



**sacyr**

Integrated Sustainability  
Report 2019





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Report 2019

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Implementation of the Pumarejo Bridge extension project, Colombia

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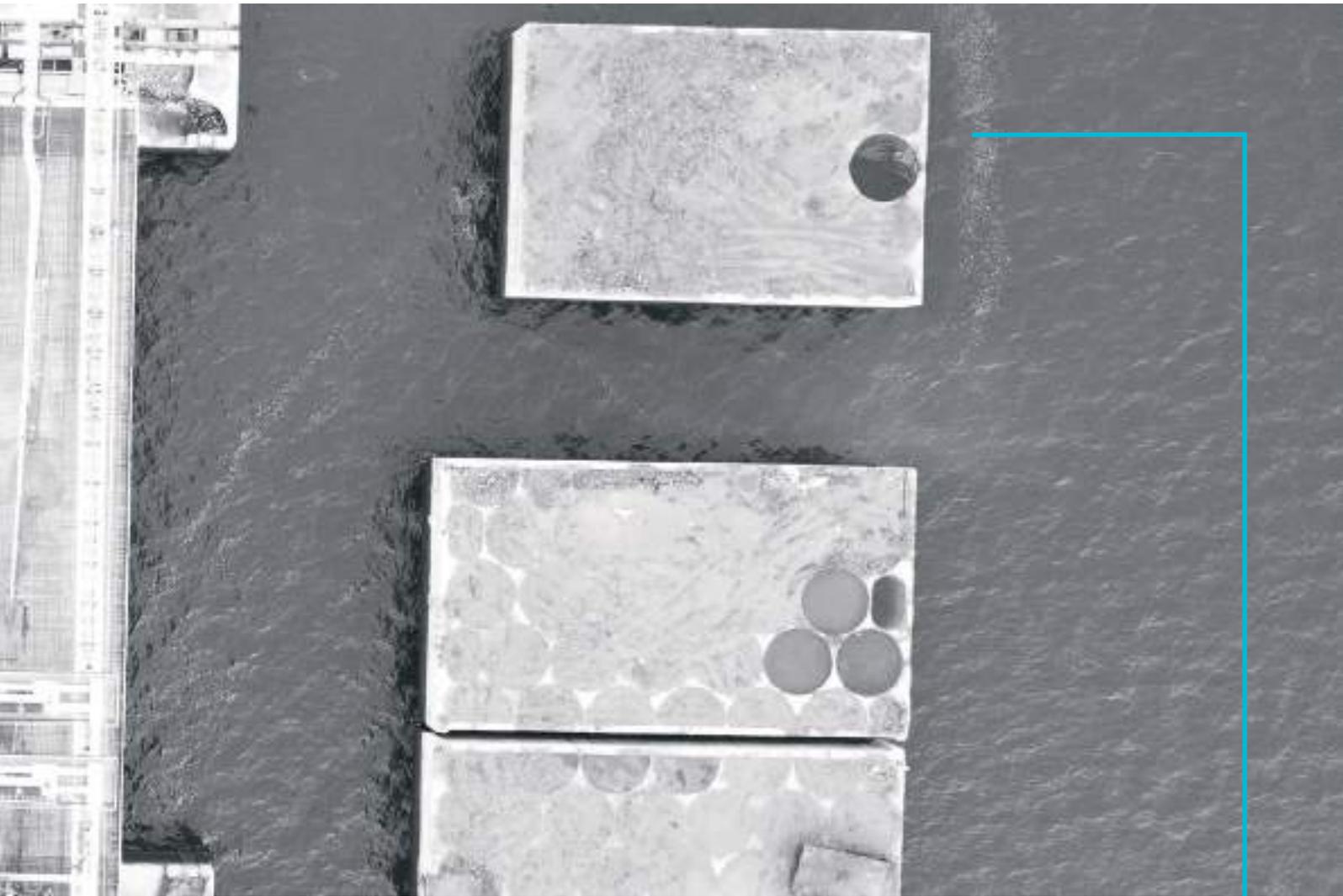


Major advances  
Great outcomes  
Challenges met



Construction of Langosteira dock, A Coruña (Spain)

