial and diversity information (Law 11/2018).

[102-44]

For the Internall valuation analysis, the latest materiality study by HOCHTIEF has been taken into account. Likewise, the results of surveys conducted in 2018 on different areas of the company have been considered in terms of their perception of the relevance of the different trends identified and the identification of the main risks to the company, as well as the expansion carried out in 2019 with the consultation of the main banks, financial institutions, investors and analysts with which the ACS Group parent company is related. Similarly, in these Internall surveys, the relevance of the issues has been consulted on the basis of the Group's strengths in the management of each issue and the impact that they may have.



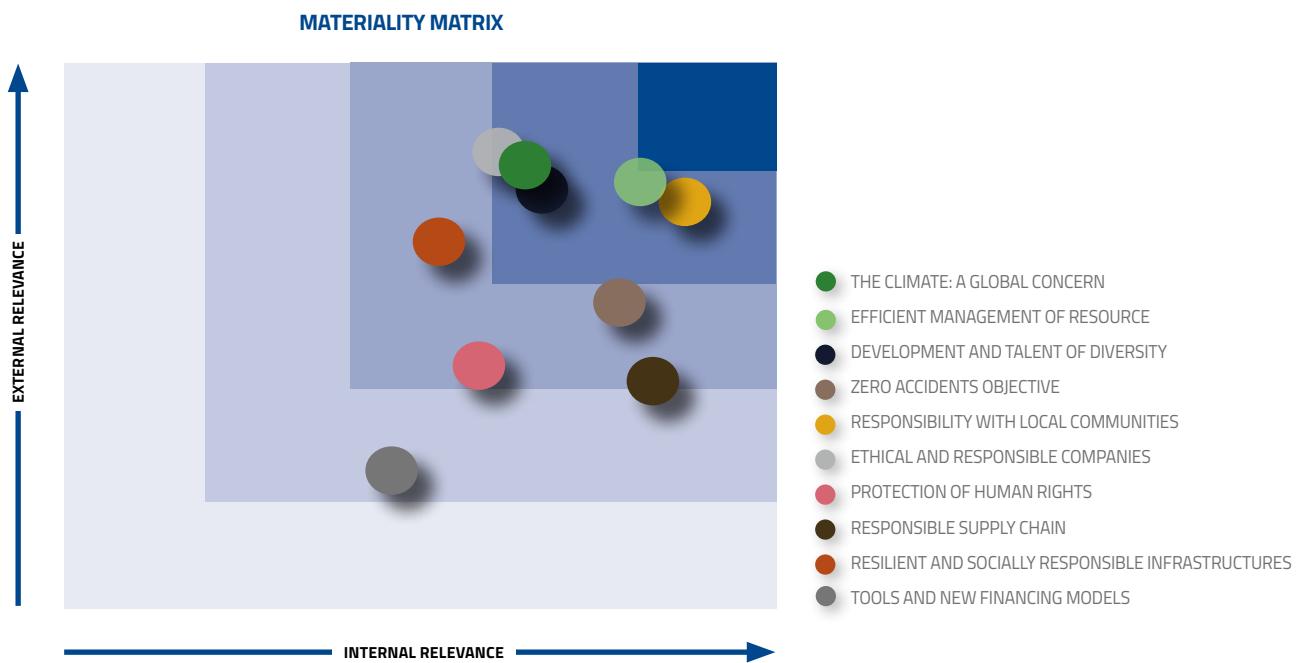
*The results of surveys carried out in 2018 to different areas of the company have been considered in terms of their perception of the relevance of the different trends identified and the identification of the main risks for the company, as well as the analysis carried out in 2019 with the consultation of the main banks, financial institutions, investors and analysts with whom the parent company of the ACS Group is related.

**The Materiality study conducted in 2015 was taken into account to adjust the results in order to avoid a great disruption between the materiality of 2015 and the current one.



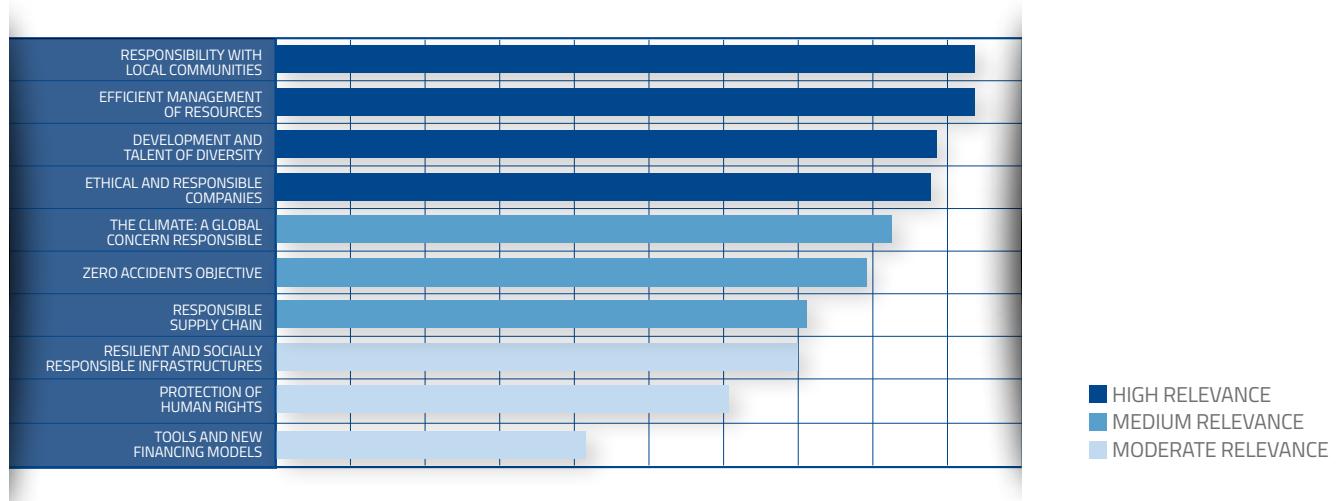
[102-47], [103-1]

The result of weighting the issues identified both Internally and externally has allowed a materiality matrix to be designed, in which the results obtained are represented according to their relevance, both external and internal, thus identifying ten aspects relevant to the ACS Group which are detailed below:



[102-47], [102-44]

The ten relevant issues identified with the materiality matrix have been ranked according to their overall relevance, as shown in the following table:



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The importance of the issues for each of the main countries in which the Group operates and for each of its areas of activity was also analyzed, considering the importance of the following particular sub-issues. These issues have been identified as relevant to the ACS Group, but an identification of the Internall relevance of each of these issues has also been made in each of the Group's businesses - Construction, Industrial Services and Services.

The following are the issues identified as relevant, the particular sub-issues assessed and the risks associated, which the Integrated Report addresses, as well as the ACS Group's management policies and approach:

[102-44], [102-47]

RESPONSIBILITY WITH LOCAL COMMUNITIES

RELEVANCE		BUSINESSES
INTERNAL	EXTERNAL	
100%	89%	

ASSOCIATED RISKS AND OPPORTUNITIES

The company's activity may result in risks due to communities' opposition to the development of projects or due to negative perceptions of the management carried out. This may jeopardize the Group's reputation and its business license to operate. For that reason, it is important to encourage a continuous dialog with the community and provide tools that facilitate proactive and open communication and the involvement of the communities from the start of projects. If at the same time, jobs are created and the entrepreneurial and local industrial culture are promoted, efficiency will be gained and costs will be saved. By adequately managing local expectations and promoting local development, the project can become a source of pride for the community.

MANAGEMENT FOCUS

The Group promotes a proactive dialog with the community through the heads of companies and specific projects.

ACS seeks to provide value to communities through its business strategy. Its commitment revolves around an Action Plan that defines the procedures in the different businesses: responsibilities, scopes and geography of action, categories of projects, types of contribution and monitoring models

The Fundación ACS reinvests part of the Group's profits in society through sponsorships, patronages and other programs.

SUB-MATTERS CONSIDERED

- Social and environmental impact evaluations of projects.
- Proactive dialog with the community and tools for communication.
- Contribution to the well-being of the local community.
- Training and transfer of knowledge to the local entrepreneurial culture.
- Economic value generated and distributed.

APPLICABLE POLICIES

- Code of Conduct.
- Code of Conduct for Business Partners.
- The ACS Group's Social Action Policy.
- Corporate Social Responsibility Policy.
- Human Rights Policy.
- Corporate Due Diligence Protocol regarding Human Rights.



EFFICIENT MANAGEMENT OF RESOURCES

RELEVANCE
INTERNAL 93% EXTERNAL 93%



ASSOCIATED RISKS AND OPPORTUNITIES

Inefficient management of resources may represent a considerable increase in the costs of construction and management, negatively affecting the agreements established with the client. Likewise, the improper management of natural capital, in addition to causing a direct impact on the ecosystems where it carries out its activity, can also cause damage to the Group's reputation. On the contrary, responsible and sustainable management of resources implies cost savings for the company and an improved perception and legitimacy for the company.

MANAGEMENT FOCUS

The Group's 20-20 Plan defines the commitment and objectives to improve eco-efficiency and the use of resources. Each company follows policies and plans to comply with the ISO 14001 standard. For the environmental priorities of each activity, objectives and programs for improvement are established, whose supervision is the responsibility of the Environmental Management Department of the group of companies.

