

6.4. Local communities

At Sacyr, we are concerned for the communities where we work and live

Sacyr helps to generate sustainable value in the communities where it operates by carrying out its activities and promoting sustainable initiatives. Activities that we structure around maintaining the best relations with different social agents, users of infrastructures, communities in the area of influence of projects, municipal authorities and educational institutions, amongst others.

(102-12)

Sustainable Development Goals



The UN Sustainable Development Goals (SDGs) are challenges to be addressed prior to 2030 to put an end to poverty, protect the planet and guarantee peace and prosperity for all nations.

These **17 SDGs, with their 169 milestones**, represent a spirit of collaboration to be adopted by all the world's governments, based on their own priorities and that will guide them to choose the best options in order to improve the life of future generations in a sustainable manner.

At Sacyr, we have joined this initiative and the SDGs are part of our new CSR policy.

For the table of Sacyr group contribution to the achievement of the SDGs, see Appendix VI

United Nations Global Compact

In 2007, Sacyr adhered to the Global Compact, an ethical commitment promoted by the United Nations to create corporate citizens that make it possible to reconcile corporate interests and processes with the values and demands of civil society.

In becoming a signatory of the Global Compact, the Group undertook to support and implement the ten ethical principles underpinning the initiative, which are based on universal declarations and conventions and encompass four areas: human rights, labour, the environment and anti-corruption.

This commitment is specified in our Code of Conduct and forms part of our Basic Ethical Principles.



United Nations
Global Compact

We are proud to support and make the difference in our communities

PRIOR CONSULTATION OF INDIGENOUS COMMUNITIES

Due diligence in the consultation process with ethnic communities present in the Rumichaca Pasto road link (Colombia) made it possible to identify the potential impacts that the project may have on the region; to this end, any impacts that cannot be prevented, corrected or mitigated must be offset through the different measures established, which for the large part were agreed with each of the ethnic communities, with the Prior Consultation Directorate at the Ministry of the Interior serving as the guarantor of the process.

Respect for human rights

(103-1) (103-2) (103-3) (406-1) (408-1) (411-1)

The 10 principles which are basis of this Code of Conduct, include those referring to human rights and employment, and we respect them wherever we operate. They apply to all subsidiaries, or companies in which we are a majority shareholder, over which Sacyr exercises effective control, directly or indirectly.

Furthermore, Sacyr group provides the necessary resources to ensure compliance with the provisions of the ILO, particularly those related to under age workers, and assumes the commitment to developing their business and professional activities in accordance with the effective legislation in each of the locations where it operates, and promotes and drives this recognition and respect among contractors, sub-contractors and suppliers.

(102-9) (103-1) (103-2) (103-3) (408-1) (409-1)

In 2014, the Sacyr group signed a Framework Agreement with the International Federation of Building and Wood Workers and Comisiones Obreras (CC.OO.) of Construction and Services and UGT - MCA (decent wage, non-discrimination etc.). This agreement is based on the joint commitment of the signatories to respect and promote the principles defined in the Universal Declaration of Human Rights, the Tripartite Declaration of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Companies, and the United Nations Global Compact.

RECRUITING LOCAL LABOUR	
The Concessionaire Vial Unión del Sur agreed to different employment quotas with each of the ethnic communities in response to the "change in employment dynamics" impact. Below is a list of the recruitment status of ethnic communities in 2018:	
INDIGENOUS COMMUNITY	COMMITMENT LABOUR RELATIONSHIP CONSULTATIVE PROCESS
San Juan Indigenous Reservation	35
Aldea María Indigenous Council	35
Iles Indigenous Reservation	20
Montaña Fuego Indigenous Council	20
Tangua Indigenous Council	20
Catambuco Indigenous Council	15
TOTAL	145

Through this agreement the following guidelines are established:

1. Freedom of association and the right to collective bargaining is respected

All the workers have the right to set up and join trade unions if they choose to.

2. Employment is freely chosen

There is no forced, bonded or involuntary prison labour.

3. Non-discrimination

All workers will have the right to equal opportunities and treatment without consideration of their ethnic origin, religion, political views, nationality or social origin (ILO Conventions 100 and 111).

4. Protection of migrant workers

Migrant and expatriate workers enjoy the protection and conditions established by the existing national legislation. Agencies that send workers to other countries will be required to repatriate these workers when their employment terminates.

5. Child labour is not used

Child labour shall not be used. Only workers above the age of 15 years, or over the compulsory school-leaving age, if higher, shall be employed (ILO Convention 138).

6. Living wages are paid

Workers shall be paid wages and benefits that must conform, at least, with the conditions of the national legislation or the collective bargain applicable to the sector or industry in question.