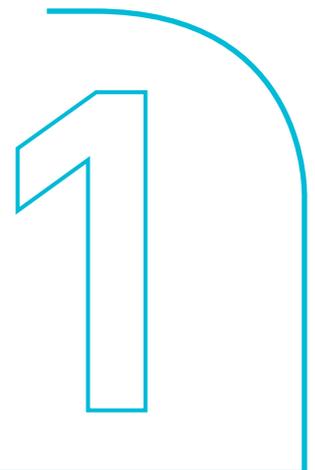
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# Index



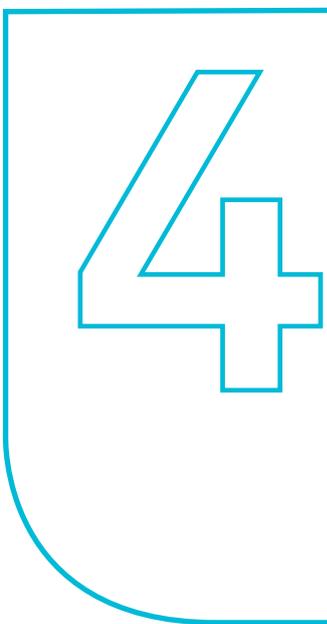
<b>Key Figures</b>	<b>12</b>
<b>Sacyr in the world</b>	<b>14</b>
<b>We create shared value</b>	<b>16</b>
<b>Sustainability</b>	<b>20</b>



<b>Letter from the Chairman</b>	<b>25</b>
---------------------------------	-----------



<b>Economic environment</b>	<b>31</b>
3.1. International Economic Environment	32
3.2. Economic Environment in Spain	33



<b>Business Model and Operating Environment</b>	<b>37</b>
4.1. Mission, Vision and Values	38
4.2. Business model	42
4.3. Sacyr's Strategic Vision for 2015-2020	48
4.4. Performance of the Sacyr Group	62
4.5. Sacyr Concessions	66
4.6. Sacyr Engineering and Infrastructures	70
4.7. Sacyr Industrial	74
4.8. Sacyr Services	78

## Environmental value 85

5.1. Sacyr's commitment to the fight against climate change	102
5.2. Water	120
5.3. Biodiversity	128
5.4. Circular economy, use of materials and waste prevention and management	142

5

## Social Value 155

6.1. Corporate Social Responsibility	156
6.2. Health, Safety and Welfare	168
6.3. Sacyr Maintenance	174
6.4. Local communities	178
6.5. Sacyr Facilities	184
6.6. Human Capital	188

6

## Governance 199

7.1. General Meeting, Board and Committees	200
7.2. Good governance practices	204
7.3. Remuneration and incentives	208
7.4. Anti-corruption	210
7.5. Risks	212
7.6. Tax transparency	218

7

## Appendices 221

I. About this report	222
II. Materiality analysis	224
Reliability	228
III. Contact Information	236
IV. GRI Index	238
V. GRI tables	246

8



→ Road construction in Tulancingo, Mexico

# 1

## Key Figures

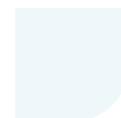
Key Figures	12
Sacyr in the world	14
We create shared value	16
Sustainability	20

# Key Figures

(102-7)



Committed to meeting any challenge to transform our society and improve people's lives.