DEVELOPMENT OF TALENT AND DIVERSITY

RELEVANCE
INTERNAL 75% EXTERNAL 97%



ASSOCIATED RISKS AND OPPORTUNITIES

Providing a pluralistic environment, where diversity and the equality of opportunities take priority, offering competitive advantages to the companies, such as loyalty and productivity programs for employees. In addition, the increased complexity of projects and the new requirements of the sector—for example, standards and certifications of energy efficiency and sustainability in construction—require greater awareness and specialization. If these are not acquired with flexibility, they will represent a disadvantage for the company against the competitors, and therefore a detriment for the business. However, the efforts in attracting and retaining talent, and the commitment to training help ACS to remain at the cutting edge.

MANAGEMENT FOCUS

The 20-20 Plan includes the commitment to improve professional performance, by increasing the investment in training.

Within this common framework, each company manages the development of its professionals in accordance with its specific needs, complying with the Group's Policy. They define training, and personal and professional development programs, and evaluate their impact on the participants.

SUB-MATTERS CONSIDERED

- Responsible environmental management and raising awareness.
- Resources dedicated to preventing environmental risks.
- Circular economy: reduce, reuse and recycle. Use of respectful and long-lasting materials.
- Efficient management of water and energy.
- Innovation and new efficient technologies.

APPLICABLE POLICIES

- Environmental policy.
- Construction materials policy.
- Corporate Social Responsibility Policy.

SUB-MATTERS CONSIDERED

- Contribution to economic growth and job creation.
- Remuneration, type of labor contract and distribution in the staff.
- Strategies of attracting, developing and retaining talent.
- Measures of social dialog, organization, flexibility and work-life balance.
- Policies, plans and measures for diversity and equality between men, women and people with disabilities.

APPLICABLE POLICIES

- Code of Conduct.
- Human Rights Policy.
- Diversity Policy.
- Skill Development and Assessment Policy.
- Corporate Social Responsibility Policy.

ETHICAL AND RESPONSIBLE COMPANIES



ASSOCIATED RISKS AND OPPORTUNITIES

The organizations that do not respect the highest ethical standards and that do not show an integral behavior may have their reputation damaged. ACS strives for a governance model based on professional and ethical criteria, and adequate management with controlled risk. For that reason, ACS must have the necessary resources to fight corruption, fraud and bribery. It must fairly compete in the market, comply with the fiscal obligations in all jurisdictions and demonstrate good practices, such as fiscal transparency and collaboration with the corresponding tax administrations.

MANAGEMENT FOCUS

To guarantee the principles of transparency, ethics and integrity, the ACS Group has the Ethics Channel, the Code of Conduct and the Supervisory Committee that ensures compliance. The 20-20 Plan includes the commitment to these principles through the objectives that prevent and eradicate poor practices. ACS has developed and adapted its regulatory bodies and its compliance management systems to obtain the UNE 19601 and UNE-ISO 37001 certifications.

SUB-MATTERS CONSIDERED

- Compliance policies and systems.
- Mechanisms to prevent corruption and fighting against money laundering as well as channels for reporting corrupt behavior.
- Transparency in the fiscal policy, bidding processes and contributions to foundations.
- Corporate governance.

APPLICABLE POLICIES

- Corporate Fiscal Policy, Internal Control over Financial Reporting System (ICFRS)xº.
- Criminal and Anti-bribery Compliance Policy.
- Treasury Stock Policy, Rules of Conduct in Securities Markets.
- Corporate Social Responsibility Policy.
- Code of Conduct.
- Code of Conduct for Business Partners.
- Human Rights Policy.
- Corporate Due Diligence Protocol regarding Human Rights.

OBJECTIVE: ZERO ACCIDENTS

[103-1], [103-2]



ASSOCIATED RISKS AND OPPORTUNITIES

Despite the advances in the infrastructures and services sector, the frequency indexes in the accident ratios continue to be higher than in other sectors, negatively affecting the perception of the stakeholders. This fact, along with the costs that are associated with the accident rate of the employees and low productivity, negatively affect the companies. To prevent this, having the correct management of safety and health, improving the metrics, reducing the operating costs and building a reputation are crucial.

SUB-MATTERS CONSIDERED

- Safety and health standards, also required of the supply chain.
- Zero accidents policy, mitigation plans and reduction objectives.
- Training and raising awareness about safety and health.
- Monitoring accident rate, frequency and severity indicators.

APPLICABLE POLICIES

- Corporate Social Responsibility Policy.
- Code of Conduct.
- Code of Conduct for Business Partners.

THE CLIMATE: A GLOBAL CONCERN

RELEVANCE
INTERNAL 77% EXTERNAL 92%



ASSOCIATED RISKS AND OPPORTUNITIES

The ACS Group is facing the physical risks derived from climate change (for example, natural disasters), in addition to the risks of transition derived from regulatory changes (demanding green energy objectives, efficiency and reduction of emissions by governments), technological changes or new preferences on the markets. However, climate change presents opportunities such as the development of resilient infrastructures as well as the development of products and services that contribute to the decarbonization of the economy. In this regard, the growing importance that stakeholders like the investment community present against the management of these risks and opportunities is notable, due to their potential impact on the bottom line.

MANAGEMENT FOCUS

The Group's 20-20 Plan defines the commitment and objectives to improve eco-efficiency and the use of resources. The global responsibility of the climate change strategy falls on ACS's Board of Directors. Each company is responsible for carrying out an inventory of emissions, identifying the main focuses and developing initiatives for their reduction. The Group offers its clients construction products and services that contribute to promoting an economy that is low in carbon.

SUB-MATTERS CONSIDERED

- Policy, strategies and resources to mitigate and adapt to climate change.
- Pollution prevention and reduction measures.
- Efficient technologies and renewable resources.
- Objectives of reducing pollutant emissions.
- Carbon pricing.

APPLICABLE POLICIES

- Environmental policy.
- Construction materials policy.
- Corporate Social Responsibility Policy.

RESPONSIBLE SUPPLY CHAIN

RELEVANCE
INTERNAL 96% EXTERNAL 49%



ASSOCIATED RISKS AND OPPORTUNITIES

The poor practices of a company's suppliers represent a potential risk, and in the event they materialize, they may reduce the capacity to do business. It is necessary to evaluate the counter-party risks to which it is exposed and be involved in a constant improvement of its performance. The management systems of suppliers and contractors allow mitigating the potential risks for the Group, and allow improving the work processes and conditions, thus benefiting all parties.

MANAGEMENT FOCUS

All companies of the Group have specific standards and a formal system to classify, approve and control the risk of suppliers and subcontractors, which evaluates, among other aspects, the non-financial criteria—such as environmental and social characteristics—and establishes corrective measures in the event of non-compliance.

SUB-MATTERS CONSIDERED

- Purchasing policy that includes ESG aspects.
- Preparation of procedures and codes for suppliers.
- Qualification, evaluation and approval of suppliers as a function of risk.
- Measurement systems of fulfilling the responsibility objectives.
- Correction measures in case of non-compliance.

APPLICABLE POLICIES

- Code of Conduct for Business Partners.
- Corporate Social Responsibility Policy.
- Human Rights Policy.
- Corporate Due Diligence Protocol regarding Human Rights.

RESILIENT AND SOCIALLY RESPONSIBLE INFRASTRUCTURES

RELEVANCE

INTERNAL
62%

EXTERNAL
80%

BUSINESSES



ASSOCIATED RISKS AND OPPORTUNITIES

The increasingly frequent extreme climate events, the scarcity of natural resources, the condition and social context of the territory are conditioning factors of the Group's activities. ACS must work on the design and execution of resilient, sustainable and environmentally respectful infrastructures. It must carry out projects that involve a sustainable management of resources for the client, responding to the growing demand. This opportunity is presented in emerging countries, with a high demand for infrastructures, as well as in developed countries, by adapting and maintaining the existing ones.

MANAGEMENT FOCUS

The ACS Group, through its different activities, provides services that contribute to create more efficient and sustainable infrastructures and cities—sustainable construction, building public transport systems, traffic management services, etc. ACS offers the client the use of recycled and/certified construction materials. Projects by Hochtief, Turner, CIMIC and Dragados comply with the different certifications of sustainable construction, in addition to CEEQUAL, ISCA and Greenroads in terms of efficient infrastructures. Furthermore, the Group develops different innovation projects for the development of new more resilient and efficient materials.

SUB-MATTERS CONSIDERED

- Resiliency of the infrastructures to climate change.
- Sustainable projects and services that are respectful of the environment.
- Measures adopted to preserve, reduce and restore the impact on biodiversity.
- Raising awareness of the client in long-lasting and efficient construction.

APPLICABLE POLICIES

- Environmental policy.
- Construction materials policy.
- Corporate Social Responsibility Policy.

PROTECTION OF HUMAN RESOURCES

RELEVANCE

INTERNAL
68%

EXTERNAL
53%

BUSINESSES



ASSOCIATED RISKS AND OPPORTUNITIES

Human rights violations may represent a risk in certain countries and it requires a robust and homogeneous application of protection policies that must extend to the supply chain. ACS must become an active agent that ensures the protection of human rights within its area of influence by establishing measures and mechanisms that allow verifying the compliance of its commitments for all of its activities. The inadequate implementation of monitoring systems may overlook human rights violations that represent a great impact on the company's reputation and jeopardize its business license to operate.

MANAGEMENT FOCUS

The 20-20 Plan includes the Group's commitment to train its employees about Human Rights, Ethics and Integrity. The Code of Conduct contains the principles of the United Nations Global Compact. The Group complies with a process of due diligence to identify, prevent, mitigate and be accountable for the negative consequences caused by human rights violations. It has developed and adapted the internal standards and management systems, including evaluations and preventative measures to comply with the regulatory aspects related to human rights.

SUB-MATTERS CONSIDERED

- Human Rights Policy.
- Procedures of due diligence in terms of human resources, prevention of risks and repair measures for possible abuses.
- Training regarding human resources.
- Denunciation of violations.