7. Hours of work are not excessive

Hours of work shall be in accordance with national legislation and national agreements. All workers shall receive, a minimum of one day-off per week or its equivalent if an irregular working time distribution is

the case, always as permitted by the valid legislation of each country.

8. Health and Safety of the workers

A safe and healthy working environment shall be provided.

9. Workers' welfare

At every work place the company shall provide adequate facilities for the provision of work.

10. Specialised training

SACYR, S.A. undertakes to provide the means to contribute to learning and training of its employees and to update their knowledge and skills.

11. Employment relationship

SACYR, S.A. will respect obligations towards all the workers established under the labour and social security laws and regulations and the regulations relating to the employment contract.

The Conduct Hotline is the mechanism for accessing help, or whistle-blowing channel, made available to deal with any Code of Conduct related question or issue and, in general, together with the Regulatory Compliance Model and through which any breaches or risks relating to the guidelines and behaviour regulated by the Code of Conduct or the Regulatory Compliance Model can be safely reported.

(102-17) (406-1)

Suppliers are a strategic part of Sacyr's performance and, therefore, when contracting their services, we assess the extent to which they are aligned with our ethical values and regulations and promote their adhesion to them.

Regarding the management of human rights-related risks, in the risk maps (operational and criminal) all existing risks have been identified (which are managed via the control procedures established to mitigate them), which also include those related to human rights in the company's actions.

(102-15)

Social cashflow

Sacyr helps the communities where it operates to develop economically and socially, by means of a solid business model. The generated economic value has made it possible to distribute wealth among our key stakeholders. In 2018, the economic value distributed was 2,294 million euros.

SACYR GROUP (MILLION EUROS)	2018	2017
Operating cash flows	412	292
Disposals	48	69
Cash flows from dividends	115	106
Cash flows from financial assets	2,013	3,322
Economic value generated	2,588	3,789
Economic value retained	126	1,495
Payments for investments	1,160	379
Financial payments	1,495	1,915
Payment of dividends	59	0
Economic value distributed	2,714	2,294

CITIZEN OVERSIGHT COMMITTEES

We have opened up spaces to allow residents in towns and cities within the area of influence and as part of this initiative, **in June, in El Carmen de Bolívar, the Citizen Oversight Committee was set up**, which monitors and oversees the execution of our Project. With this group of citizens, we have visited the works and socialisation projects that we manage.

Citizen Oversight is understood as the **democratic mechanism of representation** that allows citizens or different community organisations to oversee public management in terms of the authorities, administrations, policies, elections, legislation and control bodies.



Projects with communities

Sacyr group establishes different communication strategies with its interest groups through the mass media (radio, television and press), the use of social networks and the Group's websites. And a more customised strategy aimed at the users of infrastructures and communities in the projects' area of influence and through leaflets, meetings and our community outreach offices.

Road surveillance vehicles that travels the entire length of the road without stopping

24 hours a day
365 days a year.

Garage vehicles that provide mechanical assistance to users who require it. In 2018 we handled:

+6,300 calls
+2,650 mechanical services.

Lightweight cranes to transport all kind of vehicles. In 2018 we handled:

+2,000 crane services.

Ambulances to respond to accidents and users in need of them. On staff there is one doctor, one nurse and one paramedic driver. In 2018, we responded to:

+450 accidents.
+349 community services with the concession's ambulances.
+688 ambulance services.

FREE SERVICES

To monitor the road and the response to incidents, accidents and emergencies, **Concesionaria Vial Montes de María and Concesionaria, Unión del Sur and Río Pamplonita** (Colombia) have two Operations Bases. Each is equipped as follows:



Challenges:

- **To define** the strategy for our relationship with the communities in the area of influence of the road project, based on an analysis of impact, influence, interest and expectations.
- **To identify, prioritise and characterise** the following groups: authorities, employees, suppliers and associations.
- **To consolidate** a comprehensive relationship strategy that contains all of our stakeholders by setting goals, initiatives, communication channels and monitoring indicators.

The greatest challenge faced by large infrastructure development and road construction projects is social legitimacy. They must integrate legal compliance with regulations, obligations and the requirements in the concession contract with the interests of the affected groups in the project's area of operation as well as their contribution to the region's sustainable development in the context of full respect for human rights.

In line with this challenge and through the **Corporate Social Responsibility Plan**, the 2020 Global Business Plan, we orchestrate our contractual social management programmes with the environmental demands of road projects and based on our Comprehensive Management System. This plan is aimed at implementing the best organisational practices to generate sustainable development. Therefore, the corporate social responsibility elements have considered international standards such as the Equator Principles, ISO 26000, GRI standards, AA 1000 accountability standard and the Sustainable Development Goals.