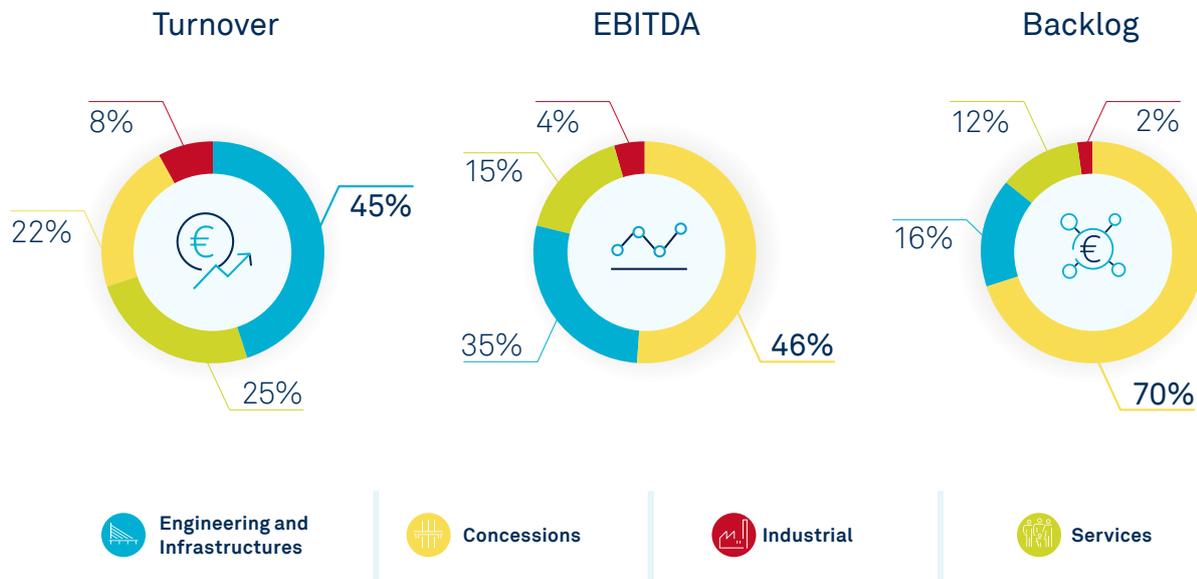
DATA IN € million	2019	2018	%
REVENUE BACKLOG	42,965	41,674	+3%
TURNOVER	4,169	3,796	+10%
· INTERNATIONAL	58%	60%	2 p.p.
EBIT	441	365	+21%
EBITDA	680	543	+25%
· EBITDA MARGIN	16.30%	14.30%	2 p.p.
AVERAGE WORKFORCE	43,460	37,730	+15%

4<sup>o</sup> global developer of greenfield projects  
 80% of EBITDA corresponds to concession assets (infrastructure, water, circular economy and renewable energy)



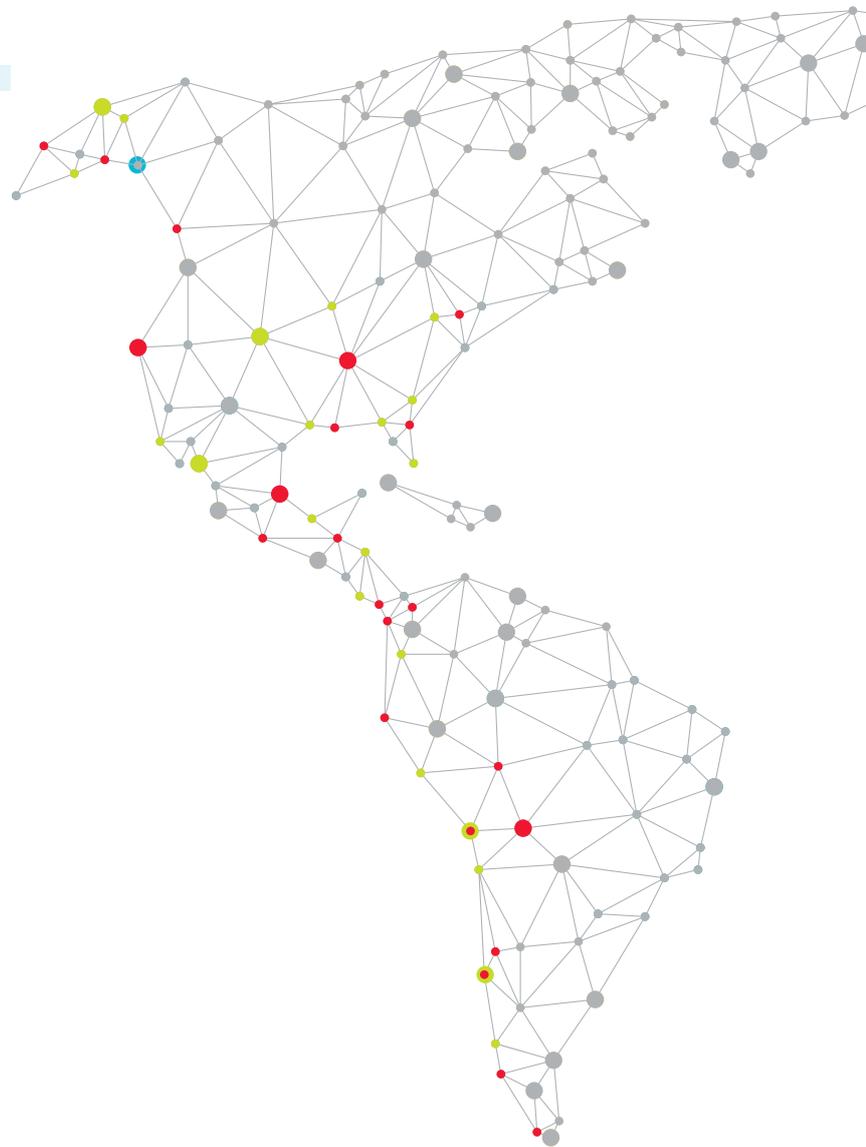
1<sup>a</sup> infrastructure company in Chile and Colombia  
 2<sup>o</sup> largest construction company in Latin America