APPLICABLE POLICIES

- Human Rights Policy.
- Corporate Due Diligence Protocol regarding Human Rights.
- Code of Conduct.
- Universal Human Rights Declaration, United Nations Ruggie Report.
- Corporate Social Responsibility Policy.

TOOLS AND NEW FINANCING MODELS

RELEVANCE

INTERNAL
53%

EXTERNAL
30%

BUSINESSES



ASSOCIATED RISKS AND OPPORTUNITIES

The diversity of financing tools, initiatives and organizations to invest in infrastructures: multilateral entities, institutional investors, retirement funds, sovereign wealth funds and small-scale players open up a range of opportunities for the companies in the sector, which must remain aware of proposals for new projects. The failure to adapt on time to these new models or not having the necessary tools implies a possible loss of business opportunities and a risk to companies of not being recognized by the stakeholders as an innovative agent and precursor of "green" projects.

MANAGEMENT FOCUS

The Group is seeking opportunities in markets that are at a favorable time for investment, from the point of view of certainty at the administrative, financial and legal levels. For this reason, it is committed to public-private projects as a good alternative in developing infrastructures, and complies with the state plans of investment and development. In the field of sustainable financing, the affiliate ACS Servicios, Comunicaciones y Energía is notable. In 2018, it issued green bonds with a BBB rating from Standard and Poor's and a value of 750 million euro.

SUB-MATTERS CONSIDERED

- Public-private alliances.
- Search for local partners.
- Sustainable financing.
- Financial solvency and solidity.
- Public subsidies received.

APPLICABLE POLICIES

- N/A.



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7.3. NON-FINANCIAL INFORMATION ANNEXES

7.3.1. GRI CONTENT INDEX

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Spanish version of the report.

This report has been prepared in accordance with the GRI Standards: Comprehensive option.



GRI content index				
GRI Standard	Disclosure	Page number(s) and/or direct answer	Omission	External verification
GRI 101: 2016 Basis				
GRI 102: General Disclosures 2016				
Organizational profile	102-1 Name of the organization	24		Yes (256-257)
	102-2 Activities, brands, products, and services	24-25, 118-119		Yes (256-257)
	102-3 Location of headquarters	24		Yes (256-257)
	102-4 Location of operations	26-27		Yes (256-257)
	102-5 Ownerships and legal form	218		Yes (256-257)
	102-6 Markets served	26-27		Yes (256-257)
	102-7 Scale of the organization	24-25		Yes (256-257)
	102-8 Information on employees and other workers	142-143		Yes (256-257)
	102-9 Supply chain 156-159	187-190		Yes (256-257)
	102-10 Significant changes to the organization and its supply chain	44-45		Yes (256-257)
	102-11 Precautionary Principle or approach	34-37		Yes (256-257)
	102-12 External initiatives	248		Yes (256-257)
Strategy	102-14 Statement from senior decision-maker	12-13		Yes (256-257)
	102-15 Key impacts, risks, and opportunities	34-37; 119-120		Yes (256-257)
Ethics and Integrity	102-16 Values, principles, standards, and norms of behavior	26; 164-168		Yes (256-257)
	102-17 Mechanisms for advice and concerns about ethics	169-170		Yes (256-257)
Governance	102-18 Governance structure	216-217		Yes (256-257)
	102-19 Delegating authority	216-217		Yes (256-257)
	102-20 Executive-level responsibility for economic, environmental and social topics	220-221		Yes (256-257)
	102-21 Consulting stakeholders on economic, environmental, and social topics	228-229		Yes (256-257)
	102-22 Composition of the highest governance body and its committees	16-17		Yes (256-257)
	102-23 Chair of the highest governance body	16-17		Yes (256-257)

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GRI content index

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omission	External verification
Governance	102-24 Nominating and selecting the highest governance body	220		Yes (256-257)
	102-25 Conflicts of interest	217		Yes (256-257)
	102-26 Role of the highest governance body in setting purpose, values, and strategy	220		Yes (256-257)
	102-27 Collective knowledge of highest governance body	220-221		Yes (256-257)
	102-28 Evaluating the highest governance body's performance	220		Yes (256-257)
	102-29 Identifying and managing economic, environmental, and social impacts	34-37		Yes (256-257)
	102-30 Effectiveness of risk management processes	34-37		Yes (256-257)
	102-31 Review of economic, environmental, and social topics	Economic: at least quarterly, Social and Environmental: at least annually		Yes (256-257)
	102-32 Highest governance body's role in sustainability reporting	216-217		Yes (256-257)
	102-33 Communicating critical concerns	169, 173-174		Yes (256-257)
	102-34 Nature and total number of critical concerns	169-170		Yes (256-257)
	102-35 Remuneration policies	220, 222		Yes (256-257)
	102-36 Process for determining remuneration	222		Yes (256-257)
	102-37 Stakeholders' involvement in remuneration	222		Yes (256-257)
	102-38 Annual compensation ratio	145		Yes (256-257)
	102-39 Percentage increase in annual compensation ratio	145		Yes (256-257)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or direct answer	Omission	External verification
Stakeholder engagement	102-40 List of stakeholder groups	173-174		Yes (256-257)
	102-41 Collective bargaining agreements	149		Yes (256-257)
	102-42 Identifying and selecting stakeholders	173-174		Yes (256-257)
	102-43 Approach to stakeholder engagement	173-174		Yes (256-257)
	102-44 Key topics and concerns raised	120, 228-230		Yes (256-257)
Reporting practice	102-45 Entities included in the consolidated financial statements	9		Yes (256-257)
	102-46 Defining report content and topic Boundaries	226-227; 244-247		Yes (256-257)
	102-47 List of material topics	120; 228-235		Yes (256-257)
	102-48 Restatements of information	227		Yes (256-257)
	102-49 Changes in reporting	227		Yes (256-257)
	102-50 Reporting period	9		Yes (256-257)
	102-51 Date of most recent report	Last report: 2018		Yes (256-257)
	102-52 Reporting cycle	227		Yes (256-257)
	102-53 Contact point for questions regarding the report	249		Yes (256-257)
	102-54 Claims of reporting in accordance with the GRI Standards	226, 236		Yes (256-257)
	102-55 GRI content index	236-241		Yes (256-257)
	102-56 External assurance	256-257		Yes (256-257)
Material Topics				
Zero accidents target				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	232		Yes (256-257)
	103-2 The management approach and its components	232		Yes (256-257)
	103-3 The evaluation of the management approach	156		Yes (256-257)
GRI 403: Occupational health and safety 2016	403-1 Workers representation in formal joint management worker health and safety committees	149;243		Yes (256-257)
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities	158-159;243		Yes (256-257)
	403-3 Workers with high incidence of high risk of diseases related to their occupation	159		Yes (256-257)
	403-4 Health and safety topics covered in formal agreements with trade unions	149;243		Yes (256-257)
G4 Sector Disclosure: Construction and Real Estate	CRE6 Percentage of the organization operating in verified compliance with an Internaltionally recognized health and safety management system	158		Yes (256-257)
Developing local talent				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	231		Yes (256-257)
	103-2 The management approach and its components	231		Yes (256-257)
	103-3 The evaluation of the management approach	150-153		Yes (256-257)
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	153		Yes (256-257)
	404-2 Programs for upgrading employee skills and transition assistance programs	150-153		Yes (256-257)
	404-3Percentage of employees receiving regular performance and career development reviews	150		Yes (256-257)

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GRI content index

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omission	External verification
Responsible supply chain				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	187-189; 233		Yes (256-257)
	103-2 The management approach and its components	187-189; 233		Yes (256-257)
	103-3 The evaluation of the management approach	187-189		Yes (256-257)
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	188		Yes (256-257)
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	13,16%		Yes (256-257)
	308-2 Negative environmental impacts in the supply chain and actions taken	188-189		Yes (256-257)
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	13,16%		Yes (256-257)
	414-2 Negative social impacts in the supply chain and actions taken	188-189		Yes (256-257)
Interest in local communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	176-178; 230		Yes (256-257)
	103-2 The management approach and its components	176-178; 230		Yes (256-257)
	103-3 The evaluation of the management approach	176-177		Yes (256-257)
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	25,41%		Yes (256-257)
	413-2 Operations with significant actual and potential negative impacts on local communities	19,24%		Yes (256-257)
G4 Sector Disclosure: Construction and Real Estate	CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Not available		No
Management of resources				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	231		Yes (256-257)
	103-2 The management approach and its components	231		Yes (256-257)
	103-3 The evaluation of the management approach	131-138		Yes (256-257)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	136,242		Yes (256-257)
	301-2 Recycled input materials used	242		Yes (256-257)
	301-3 Reclaimed products and their packaging materials	129		Yes (256-257)
GRI 301: Materials 2016	302-1 Energy consumption within the organization	131,242		Yes (256-257)
	302-2 Energy consumption outside of the organization	131,242		Yes (256-257)
	302-3 Energy intensity	131		Yes (256-257)
	302-4 Reduction of energy consumption	125,131		Yes (256-257)
	302-5 Reductions in energy requirements of products and services	125,131		Yes (256-257)
GRI 303: Water 2016	303-1 Water withdrawal by source	133		Yes (256-257)
	303-2 Water sources significantly affected by withdrawal of water	133		Yes (256-257)
	303-3 Water recycled and reused	133		Yes (256-257)