We generate sustainable development for society



SOCIAL DONATIONS

With a view to ensuring the welfare of children and residents in the areas surrounding the **Montes de María** road link (Colombia), the concession managed social donations to educational institutions located in the area of influence, initially identifying the educational institutions with the greatest needs in terms of improving the learning conditions of students. **Three social donations were made in 2018** to Institución Educativa Candelaria, Sede Santa Rita, Centro Educativo Todo Sonrisa and Centro Educativo San Francisco, Sede El Campin, consisting of the donation of sports equipment so that students are able to participate in physical education to the fullest of their ability, promoting and supporting learning and the improvement of health.



Faced with challenges derived from the interaction of different groups in our globalised world, all organisations need to work with others and depend on them to achieve their strategic goals. As a result, appropriate management of the relations between the company and its stakeholders is a key factor of business success insofar as it facilitates sustainable organisational operations and generates aggregate value for the stakeholders.

Given this challenge, we have defined a stakeholder relation model with the main aim of strategically administering our interactions with stakeholders so as to consolidate the trust-based relationships and social legitimacy of our operations.

(102-11)

Consequently, the relation strategies we are currently defining with each of our stakeholders stem from an exhaustive analysis of the impact of our activities on each of them, their interests and expectations vs. how this impact is managed, their influence on the organisation or other stakeholders and the type of initiatives we have developed to manage our relationship with them.

OUR COMMUNITIES IN MEXICO

- Sacyr Foundation and Síndrome de Ondine A.C., have entered into a collaboration agreement to investigate the cure for Congenital Central Hypoventilation Syndrome (CCHS). Sacyr Foundation will make a financial contribution to cover the foundation's activities, and will also promote and monitor the CCHS investigation programmes in the dissemination of useful information to families who suffer from this illness and society as a whole.
- Support to “Fundación Quinta Carmelita, I. A. P.”, which has 31 years of experience in children's rights, in particular those lacking parental care, through the promotion of their right to live in a loving family, through family reintegration or adoption.
- Dignifica tu Vida I. A. P. Donation of 900 kg of paper, which have been sold in order to purchase school equipment for children with limited resources as part of the “mochila completa” programme.



Training, education and raising of awareness among the community affected by the projects

In the context of our commitment with the social and environmental circumstances, we have created a training and awareness programme for communities that allows them to gain deeper knowledge of the importance of the environment, their role in maintaining neighbourly relationships with other individuals and their active role in the decisions and activities that impact the region's growth and development.



TRAINING ON SAFETY AND THE ENVIRONMENT



Awareness raising on road safety and care for the environment in the area of influence of the "Carretera Longitudinal de la Sierra" Section 2 concession project, entrusted to Convia! Sierra Norte (Peru).

As part of its commitment to residents and in order to create a culture of responsible use of roads, the Convia! Sierra Norte concession operator held **31 talks** on road safety and caring for the environment **at more than 3,500 schools** in the Cajamarca and Libertada regions in 2018.



To this end, we carried out the following activities in 2018:

- Diagnosis of the training needs to then draw up a training plan with the communities and educational institutions.
- Environmental training generating knowledge about this subject and led to the creation of school groups called "Environmental Guardians", which look after the surroundings and environment.
- Seminars have been imparted on Social Control, Governance for Peace and Human Rights through an agreement with the Higher School of Public Administration.
- Implementation of four inter-institutional agreements with SENA, ESAP, EMAS and the DITRANS police to develop training sessions. Also, training sessions on healthy life styles for older people on the road link, in coordination with EMSSANAR and Instituto Departamental de Salud.

We generate wealth wherever we develop our projects. We create economic and social value

SOCIAL FEES AND PROCEDURES IN THE EVENT OF DEFAULTS

At Sacyr, we wish to help achieve the 6th Sustainable Development Goal, Water, through our water resources management activities and our **Corporate Social Responsibility** policy.

We are aware that in the places where we carry out our activities access to drinking water and to sanitation services is possible thanks to the infrastructure put in place by the governments of the contracting countries; however, even in developed countries, there are groups that are impoverished and at risk of exclusion and that lack the economic resources to gain access to water.

For this reason, in all the services managed by **Sacyr Water**, we analyse, in particular, cases of users who have the intention to pay but who have short-term difficulties in doing so, and we postpone the suspension of the service or reach agreements on partial payments, and thus finance their debts.

These are some of the 2018 social actions:

- **Valdáliga**
50% rebate to families with income below the national minimum wage (two and one-half times the national minimum wage in the case of large families).
- **Las Palmas de Gran Canaria**
When more than four persons live in a housing unit, raising the second consumption block by 7 m³ in each two-month period, for each person above that number.
- **Santa Cruz de Tenerife**
Average rebate of 25% on the two highest consumption blocks for large families.
Agreement with the city government to not suspend the supply/reconnect the service for users who the Council of Social Affairs considers to be at risk of social exclusion.