Contribution by activity



# Sacyr in the world

(102-4) (102-6) (SASB\_IF-EN-510a.1.)





Engineering and Infrastructures



Concessions



Industrial



Services



Holding

# We create shared value

## Inputs



**Financial Capital**  
Investment



**Industrial Capital**  
Plants  
Machinery



**Intellectual Capital**  
Know how  
Innovation



**Human Capital**  
Employees  
Partners  
Stakeholders



**Share Capital**  
Innovation



**Natural Capital**  
Environment  
Natural resources

**Business Model**

**Environmental Value**

**Governance**

**Social Value**



**Concessions**

**Engineering and infrastructures**

**Industrial**

**Services**



Our ability to create value in the long run is determined by the way we interact with resources and our business model

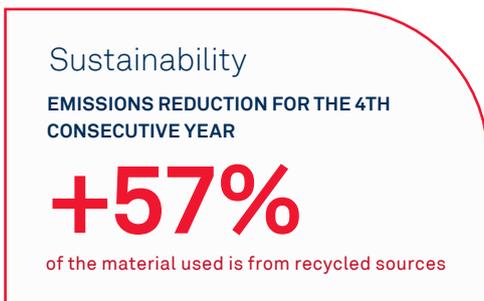
## Outputs



The key to our success is the value we create for society and sustainability with our projects



CONTRIBUTION BY CAPITALS



# Sustainability

→ In Sacyr we understand our role in society and we focus all our resources towards that goal from a sustainable performance





→ Américo Vespucio Oriente Highway in Santiago de Chile

# Contribution to the 2030 agenda



- ✓ Presents give out and Christmas Party for midas at Hospital Infanta Cristina in Parla
- ✓ Presents give out for Juventudes Hospitalarias from Parla
- ✓ Office material donation to Juventudes Hospitalarias from Parla. Charitable street-market
- ✓ Christmas presents collection for children under social exclusion



- ✓ CAFESTORE Avoid food waste by donating it to food centres
- ✓ Food Collection Campaign with Banco de Alimentos
- ✓ Collaboration with Action Against Hunger
- ✓ Funding of EDUCO's scholarships dining



- ✓ Sacyr's Sport Club +900 participants +60 activities 15 countries
- ✓ Charitable Camino de Santiago – Campaign against Breast Cancer for Hospital de Parla
- ✓ Sanitary equipment donation to improve pathological and dental services for HealthKit post in Mejía, Colombia
- Health and Work Security
- ✓ Management System, certified by ISO45001 in 45 subsidiaries



- ✓ STEM Educational days for scholars and undergraduates between 16 and 25 years old
- ✓ Social donations to Educational Institutions from Vial Montes de María, Colombia
- ✓ Sacyr Mexico, "full back-packs", 1,172 back-packs donated
- ✓ 31 talks about Public Awareness of road safety and environmental care to over 3,500 scholars by concessionaire Convia Sierra Norte, Colombia



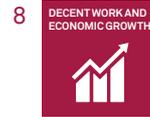
- Equality Commission:**
- ✓ Equality Commission:
    - Equality Plan
    - Diversity and Inclusion Plan approval
    - Sacyr Conciliation Plan
  - ✓ "Companies free of gender violence" Convention
  - ✓ Senior management commitment with equality and conciliation: Protocol for prevention and prevention of harassment and other discriminatory acts
  - ✓ 48% of the employees are women (23,500) and 52% men (26,200)