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GRI content index

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omission	External verification
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	133		Yes (256-257)
	306-2 Waste by type and disposal method	129-130		Yes (256-257)
	306-3 Significant spills	17 spills		Yes (256-257)
	306-4 Transport of hazardous waste	130		Yes (256-257)
	306-5 Water bodies affected by water discharges and/or runoff	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken.	No
G4 Sector Disclosure: Construction and Real Estate	CRE1 Building energy intensity	Not available	Partial information. Page 139	No
	CRE2 Building water intensity	Not available	Partial information. Page 139	No
	CRE5 Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	Partial information. Page 139		No
	CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	136		Yes (256-257)
Climate change is a global concern				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	233		Yes (256-257)
	103-2 The management approach and its components	233		Yes (256-257)
	103-3 The evaluation of the management approach	124-128		Yes (256-257)
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	124		Yes (256-257)
	305-2 Energy indirect GHG emissions (Scope 2)	124		Yes (256-257)
	305-3 Other indirect GHG emissions (Scope 3)	124		Yes (256-257)
	305-4 GHG emissions intensity	124		Yes (256-257)
	305-5 Reduction of GHG emissions	125		Yes (256-257)
	305-6 Emissions of ozone-depleting substances (ODS)	242		Yes (256-257)
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	242		Yes (256-257)
G4 Sector Disclosure: Construction and Real Estate	CRE3 Greenhouse gas emissions intensity from buildings	Not available	Partial information. Page 139	No
	CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity	124		Yes (256-257)

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GRI content index

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omission	External verification
Protection of human rights				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	234		Yes (256-257)
	103-2 The management approach and its components	234		Yes (256-257)
	103-3 The evaluation of the management approach	166-167		Yes (256-257)
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	166-167		Yes (256-257)
	412-2 Employee training on human rights policies or procedures	171		Yes (256-257)
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	166-167		Yes (256-257)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	149		Yes (256-257)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	166-167		Yes (256-257)
Ethical and responsible companies				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	232		Yes (256-257)
	103-2 The management approach and its components	232		Yes (256-257)
	103-3 The evaluation of the management approach	164-168		Yes (256-257)
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	168		Yes (256-257)
	205-2 Communication and training about anti-corruption policies and procedures	171		Yes (256-257)
	205-3 Confirmed incidents of corruption and actions taken	Not detected		No
GRI 206: Anti-competitive Behavior 2016	2016-1 Legal actions for anti-competitive behavior and monopoly practices	10		Yes (256-257)
Social role of infrastructure				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	234		Yes (256-257)
	103-2 The management approach and its components	234		Yes (256-257)
	103-3 The evaluation of the management approach	53		Yes (256-257)
Resilient infrastructure				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	234		Yes (256-257)
	103-2 The management approach and its components	234		Yes (256-257)
	103-3 The evaluation of the management approach	134-138		Yes (256-257)
Tools and new financing models				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	235		Yes (256-257)
	103-2 The management approach and its components	235		Yes (256-257)
	103-3 The evaluation of the management approach	235		Yes (256-257)

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7.3.2. ADDITIONAL INDICATORS

ENVIRONMENT

(301-1 and 301-2) Total materials used and percentage of recycled materials	2018	2019
Total wood purchased (m ³)	3,791,276	2,177,575
Percentage of wood certified*	44.4%	48.6%
Total steel purchased (t)	724,758	610,057
Percentage of steel recycled*	50.9%	36.1%
Total concrete purchased (m ³)	5,252,592	6,107,430
Percentage of cement/concrete with recycled aggregate	9.2%	9.3%
Total glass purchased (m ²)*	96,500	208,283
Percentage of glass recycled*	0.5%	0.4%

*Scope of data on procurement costs of 15.5% in 2018 and 24.3% in 2019.

Other atmospheric emissions (kg)	2018	2019
Quantity of significant atmospheric emissions, in kg of NOx	11,575,182	12,108,437
Quantity of significant atmospheric emissions, in kg of SOx	6,184	6,660
Quantity of significant atmospheric emissions, in kg, of other significant atmospheric emissions	918,464	941,896

For the calculation of significant atmospheric emissions of NOx, Sox and others (NMVOC), the conversion factors of fuels, electricity and kilometers traveled by the European Environment Agency (EEA) for 2019 have been used as a reference.

(302-1) Energy consumption by source	2016	2017	2018	2019
ACS Group total				
Gasoline + Diesel (million liters)	831	928	1,138	1,187
Liquefied Petroleum Gas (million liters)	na	na	0.25	0.40
Natural Gas (kWh)	25,007,499	25,298,989	37,983,207	39,910,507
Biofuel (million liters)	0.0	0.0	0.1	0.7
Electricity (MWh)	491,425	660,173	516,211	572,218
Electricity from renewable sources (MWh)	25,313	28,357	23,771	58,399
Infrastructure				
Gasoline + Diesel (million liters)	810	906	1.103	1,146
Liquefied Petroleum Gas (million liters)	na	na	0.00	0.06
Natural Gas (kWh)	3,633,455	3,183,524	9,348,439	8,771,214
Biofuel (million liters)	0.0	0.0	0.1	0.7
Electricity (MWh)	400,275	537,996	382,747	397,238
Electricity from renewable sources (MWh)	23,776	26,682	20,539	27,002
Industrial Services				
Gasoline + Diesel (million liters)	17	19	31	38
Liquefied Petroleum Gas (million liters)	na	na	0.24	0.32
Natural Gas (kWh)*	59,044	139,114	189,321	2,948,885
Biofuel (million liters)	0.0	0.0	0.0	0.0
Electricity (MWh)	64,433	96,488	109,512	145,209
Electricity from renewable sources (MWh)	1,537	1,667	876	3,956
Services				
Gasoline + Diesel (million liters)	4	4	4	3
Liquefied Petroleum Gas (million liters)	na	na	0.01	0.02
Natural Gas (kWh)	21,315,000	21,976,351	28,445,447	28,190,408
Biofuel (million liters)	0.0	0.0	0.0	0.0
Electricity (MWh)	26,717	25,689	23,952	29,770
Electricity from renewable sources (MWh)	0	9	2,356	27,441

*Operation of the Manchasol plant.

Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.

HEALTH AND SAFETY

	2016	2017	2018	2019
Total number of hours worked	312,750,167	352,572,161	374,536,406	404,419,164
Total number of hours worked (Men)	na	na	252,561,561	262,081,851
Total number of hours worked (Women)	na	na	121,974,819	142,337,312
Total number of accidents with time off from work	4.294	4.318	4.166	4,232
Total number of accidents with time off from work (Men)	na	na	1,495	1,443
Total number of accidents with time off from work (Women)	na	na	2,671	2,846
Fatal accidents for own employees	7	1	4	4
Fatal accidents for own employees (Men)	na	na	4	4
Fatal accidents for own employees (Women)	na	na	0	0
Fatal accidents for contractor employees	6	2	7	4
Total number of occupational disease cases (employees)	46	65	104	150
Total number of occupational disease cases (Male employees)	na	na	74	107
Total number of occupational disease cases (Female employees)	na	na	30	44
Frequency Index of Occupational Disease (employees)	0.147	0.184	0.278	0.371
Frequency Index of Occupational Disease (male employees)	na	na	0.293	0.408
Frequency Index of Occupational Disease (female employees)	na	na	0.246	0.309
Total number of occupational disease cases (contractors)	0	0	6	1
Frequency Index of Occupational Disease (contractors)	0	0	0.002	0.002
Percentage of days lost due to absenteeism	2.3%	1.5%	1.3%	1.3%

(403-1)(403-3)(403-4) HEALTH AND SAFETY INDICATORS

	2018	2019
ACS Group total		
Percentage of workers represented on formal joint health and safety committees for management and employees	79.75%	80.84%
Workers whose profession has a high incidence or risk of illness	22,046	5,218
Health and safety issues covered in formal agreements with trade unions	77.21%	99.59%
Infrastructure		
Percentage of workers represented on formal joint health and safety committees for management and employees	87.51%	92.36%
Workers whose profession has a high incidence or risk of illness	16,212	2,927
Health and safety issues covered in formal agreements with trade unions	41.61%	99.87%
Industrial Services		
Percentage of workers represented on formal joint health and safety committees for management and employees	84.72%	85.52%
Workers whose profession has a high incidence or risk of illness	5,834	2,291
Health and safety issues covered in formal agreements with trade unions	96.38%	98.35%
Services		
Percentage of workers represented on formal joint health and safety committees for management and employees	68.60%	67.00%
Workers whose profession has a high incidence or risk of illness	0	0
Health and safety issues covered in formal agreements with trade unions	100.00%	100.00%

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7.3.3. DATA SCOPE [102-46]