- ✓ Water filters distribution and education for responsible use of water in vulnerable communities from Colombia and Peru
- ✓ Water World Day: Emmasa Foundation activities and raise of awareness in the offices
- ✓ Sacyr Water social tariffs and non-payment procedures
- ✓ Avoid the consumption of 766,397m3 of tap water, prevailing the use of recycled water. 18.52% of the reused water over the total consumption (+17.18% respect to 2018)



- ✓ 3.96% decrease of energetic consumption
- ✓ 21.56% of the total energy used is renewable
- ✓ Saving and energetic efficiency measures: equipment renovation, lighting restoring for LED
- ✓ Environmental Good Practices disclosure
- ✓ Circular Stockpile, efficient and sustainable: procedures on the use of renewable energies and fleet management to optimise the duration
- ✓ Renovation of Sacyr's Carbon Footprint in MITECO



- ✓ Over 5,000 new consolidated Jobs
- ✓ Working Flexibility and Digital Disconnection Policies
- ✓ Freedom of association and right of collective bargaining
- ✓ Ranked 9th over the Top 100 Best Companies to work for
- ✓ Family Responsible Company Certification with +90 conciliation measures
- ✓ IDEA Project with Fundación Juan XXIII Roncalli – creation of new business lines to promote the employment of people with psychological disabilities



## SUSTAINABLE DEVELOPMENT GOALS



### 9 INDUSTRY, INNOVATION AND INFRASTRUCTURES

- ✓ Sacyr's Innovation Awards (Spain y Chile)
- ✓ Sacyr iChallenges, oriented to resolve business challenges
- ✓ Num. of employees participating in projects: 217
- ✓ Num. of projects in development: 47 "Natural Innovators" Awards to employees
- ✓ Group Companies certified in UNE 166002:2014: 13
- ✓ Investment in R&D: +8 Million euros
- ✓ 6.6% net benefit investment in innovation
- ✓ "CIO Of The Year Europe" Award for "Best European Project: Innovation and Business" for our "Digital Twin"

### 10 REDUCED INEQUALITIES

- ✓ Raise of awareness of equality and non-discrimination for +4,500 employees
- ✓ Agreement with Fundación Integra to integrate people in risk of social exclusion: +100 recruitments (2019)
- ✓ Programa Incorpora of Fundación La Caixa to promote the hiring of people in risk of social exclusion
- ✓ Valoriza's Special Employment Centre: over 150 employees, 90% of them, disabled
- ✓ Fundación Juan XXIII's Special Employment Centre sponsorship
- ✓ Agreement "Inserta" with Fundación ONCE

### 11 SUSTAINABLE CITIES AND COMMUNITIES

- ✓ SMARTcities
- ✓ Mobility City: project to publicise and promote the mobility of the future.
- ✓ Sacyr Tracking received the GEOBIM Award in the "Leadership in Design Engineering" category
- ✓ Construction of the first hospital in Chile with sustainable certification CES hospitals
- ✓ EA 0050 Certification of "Efficient Driving Management System for Commercial Vehicles"
- ✓ Workshops to promote sustainable urban mobility in Seville, Spain; and reuse, recovery and recycling, in Colombia

### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- ✓ Climate Impact Assessment of 2,360 suppliers
- ✓ 906 suppliers assessed, out of which 561 met with the climate requirements
- ✓ Sacyr Circular
- ✓ Use of 10.58 ton of materials (57.09% recycled)
- ✓ Sacyr Social celebrates the Recycling World Day in residents and care centres
- ✓ Sacyr Peru has recycled 1,180 kg of paper and donated the equivalent in food to Aldeas Infantiles SOS Perú
- ✓ Murcia's Civil Work Award to "REPARA 2.0." Project

### 13 CLIMATE ACTION

- Climate Change Policy:**
- ✓ Adherence to "Business Ambition for 1.5"
  - ✓ Carbon Disclosure Project (CDP)
  - ✓ Certification CEEQUAL y WELL
  - ✓ Registration of 153 certifications under the Management Integrated System
  - ✓ Participation in Foretica's Climate Change Cluster
  - ✓ Climate Summit COP25: Participation and organisation of parallel talks in the main offices
  - ✓ Attainment of Hallmark "REDUZCO" from the Ministry for Ecological Transition as a result of reduction of 7,34% of our CO2 emissions between 2016-2018
  - ✓ Quellaveco Project awarded with "Best Environmental Management"

### 14 LIFE BELOW WATER

- ✓ "Sacyr Without Plastics" Beach cleaning with Fundación Vida Sostenible, in Sitges, Spain
- ✓ Dumpster conversion into a beach, Ras Bufontas, Qatar
- ✓ Substitution of plastic bottles for glass bottles
- ✓ Cafestore, has decreased the supply of plastic elements, promoting the use of recycled ones, so as discount for the use of tap water
- ✓ 5th Marine Layer Great Cleaning, picking up 3,500 kg of waste Which makes a total of 26,000 kg of 40 places in the world
- ✓ Safety for marine wildlife during the submarine construction of Langosteira's Port, in A Coruña, Spain

### 15 LIFE ON LAND

- ✓ Electronic device waste collection campaign in Colombia (4,667 kg)
- Environment World Day:**
- ✓ Collaboration with San Juan Nepomuceno and El Carmen de Bolívar communities, in Colombia, for the #WasteChallenge, picking up +3,750 kg
  - ✓ Responsible management of diversity in Peru, Panamerican and Parapanamerican Games Lima 2019
  - ✓ 1,925 educational days
  - ✓ Sacyr Industrial awarded with PEFC y FSC certifications
- Volunteering in Spain**
- ✓ Asociación Reforesta: riverbed cleaning and trees plantation

### 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- ✓ Model of Regulatory Compliance: Code of Conduct and consulting and complaint hotline
- ✓ Universal Declaration of Human Right
- ✓ Tripartite Declaration of the International Labour Organization (ILO)
- ✓ Guidelines for multi-national companies in OECD
- ✓ Framework Agreement with the International Construction and Wood Federation, Comisiones Obreras (CC OO) of Construction and Services and UGT-MCA
- ✓ Certification SGE21 in Corporate Social Responsibility
- ✓ Presence in the Ftse4good IBEX Index

### 17 PARTNERSHIPS FOR THE GOALS

Partnerships for the goals: see "Stakeholders relations", pg. 158



Manuel Manrique Cecilia  
Chairman and CEO



# 2

## Letter from the Chairman



# 1. Letter from the Chairman

(102-1) (102-10) (102-14)

Welcome to the 2019 Integrated Report on Sustainability.

In these pages we focus on the key issues for our stakeholders, based on the materiality map updated in 2019 and drawing on the international framework of integrated reporting, the Sustainability Reporting Guidelines of the Sustainability Accounting Standards Board and the indicators recommended by the Global Reporting Initiative.

As a company driven by strong values, we play a key role in society by creating and transforming infrastructure and its related services, thus supporting the economy, job creation and welfare. This is a major responsibility that we do not take lightly, because we want to retain the trust of all our stakeholders without exception.

To be sustainable in the long term we need a clear direction. We must steer our course to a high standard of excellence, achieving an optimal balance between long-term value creation and short-term results, while retaining a balanced financial structure. We have accordingly set out these goals in our mission, vision, values and corporate policies, which I invite you to read in this Report.

Furthermore, we strive to ensure that all those who make up the group's companies accept this policy as their own, and show due respect towards the environment and society, because caring for this planet is everyone's responsibility.

The ultimate aim of this report is to reflect the transparency and professional ethics that guide our journey and enable us to remain one of the leading companies in the industry. We want all our stakeholders to feel that we are approachable and to obtain all the information they need about our way of doing things, which we believe to be the most balanced and appropriate.

I would like to summarise the main performance milestones of the Sacyr Group and its companies during 2019:

- the Concessions division grew revenue by 27% with respect to 2018 thanks to the increase in construction revenues, good progress in the execution of the latest contracts awarded, a strong performance of traffic and the entry into operation of the Tepual and Chacalluta de Arica airports, both in Chile;
- Engineering and Infrastructures achieved 21% growth on the previous year due to the progress of key projects in its strategic markets;
- while Services grew 6% as a result of the strong performance of revenues in all its business divisions, which increasingly focus on public and private sector service concessions.

However, Industrial revenue dropped by 33%, following the completion of major projects in the backlog in Peru.