ENVIRONMENT

% of sales	2018	2019		
Implementation of ISO 14001 certification	95.67%	96.79%		
Implementation of other certifications	95.67%	96.79%		
Projects registered and certified according to efficient building certifications	100.00%	100.00%		
% of sales	2016	2017	2018	2019
Gasoline (million liters)	97.17%	97.52%	95.67%	96.79%
Diesel (million liters)	97.17%	97.52%	95.67%	96.79%
LPG (million liters)	nd	nd	95.67%	96.79%
Natural Gas (kWh)	97.17%	96.94%	95.67%	96.79%
Biofuel (million liters)	80.10%	96.94%	95.67%	96.79%
Electricity (MWh)	97.17%	97.52%	95.67%	96.79%
Electricity from renewable sources (MWh)	87.47%	95.47%	95.67%	96.79%
Business trips total km in short-range flights (< 500 km)	92.49%	96.94%	95.67%	96.79%
Business Travel Aircrafts: total km of medium-range flights (500 km < X < 1,600 km)	92.49%	96.94%	95.67%	96.75%
Business Travel Aircrafts: total km of long-range flights (> 1,600 km)	92.49%	96.94%	95.67%	96.79%
Business Travel Total km traveled in private vehicles for business purposes	97.17%	96.31%	95.67%	96.79%
Business Travel Total km traveled by train	92.49%	96.94%	95.67%	96.79%
Business Travel Total km traveled by boat	97.17%	96.94%	95.67%	96.79%
Others (t CO ₂ eq)	97.17%	94.17%	94.03%	96.79%
Efficient use of water resources				
Water(m ³)	97.17%	62.10%	95.67%	96.75%
Wastewater discharges (m ³)	97.17%	62.68%	95.67%	96.75%
Volume of reused water (m ³)	97.17%	61.71%	95.67%	96.75%
Waste management				
Non-hazardous waste (t)	97.17%	95.61%	95.67%	96.75%
Hazardous waste (t)	97.17%	95.61%	95.67%	96.79%
Quantity of significant atmospheric emissions, in kg of NOx	2018	2019		
Quantity of significant atmospheric emissions, in kg of SOx	95.67%	96.79%		
Quantity of significant atmospheric emissions, in kg, of other significant atmospheric emissions	95.67%	96.79%		
Cantidad de emisiones atmosféricas significativas, en kg, de otras emisiones atmosféricas significativas	95.67%	96.79%		
Materials (% Group procurement)	2018	2019		
Total wood purchased (m ³)	89.92%	92.08%		
Percentage of certified wood	9.20%	17.83%		
Total steel purchased (t)	95.49%	97.78%		
Percentage of recycled steel	15.68%	22.90%		
Total concrete purchased (m ³)	95.49%	97.89%		
Percentage of cement/concrete with recycled aggregate	15.58%	22.88%		
Total glass (m ²)	17.44%	26.00%		
Percentage of recycled glass	17.44%	25.23%		

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[102-46]

PEOPLE

% of employees	2018	2019
No. of communications received and managed by the Ethics Channel	100.0%	100.0%
Scope of the training plans on Human Rights, Ethics, Integrity, Conduct or Compliance procedures of the company (% employees)	93.60%	98.15%
Number of courses given on Human Rights, Ethics, Integrity, Conduct or Compliance procedures of the company	94.39%	98.15%
Number of employees trained in Human Rights, Ethics, Integrity, Conduct, Company Compliance procedures over the year	94.39%	98.15%
Training hours per trained employee	94.39%	98.15%
Legal complaints for Human Rights violations	100.00%	100.00%
Value of contributions to associations (scope % sales)	23.62%	28.37%

EMPLOYEES

% total employees	2018	2019
Total employees	100.00%	100.00%
Local employees	95.20%	98.15%
Employees by activity area	100.00%	100.00%
Staff by professional categories and area of activity	100.00%	100.00%
Breakdown by contract types	100.00%	100.00%
Staff by professional categories and gender	100.00%	100.00%
Staff by geographical areas	100.00%	100.00%
Total turnover	95.20%	98.15%
Total turnover men	95.20%	98.15%
Total turnover, women	95.20%	98.15%
Voluntary turnover	95.20%	98.15%
Voluntary turnover, men	95.20%	98.15%
Total turnover, women	95.20%	98.15%
Of the employees reported, number of women in a management position (manager of a project/work or similar title and higher)	95.20%	98.15%
Of the employees reported, number of men in a management position (manager of a project/work or similar title and higher)	95.20%	98.15%
Of the employees reported, number of women in senior management positions	95.20%	98.15%
Of the employees reported, number of men in senior management positions	96.78%	96.78%
Remuneration of Directors and Senior Management	100.00%	100.00%
Average annual remuneration	95.20%	98.12%
Measures to promote equal treatment and equal opportunities between women and men	95.20%	98.15%
Protocols against sexual harassment	95.20%	98.15%
Measures to ensure equal opportunities and to avoid discrimination in the selection processes of any job	95.20%	98.15%
Disabled persons	75.10%	78.98%
Systems to ensure universal accessibility for employees	74.23%	78.06%
Family/work balance measures	95.17%	98.15%
Percentage of men/women returning to work after paternity/maternity leave	95.20%	98.15%
Total number of absence days	95.20%	98.15%
Employees affiliated with trade union organizations	72.20%	76.05%
Employees covered by collective agreements or by an independent union	95.20%	98.15%
ACS Group workers who are represented on formal joint health and safety committees for management and employees	99.94%	99.43%
Health and safety matters covered by agreements	99.08%	98.54%
Employees covered by a formal professional development system	95.20%	98.15%
Employees subject to performance evaluation processes	95.20%	98.15%
Employees covered by variable remuneration systems	95.20%	98.15%
Trained employees	95.20%	98.15%
Total teaching hours provided	95.20%	98.15%
Investment in training (MN €)	95.20%	98.15%
Breakdown of hours by professional category	95.20%	98.15%

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[102-46]

HEALTH AND SAFETY

% of employees	2016	2017	2018	2019
Percentage of total employees covered by OSHAS18001 certification	99.84%	100.00%	99.94%	99.43%
Total number of hours worked by own employees	99.84%	100.00%	99.94%	99.43%
Total number of hours worked by own employees (MEN)	n.a.	n.a.	99.94%	99.43%
Total number of hours worked by own employees (WOMEN)	n.a.	n.a.	99.94%	99.43%
Total number of accidents with time off from work for own employees	99.84%	80.22%	99.94%	99.43%
Total number of accidents with time off from work for own employees (MEN)	n.a.	n.a.	99.94%	99.43%
Total number of accidents with time off from work for own employees (WOMEN)	n.a.	n.a.	99.94%	99.43%
Total number of lost days for own employees	99.84%	100.00%	99.94%	99.43%
Total number of lost days for own employees (MEN)	n.a.	n.a.	99.94%	99.43%
Total number of lost days for own employees (WOMEN)	n.a.	n.a.	99.94%	99.43%
Total number of hours worked by contractors	91.06%	87.90%	91.30%	96.66%
Total number of accidents with time off for contractors	91.06%	87.90%	99.94%	99.43%
Total number of lost days for contractors	91.06%	86.75%	91.30%	96.66%
Fatal accidents of own employees	99.84%	100.00%	99.94%	99.43%
Fatal accidents of own employees (MEN)	n.a.	n.a.	99.94%	99.43%
Fatal accidents of own employees (WOMEN)	n.a.	n.a.	99.94%	99.43%
Fatal accidents of contractors	99.84%	100.00%	99.94%	99.43%
Investment in Health and Safety (millions of euro)	99.84%	100.00%	99.94%	99.43%
Total number of occupational disease cases (employees)	77.88%	100.00%	94.11%	93.23%
Total number of occupational disease cases (MALE employees)	n.a.	n.a.	94.11%	93.23%
Total number of occupational disease cases (FEMALE employees)	n.a.	n.a.	94.11%	93.23%
Total number of occupational disease cases (contractors)	73.90%	96.61%	91.30%	90.46%

% of employees	2018	2019
Employees who have been trained in health and safety over the year (%)	99.94%	99.43%
Employees who have received training in health and safety throughout their career at the company (%)	99.94%	99.43%
Percentage of workers represented on formal joint health and safety committees for management and employees	99.94%	99.43%
Health and safety issues covered in formal agreements with trade unions	99.08%	98.54%

REGULATORY COMPLIANCE

% of employees	2018	2019
No. of communications received and managed by the Ethics Channel	100.0%	100.0%
Scope of the training plans on Human Rights, Ethics, Integrity, Conduct or Compliance procedures of the company (% employees)	93.60%	98.15%
Number of courses given on Human Rights, Ethics, Integrity, Conduct or Compliance procedures of the company	94.39%	98.15%
Number of employees trained in Human Rights, Ethics, Integrity, Conduct, Company Compliance procedures over the year	94.39%	98.15%
Training hours per trained employee	94.39%	98.15%
Legal complaints for Human Rights violations	100.00%	100.0%
Value of contributions to associations (scope % sales)	23.62%	28.37%

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[102-46]

CONTRIBUTION TO SOCIETY

% of employees	2018	2019
Investment in social action by the companies of the Group	94.14%	94.58%
Estimated number of people benefited	94.14%	94.58%
Number of citizen awareness courses or activities conducted	23.62%	28.37%
Number of events (conferences, exhibitions, sporting activities, etc.) sponsored	23.62%	28.37%
Number of foundations or NGOs that received aid/support during the year.	23.62%	28.37%
Budget dedicated by the Foundation	100.0%	100.0%

SUPPLIERS AND CONTRACTORS

% of Group Procurement	2019
Number of suppliers	88.70%
Signature or acceptance of the Code of Conduct for Business Partners	88.70%
Training on the Code of Conduct for Business Partners	68.60%
Supplier approval systems	88.70%
Weight of non-financial criteria	42.77%
Supplier commitment standards	83.46%
Suppliers identified as critical	88.15%
Critical suppliers. % of total	87.52%
Suppliers evaluated in terms of sustainability	87.52%

COMMITMENT OF QUALITY TO THE CUSTOMER

% of sales	2018	2019
ISO 9001 certified production: ACS Group total	96.31%	97.42%
Number of quality audits	96.31%	97.42%
Investment in measures to promote and improve quality	59.56%	55.25%
Customer satisfaction measurement systems	28.55%	29.85%
Number of customer satisfaction surveys received	20.34%	29.85%
"Satisfied" or "very satisfied" customer responses out of all surveys RECEIVED (%)	20.34%	29.85%
Customer claim and complaint measurement system	28.01%	29.85%
Number of customer claims and complaints received in the reporting year	28.55%	29.85%
Number of customer claims and complaints resolved in the reporting year	28.55%	29.85%

INNOVATION

% of sales	2019
Investment in ACS Group research, development and innovation	30.50%
Number of innovation projects in progress in 2019 at the ACS Group	30.50%
Number of patents filed by the ACS Group in 2019	30.50%
Number of patents filed by the ACS Group in the last ten years	30.50%

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7.3.4. AWARDS, RECOGNITIONS AND MEMBERSHIPS

▪ ACS, Actividades de Construcción y Servicios, has been included in the Dow Jones Sustainability Index. Inclusion in the DJSI indices represents recognition of the commitment and ongoing effort made by all ACS Group companies in terms of sustainability and generating shared value for society as a whole. In this regard, HOCHTIEF and CIMIC, listed companies of the ACS Group, are also included in the DJSI. Specifically, HOCHTIEF has been included in DJSI World and DJSI Europe, and for its part, CIMIC has been included in DJSI Australia.



In collaboration with



▪ In 2019, ACS Actividades de Construcción y Servicios has been qualified for inclusion in the 2018 Sustainability Yearbook and has received the Silver Class distinction for its excellent performance in sustainability according to the evaluation conducted by Robecosam.

▪ In 2019, FTSE Russell confirmed that the ACS Group has been independently evaluated according to the FTSE4Good criteria, and has met the requirements to become a component of the FTSE4Good index series.



▪ The ACS Group is a signatory of the United Nations Global Compact.

▪ The ACS Group supports the Coal Disclosure Project initiative.

▪ ACS is the seventh largest company in the world in terms of sales, according to the ranking of the ENR magazine published in August 2019. It is also the world's second largest listed company and the company with the most international activity.





7.3.5. GIVE US YOUR OPINION

As you have been able to read through the previous pages, the ACS Group is committed to information transparency as well as to relations with its various stakeholders.

ACS Group understands the assumption of reporting principles as a process of continuous improvement, in which it is crucial to have the informed opinion of the different stakeholders. We would therefore be grateful if you would send us your opinions on this report to:

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E-mail: infogrupoacs@grupoacs.com



For more information,
you can visit the website

www.grupoacs.com

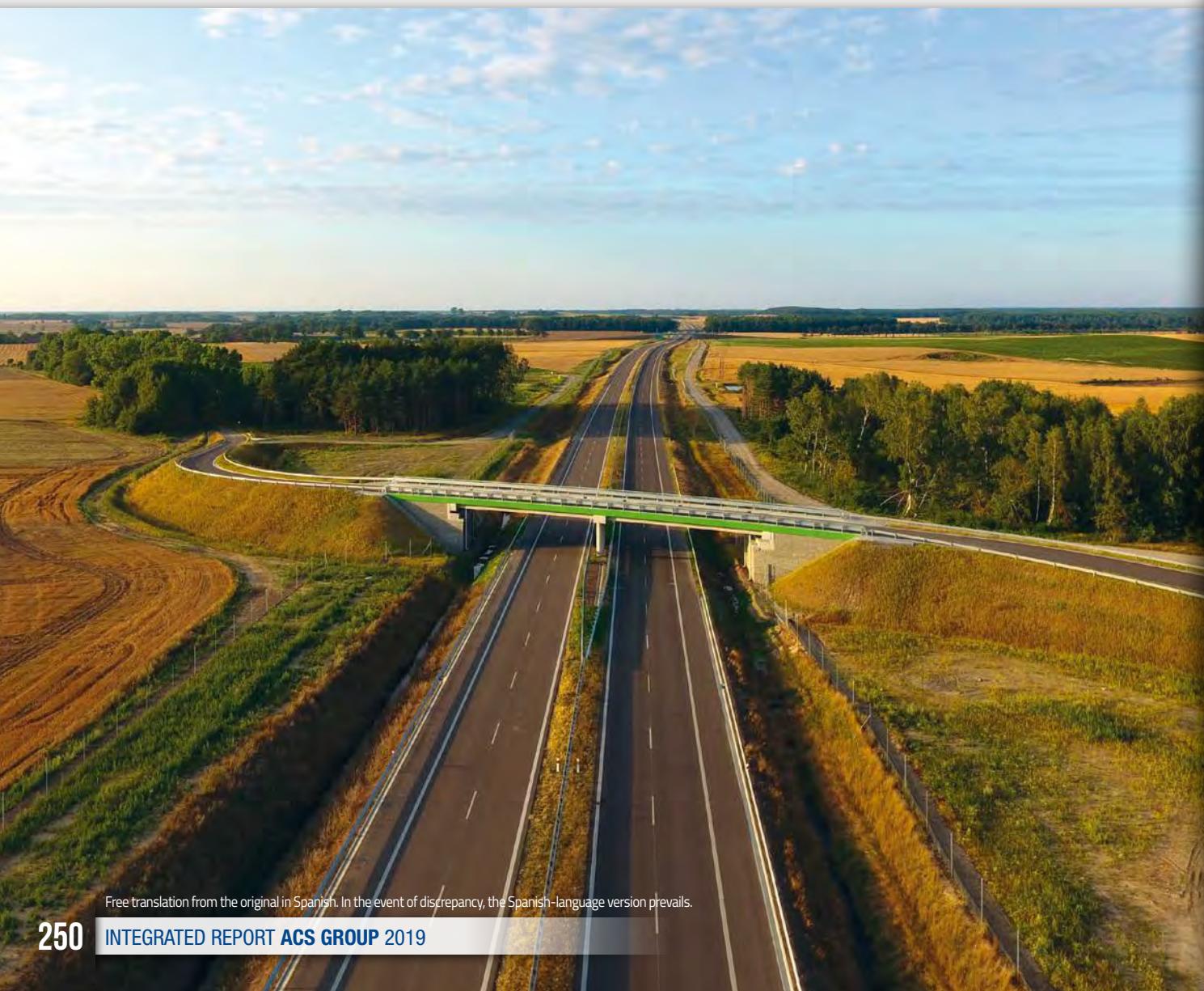
7.4. FINANCIAL-ECONOMIC ANNEX

7.4.1. OWN ACTIONS

As of December 31, 2019, the Group owned 11,386,246 shares of the Parent Company, with a nominal value of 0.5 euro, which account for 3.6%

of the share capital. The details of the operations carried out during the year are as follows:

	2018		2019	
	Number of shares	Thousands of euro	Number of shares	Thousands of euro
At the beginning of the period	3,756,460	120,775	6,442,991	221,505
Purchases	10,711,385	366,394	15,753,833	570,410
Amortization and sales	(8,024,854)	(265,664)	(10,810,578)	(389,373)
At the end of the period	6,442,991	221,505	11,386,246	402,542



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7.4.2. IRIDIUM CONCESSIONS PORTFOLIO*