At Sacyr, we continue to be strongly committed to cementing our position as a global company. We are already firmly established in countries such as Colombia, Chile, Portugal, Peru, Italy, United States, Australia, Oman, Algeria, Uruguay, Paraguay, Qatar, Ecuador, Brazil, Bolivia, Mexico and Ireland. Evidence of this is the fact that 60% of revenue and 77% of the backlog are generated outside Spain.

EBITDA stood at 680 million euros, 25% above that obtained in 2018, thanks to the result of the strategy of our Company which focussed on profitability and generating cash from the projects, as well as the strict risk management system and cost control, which positioned the EBITDA ratio in relation to revenue at 16.3%, versus 14.3% the previous year.

**The Group's revenue amounted to 4,169 million euros, up 10% on 2018, which reflects the positive performance of the company**

The attributable loss was -298 million euros as a result of the negative contribution from Repsol of -354 million euros. The oil and gas company wrote down the book value of some of its operation and production assets in the United States and Canada by close to -4,800 million euros after tax to reflect the reduction in the expected future price of gas. Repsol also set aside provisions of 837 million euros following an adverse second partial award in international arbitration proceedings.

As to key balance sheet figures, in 2019 total assets stood at 13,907 million euros, while equity was 1,190 million euros. The significant reduction in the Group's debt over the last eleven years continues to be of particular note, with net financial debt having been reduced from 19,526 million euros (at year-end 2008) to 4,315 million euros (at year end 2019), almost 80% lower; furthermore, the majority of that debt, 3,467 million euros, is linked to project financing and thus without recourse to the parent.

The Group's activity was widely secured by the backlog, which in 31 December 2019 stood at 42,965 million euros, up 3% on the previous year, mainly thanks to the inclusion of major contracts, as described later when each division's performance during the year is explained. Of the entire backlog, more than 77% is international. By business activity, in Construction overseas contracts represent 88% of the total; in Concessions 84%; in Services 23%; and Industrial 42% of prospective revenue.

In the year, Sacyr continued to implement the Group's new strategy, based on boosting those businesses in which we are leaders and experts, focussing on the development and operation of infrastructure and service concessions, which allow for the generation of predictable and stable funds.



Toll booth, Pedemontana  
- Veneta motorway, Italy

All the foregoing, tied to management measures based on reducing costs and debt will lead to a stronger, more innovative and more competitive Group, that is more committed to the traditional values of our Company: prudence, austerity, quality and compliance with the commitments assumed.

Revenue in the **Concessions division** amounted to 1.007 million euros, up 27% on 2018, with income from concessions reaching 511 million euros, thanks to improved traffic and the start-up of operations of the Tepual and Chacalluta airports, both in Chile. The 38% year-on-year growth in construction revenue up to 496 million euros was due to the progress made in major projects such as: Rutas del Litoral (Uruguay), Rutas del Este (Paraguay), Cúcuta-Pamplona, Rumichaca-Pasto and Montes de María (all in Colombia), and Pirámides-Tulancingo and Hospital de Tlahuac (both in Mexico).

**Construction division revenue** in 2019 amounted to 2,074 million euros, up 21% on the previous year, due to the growth both at international level (+17%) and in the domestic market (+45%). At year-end, 83% of revenue was generated abroad. The growth of this division was thanks to the solid progress made in the execution of the major projects in the backlog, in Colombia, Chile, Mexico, Uruguay, Paraguay, Peru, the United States, the United Kingdom, Spain, etc., and also includes the contribution of the Pedemontana-Veneta motorway project in Italy. The construction backlog stood at 7,134 million euros at 31 December. This was 15% higher

than the previous year and 88% of it is based outside Spain. It ensures more than 41 months of activity at the current rate of revenue. Of the entire backlog, around 55% are infrastructure projects for the Sacyr Concessions area.

The **Services division's** revenue amounted to 1,137 million euros, up 6% on 2018, as a result of a strong performance in all the divisions where it is active: Multiservices, +5%, as a result of the contribution from major contracts awarded, such as that of the operation and maintenance services for the Antofagasta University Hospital (Chile), those related to home care services in various Spanish cities and provinces, and the maintenance of road infrastructure, both in Spain and abroad (Chile, Peru, etc.); Environment, +8%, thanks to the contribution from the contracts for urban waste collection, road cleaning and maintenance of green spaces in many locations in Spain and abroad (such as Bogotá, Colombia) and the commissioning of the waste treatment plant in Melbourne (Australia).