Concession - Description	Stake	Consolidation Method	Country	Activity	Phase	Units	Expiry date	Total Investment (mn €)	ACS Group Investment (mn €)
Autovía de La Mancha	75.0%	ANCMV	Spain	Highways	Exploitation	52	Apr-33	128	21
Reus-Alcover	26.0%	P.E.	Spain	Highways	Exploitation	10	Dec-38	69	4
Santiago Brión	70.0%	ANCMV	Spain	Highways	Exploitation	16	Sep-35	117	14
Autovía de los Pinares	63.3%	ANCMV	Spain	Highways	Exploitation	44	Apr-41	97	16
Autovía Medina del Campo-Calatayud	100.0%	Global	Spain	Highways	Exploitation	93	Dec-26	183	24
Autovía del Pirineo (AP21)	100.0%	ANCMV	Spain	Highways	Exploitation	45	Jul-39	233	81
Autovía de la Sierra de Arana	40.0%	P.E.	Spain	Highways	-	39	n.a.	200	2
EMESA (Madrid Calle 30)	50.0%	P.E.	Spain	Highways	Exploitation	33	2025-2040	185	35
Eje Diagonal	26.0%	P.E.	Spain	Highways	Exploitation	67	Jan-42	405	40
A-30 Nouvelle Autoroute 30	12.5%	P.E.	Canada	Highways	Exploitation	74	Sep-43	1,334	19
FTG Transportation Group	12.5%	P.E.	Canada	Highways	Exploitation	45	Jun-34	537	3
Windsor Essex	33.3%	P.E.	Canada	Highways	Exploitation	11	Feb-44	878	6
Signature on the Saint-Lawrence Group General Part	25.0%	P.E.	Canada	Highways	Exploitation	3	Nov-49	1,675	0
Highway 427	50.0%	P.E.	Canada	Highways	Construction	11	Sep-50	244	0
Gordie Howe Bridge	40.0%	P.E.	Canada	Highways	Construction	3	Nov-2054	2,644	0
CRG Waterford	33.3%	P.E.	Ireland	Highways	Exploitation	23	Apr-36	338	22
CRG Portlaoise	33.3%	P.E.	Ireland	Highways	Exploitation	41	Jun-37	361	23
N25 New Ross Bypass	50.0%	P.E.	Ireland	Highways	Exploitation	14	Feb-43	169	9
M11 Gorey – Enniscorthy	50.0%	P.E.	Ireland	Highways	Exploitation	32	Jan-44	253	13
Sper - Planestrada (Baixo Alentejo)	15.1%	N.C.	Portugal	Highways	Exploitation	347	Dec-38	268	15
A-13, Puerta del Támesis	75.0%	P.E.	R.U	Highways	Exploitation	22	Jul-30	283	21
SH288 Toll Lanes-Texas	21.6%	P.E.	USA	Highways	Construction	17	Aug-67	849	45
Portsmouth Bypass	40.0%	P.E.	USA	Highways	Exploitation	35	Dec-53	475	17
US 181 Harbor Bridge	50.0%	P.E.	USA	Highways	Construction	9	Oct-40	789	0
I595 Express	12.5%	P.E.	USA	Highways	Exploitation	17	Feb-44	1,430	23
Total Highways (km)						1,103		14,144	454
Línea 9 Tramo II	10.0%	N.C.	Spain	Railways	Exploitation	11	Oct-42	879	7
Línea 9 Tramo IV	10.0%	N.C.	Spain	Railways	Exploitation	11	Sep-40	612	6
Metro de Arganda	8.1%	N.C.	Spain	Railways	Exploitation	18	Dec-29	149	3
ELOS - Ligações de Alta Velocidade	15.2%	N.C.	Portugal	Railways	-	167	Aug-05	1,637	20
Rideau Transit Group (LighRT Ottawa)	40.0%	P.E.	Canada	Railways	Exploitation	13	May-48	1,421	21
Crosslinx Transit Solutions	25.0%	P.E.	Canada	Railways	Construction	20	Sep-51	3,755	0
Ottawa Phase II variation	33.3%	P.E.	Canada	Railways	Construction	n.a.	Dec-20	338	0
Finch West LRT	33.3%	P.E.	Canada	Railways	Construction	11	Sep-53	943	0
Angels flight	86.7%	Global	USA	Railways	Exploitation	n.a.	Apr-47	2	2
LAX Automated People Mover	18.0%	P.E.	USA	Railways	Construction	4	May-48	2,172	0
Metro de Lima Línea 2	25.0%	P.E.	Peru	Railways	Construction	35	Apr-49	3,966	27
Total km Railways						289		15,871	85
Cárcel de Brians	100.0%	Global	Spain	Jails	Exploitation	95,182	Dec-34	108	14
Comisaría Central (Ribera norte)	20.0%	P.E.	Spain	Police Station	Exploitation	60,330	May-24	70	3
Comisaría del Vallés (Terrasa)	20.0%	P.E.	Spain	Police Station	Exploitation	8,937	Apr-32	17	1
Comisaría del Vallés (Barberá)	20.0%	P.E.	Spain	Police Station	Exploitation	9,269	Apr-32	20	1
Los Libertadores	100.0%	Global	Chile	Border Facility	Exploitation	32,011	Nov-30	67	8
Public facilities (m2)						205,729		281	25
Hospital Majadahonda	11.0%	N.C.	Spain	Hospitals	Exploitation	749	Jul-35	257	4
Nuevo Hospital de Toledo, S.A.	33.3%	P.E.	Spain	Hospitals	Exploitation	760	Mar-45	285	22
Hospital Son Espases	9.9%	N.C.	Spain	Hospitals	Exploitation	987	Oct-39	305	3
Hospital de Can Misses (Ibiza)	8.0%	N.C.	Spain	Hospitals	Exploitation	297	Oct-42	129	2
Hospitals (number of beds)						2,793		976	31
Intercambiador Plaza de Castilla	4.4%	N.C.	Spain	Transfer stations	Exploitation	59,650	Feb-41	174	1
Intercambiador Príncipe Pío	8.4%	N.C.	Spain	Transfer stations	Exploitation	28,300	Dec-40	66	1
Intercambiador Avda América	12.0%	N.C.	Spain	Transfer stations	Exploitation	41,000	Jun-38	114	2
Total Transfer stations (m2)						128,950		354	4
Iridium Aparcamientos	100.0%	Global	Spain	Parkings	Exploitation	12,217	2058	49	47
Serrano Park	50.0%	P.E.	Spain	Parkings	Exploitation	3,297	Dec-48	130	21
Total Parkings (number of places)						15,514		179	67
TOTAL CONCESSIONS								31,805	667

* At December, 31 2019

(1) Cover main contracts managed by Iridium Aparcamientos.

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7.4.3. INDUSTRIAL SERVICE CONCESSIONS*

NAME	% SHAREHOLDING OF ACS	LOCATION	STATUS	#	EXPIRATION DATE
WIND FARMS					
P.E. Monte Das Augas, S.L.	60%	Galicia	Exploitation	3	2032
P.E. Requeixo	25%	Galicia	Exploitation	11	2024
Kincardine Offshore	90%	Aberdeen (Scotland)	Exploitation/under construction	50	2037
Oaxaca	100%	Mexico	Exploitation	102	2032
Kiyú	100%	Uruguay	Exploitation	49	2041
Pastorale	90%	Uruguay	Exploitation	53	2037
Peninsula	70%	Mexico	Under construction	90	2035
Valdehierro	64.3%	Burgos	Under construction	15	-
Tadeas	64.3%	Palencia	Under construction	39	2045
EOLFI Greater China	90.0%	Taiwan	Promotion	2500	N/A
THERMOSOLAR PLANTS					
Tonopah	36.6%	Tonopah (United States)	Exploitation	110	N/A
Manchasol 1	100%	Ciudad Real (Spain)	Exploitation	50	2035
Karoshock Solar One	13%	South Africa	Exploitation	100	2038
PHOTOVOLTAIC PLANTS					
Tedagua Renewable Energies	100%	Canary Islands (Spain)	Exploitation	0.1	2028
Bonete	100%	Albacete (Spain)	Under construction	146	N/A
Galisteo	100%	Cáceres (Spain)	Construction	50	N/A
Escatrón	50%	Escatrón (Zaragoza, Spain)	Exploitation	326	N/A
Chipriana	50%	Chiprana (Zaragoza, Spain)	Exploitation	200	N/A
Alcázar	50%	Alcazar de San Juan (Ciudad Real, Spain)	Exploitation	190	N/A
Aragón 3	50%	Escatrón (Zaragoza, Spain)	Exploitation	150	N/A
Palabra	50%	Escatrón (Zaragoza, Spain)	Exploitation	50	N/A
Logro	100%	Escatrón (Zaragoza, Spain)	Promotion	50	N/A
Peaker	100%	Escatrón (Zaragoza, Spain)	Promotion	24	N/A
FAETON	100%	Arenas de San Juan (Ciudad Real, Spain)	Promotion	41	N/A
SURIA	100%	Arenas de San Juan (Ciudad Real, Spain)	Promotion	41	N/A
SPV La Estanca	100%	Alcañiz, Castelnou, Samper de Calanda, Hijar and Andorra (Teruel, Spain)	Promotion	25	N/A
SPV El Plano	100%	Alcañiz, Castelnou, Samper de Calanda, Hijar and Andorra (Teruel, Spain)	Promotion	24	N/A
ICTIO TOLEDO SOLAR	100%	Toledo (Toledo, Spain)	Promotion	50	N/A
PFV AHIN	100%	Toledo (Toledo, Spain)	Promotion	15	N/A
ICTIO SOLAR	100%	Albarreal de Tajo (Toledo, Spain)	Promotion	50	N/A
FV ICTIO ALCAZAR I	100%	Arenas de San Juan (Ciudad Real, Spain)	Promotion	50	N/A
FV ICTIO ALCAZAR II	100%	Arenas de San Juan (Ciudad Real, Spain)	Promotion	50	N/A
FV ICTIO ALCAZAR III	100%	Arenas de San Juan (Ciudad Real, Spain)	Promotion	50	N/A
FV ICTIO MANZANARES SOLAR	100%	Manzanares (Ciudad Real, Spain)	Promotion	36	N/A
PSF ALMARAZ 1		Almaraz (Cáceres, Spain)	Promotion	50	N/A
PSF SOLAR LIMESTONE		Hijar (Teruel, Spain)	Promotion	50	N/A
PSF ALCAÑIZ SOLAR		Hijar (Teruel, Spain)	Promotion	50	N/A
PSF TABURETE		Botorita (Zaragoza, Spain)	Promotion	43	N/A
PSF ICTIO ALCANTARA 1		Alcantara (Cáceres, Spain)	Promotion	30	N/A
PSF ICTIO ALMARAZ		Saucedilla (Cáceres, Spain)	Promotion	50	N/A
PSF ICTIO ORION		Saucedilla (Cáceres, Spain)	Promotion	50	N/A
PSF ICTIO PHOENIX		Saucedilla (Cáceres, Spain)	Promotion	50	N/A
SAN JOSÉ		Mexico	Promotion	553	N/A
PEDRICEÑA		Mexico	Promotion	69	N/A
HYDROELECTRIC PLANTS					
Hidromanta	100%	Peru	Under construction	20	2040
RENEWABLES					
					5,802

* At December, 31 2019.

Renewables: Installed Capacity (MW); Transmission Lines (KM); Water: (000 m³ / day).

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NAME	% SHAREHOLDING OF ACS	LOCATION	STATUS	#	EXPIRATION DATE
TRANSMISSION LINES					
Brilhante	50.0%	Brazil	Exploitation	444	2039
Brilhante II	50%	Brazil	Exploitation	N/A	2042
Sete Lagoas	100%	Brazil	Exploitation	N/A	2041
Redenor	30%	Chile	Under construction	276	2067
LA NIÑA	100%	Peru	Promotion	317	2054
JMM Transmísora de Energía	50%	Brazil	Partially exploitation	861	2045
Mantiqueira Transmísora de Energía	25%	Brazil	Under construction	1320	2045
Transmísora Sertaneja de Electricidade	50%	Brazil	Under construction	485	2047
Giovanni Sanguinetti Transmísora de Energía	50%	Brazil	Partially in use	435	2047
Veredas Transmísora de Electricidade	50%	Brazil	Under construction	451	2047
Chimarrão	50%	Brazil	Under construction	937	2049
TRANSMISSION LINES					
5,526					
DESALINATION PLANTS					
Benisaf Water Company	51%	Algeria	Exploitation	200,000	2035
Hydromanagement	80%	Spain	Exploitation	72,000	2034
TAIF	50%	Saudi Arabia	In development	160,000	2047
Al Hamra Water company	40%	United Arab Emirates	Under construction	100,000	2042
Caitan	50%	Chile	In development	86,400	2040
WATER TREATMENT PLANTS					
Water treatment plants of Lower Aragón	55%	Spain	Exploitation	7,325	2028
SADEP	40%	Spain	Exploitation	10,030	2029
SAPIR	50%	Spain	Exploitation	3,360	2031
Taboada	100%	Peru	Exploitation	1,012,068	2034
Provisur	100%	Peru	Under construction	35,610	2039
IRRIGATION PROJECTS					
Majes	100%	Peru	Under construction	52,500	Suspended Contract
WATER					
1,739,293					
Others					
Eten Cold Reserve Generation Plant	50%	Peru	Exploitation	230	2035

Renewables: Installed capacity (MW); Transmission Lines (KM); Water: (000 m³/day).

Investment volume as of 31 Dec. 2019 (millions of euro)	Investment made	ACS contribution
WIND FARMS	794	144
THERMOSOLAR PLANTS	1,959	263
PHOTOVOLTAIC PLANTS	568	156
HYDROELECTRIC PLANTS	47	15
RENEWABLE	3,369	577
TRANSMISSION LINES	1,166	166
TRANSMISSION LINES	1,166	166
DESALINATION PLANTS	824	186
WATER TREATMENT PLANTS	292	47
IRRIGATION PROJECTS	12	6
WATER	1,128	239
OTHERS	62	18
Total	5,724	1,000

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7.4.4. ANNUAL CORPORATE GOVERNANCE REPORT

In accordance with the provisions of commercial legislation, the Annual Corporate Governance Report is attached as a reference and is available

on the CNMV website, which forms an integral part of the 2019 Directors' Report.

7.4.5. GLOSSARY

The ACS Group presents its results in accordance with International Financial Reporting Standards (IFRS); however, the Group uses some alternative performance measures (APM) to provide additional information that promotes the comparability and

understanding of its financial information, and facilitates decision making and the evaluation of the Group's performance. The most significant APMs are listed below.

CONCEPT	DEFINITION AND CONSISTENCY	Dec-19	Dec-18
Market capitalization	Number of shares at the end of the period x listing at the end of the period	11,218	10,645
Earnings per share (EPS) (€)	Net profit of the period / Average number of shares in the period	3.13	2.94
Net Income Attributable	Total income - Total expenses of the period - Income attributable to minority interests	962	916
Average number of shares in the period	Daily average of shares in circulation in the period adjusted by the treasury shares	307.5	311.1
Backlog	Value of the work contracts awarded and closed pending execution.	77,756	72,223
Gross Operating Profit (EBITDA)	Operating profit excluding (1) provisions and amortizations and (2) non-recurring and/or non-cash-generating operating results + Result by the equity method (Partners and Joint Ventures)	3,148	2,941
(+) Operating profit	Income - Operating expenses	1,793	1,503
(-) 1. Provisions and amortizations	Cash-flow provisions + Allowance for amortization of fixed assets	(1,022)	(891)
(-) 2. Non-recurring and/or non-cash-generating operating results	Impairment and result from disposal of fixed assets + other profit	221	(165)
(+) Profit of the Equity Method (Partners and Joint Ventures)	Includes the net income of the companies accounted for by the equity method. Among others, the net profit from operating investments, such as Abertis, and the profit before taxes from joint ventures abroad consolidated with the equity method. It is similar to the joint venture regime in Spain, therefore it is included in the EBITDA in order to standardize the accounting criteria with the foreign companies of the Group.	553	382
Net Financial Debt / EBITDA	Net Financial Debt / annualized EBITDA. This ratio is broken down by activity areas of the Group	0.0x	0.0x
Net Financial Debt/(Treasury) (1)-(2)	Gross external financial debt + Net debt with Group companies - Cash and other equivalent assets	54	(3)
(1) Gross Financial Debt	Debt with credit institutions + Bonds and other negotiable securities + Funding of projects and debt with limited resources + Finance lease obligations + Other long-term non-banking financial debt + Debt with companies of the Group	9,482	7,884
(2) Cash and other equivalent assets	Temporary financial investments + Long-term taxations + Cash and other equivalent assets	9,429	7,887
Annualized EBITDA	EBITDA of the period / number of months of the period x 12 months	3,148	2,941

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CONCEPT	DEFINITION AND CONSISTENCY	Dec-19	Dec-18
Net Cash Flows	(1) Cash flows from operational activities + (2) Cash flows from investment activities + (3) Other cash flows	(689)	(50)
1. Cash Flows from Operational Activities (FFO)	Adjusted net attributable profit + Changes in operating working capital	2,379	2,322
Adjusted net attributable profit	Net attributable benefit (+/-) adjustments that do not entail operating cash flow	2,596	2,204
Changes in operating working capital	Changes in Working Capital during the period (+/-) adjustments for non-operational items (e.g. dividends, interest, taxes, etc.)	(217)	118
2. Cash Flows from Investment Activities	Net investments (collected/paid)	(1,349)	(1,433)
(-) Investment payments	Payments for operational, project and financial investments. This figure may differ from the amount shown in the flow statement for payment deferral reasons (accrual)	(1,796)	(4,798)
(+) Proceeds from disinvestments	Proceeds from operational, project and financial disinvestments. This figure may differ from the amount shown in the flow statement for collection deferral reasons (accrual)	447	3,364
3. Other Cash Flows	Purchase/sale of own shares + Dividend payments + Other sources of funding (includes payment of operating Lease principal (IFRS 16))	(1,719)	(939)
Ordinary Financial Result	Financial Income - Financial Expenditure	(292)	(297)
Net Financial Result	Ordinary financial result + Exchange differences result + Fair value variation in financial Inst. + Impairment and result from disposal of financial inst.	(1,719)	(239)
Working capital	Stocks + Total clients - Total creditors - other current liabilities	(7,116)	(5,835)

NOTE: All financial indicators and APMs are calculated under the principles of coherence and consistency, allowing for comparability between periods and respecting current accounting standards.

Data in millions of euro unless expressly stated.

CONCEPT	USE
Market capitalization	The value of the company on the stock exchange.
Earnings per share (EPS)	Indicates the part of the net earnings that corresponds to each share
Backlog	This is an indicator of the Group's business activity. Its value divided by the average duration of the projects is an estimate of the revenue to be received in the following periods
Gross Operating Profit (EBITDA)	Comparable performance measure to evaluate the evolution of the Group's operational activities, excluding amortizations and provisions (more variable items depending on the accounting criteria used). This APM is widely used to evaluate companies' operational performance as well as part of ratios and multiples of evaluating and measuring risks
Net Financial Debt/EBITDA	Comparable ratio of the Group's level of indebtedness. Measures the ability to return funding in terms of the number of years.
Net Financial Debt (1)-(2)	Level of total net debt at the end of the period. The breakdown of net financial debt associated with projects (Project Finance) and the debt associated with the business is provided in section 5.3.2
(1) Gross Financial Debt	Level of gross financial debt at the end of the period
(2) Cash and other equivalent assets	Liquid current assets available to meet the repayment needs of financial liabilities
Annualized EBITDA	
Net Cash Flows	Measures the cash generated or consumed during the period
2. Cash Flows from Investment Activities	Funds consumed/generated by investment needs or disinvestments undertaken during the period
3. Other Cash Flows	
Ordinary Financial Result	A measure of evaluating the result from the use of financial assets and liabilities. This concept includes both income and expenses directly related to net financial debt and other non-related financial income and expenses
Net Financial Result	
Working capital	

VERIFICATION REPORT



KPMG Asesores S.L.
Pº. de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for the year 2019

(Free translation from the original in Spanish.
In the event of discrepancy, the Spanish language version prevails.)

To the shareholders of ACS, Actividades de Construcción y Servicios, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have provided a limited assurance review of the Non-Financial Information Statement Consolidated (hereinafter NFIS) for the year ended 31 December 2019, of ACS, Actividades de Construcción y Servicios, S.A. (hereinafter the Parent Company) and subsidiaries (hereinafter the Group) which forms part of the Group's 2019 Consolidated Director's Report.

The consolidated Directors' Report includes additional information to that required by prevailing mercantile legislation governing non-financial information that has not been the subject of our assurance work. In this regard, our work was limited only to providing assurance on the information contained in table "List of Contents of the Consolidated Non-Financial Information Statement" of the accompanying consolidated Directors' Report.

Directors' responsibilities

The Board of Directors of the Parent Company is responsible for the contents and the authorisation for issue of the NFIS included in the 2019 Group's Directors' Report. The NFIS has been prepared in accordance with the contents required by prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with each subject area in table "List of Contents of the Consolidated Non-Financial Information Statement" of the aforementioned Group's Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The directors of the Parent Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS 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 requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

KPMG Asesores S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
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We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), 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 provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units of the Parent Company that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Parent Company 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 NFIS based on the materiality analysis performed by the Parent Company and described in the section "Reporting Principles", considering the content required in prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2019.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2019.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2019 and whether it has been adequately compiled based on data provided by information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for the year ended 31 December 2019 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the GRI Standards selected, in accordance with each subject area in the table "List of Contents of the Consolidated Non-Financial Information Statement" of the aforementioned consolidated Directors' Report.

Use and distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Ramón Pueyo Viñuales

26 March 2020





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