**Sacyr Industrial** reported revenue of 352 million euros in 2019, 33% down year-on-year, following the completion of large-scale backlog projects. The Oil and Gas division brought in 118 million euros in revenue, down on last year, due to the completion of the projects such as "Nuevo Mundo" and the petrol module at the "La Pampilla" refinery both in Peru; the generation, networks and electrical transportation area achieved revenue of 164 million euros, including the completion of



Chairman and CEO of Sacyr, Manuel Manrique, during the celebration of the Sacyr 2019 Shareholders' Meeting

the construction of 3 photovoltaic plants in Ciudad Real (Spain), a wind farm in Lugo (Spain) and the maintenance of electrical infrastructures in Chile and Panama; the Industrial Processing Plants recognised revenue of 24 million euros at 31 December, reflecting the completion of the cement plants in Chimborazo (Ecuador) and Oruro (Bolivia) and the completion of the waste treatment plant in Melbourne (Australia); in turn, the Water division recognised revenue of 44 million euros, reflecting the completion of the Sohar desalination plant in Oman and progress with the drinking water works in Neerabup in Perth, Australia, and the first phase of the Adelaide irrigation plan, also in Australia.

Finally, I believe that we need more value-driven organisations, which is why Sacyr's board of directors focus on how we can make the Group's various businesses and our employees more responsive and adaptable to our social and environmental context. Our aim is to come together to successfully face the sustainability challenges of the future. We have therefore created a Sustainability and Corporate Governance Committee - with powers delegated to it by the Board - and a Sustainability Committee.

Our goal is to reinforce our earlier efforts towards sustainability and partnerships with all our stakeholders in the fight against climate change, promotion of diversity and work-life balance, health

and safety, and the positive social impact of our activities.

This year brings new uncertainties and it may seem that there is still a long way to go. However, I am confident that together we can ensure inclusive growth that will enable us to create wealth and reduce inequality in the countries where we operate. The following chapters provide further details on the annual performance of all our areas and businesses that have made these great results possible.

Thank you.

**Manuel Manrique Cecilia**  
Chairman and CEO



I believe that we need more value-driven organisations



→ Works at Ulster University in Belfast, United Kingdom.

# 3

## Economic environment

3.1. International Economic Environment	32
3.2. Economic Environment in Spain	33

## 3.1. International Economic Environment

2019, in general terms, has been characterised by the good performance of the world's major economies: United States, China, Japan, Canada and the majority of the euro area and European Union countries. However, a series of threats have also persisted throughout the year, continuing to hamper and preventing the long-awaited economic recovery. These include: the trade war between the US and China; the final Brexit treaty, between the UK and the European Union, which was formally arranged on 31 January 2020; the drop in commodity prices, which is taking its toll on emerging economies, and the outbreak of coronavirus (COVID-19), which may have a significant impact on the global economy.

The United States recorded GDP growth of 2.3% in 2019, compared to 2.9% the year before. This increase, the smallest since 2016, can be attributed to: consumer spending (contributing 1.2%, more than half of yearly growth) and domestic demand now accounting for around three quarters of GDP; consumer goods, contributing 0.26%, and growth in the services sector, representing 0.94%. Only private investment, at -1.08%, ran into negative territory. Throughout the year, and as expected, in response to the economic slowdown, the Fed reduced, for the third consecutive time, its policy rate by three quarters of a point, to the range of 1.50%-1.75%. With regard to employment, 2019 was another good year, with 2.1 million new jobs created, reducing unemployment to 3.5% (3.9% in 2018), its lowest rate for 50 years, and implying full employment. In terms of inflation, government figures show that 2019 closed with an increase of 2.3%, compared to 1.9% in 2018, due to increases in the price of fuel and healthcare in the last few months of the year.

Turning to China, according to the government's own data, its GDP rose by 6.1% in 2019, down 0.5% on 2018 and the lowest rate since 1990, though in line with the expectations of the country's authorities. The three main sectors of the economy made important gains: the primary sector advanced +3.1%; the manufacturing sector +5.7% and the services sector +6.9%. In 2019, despite the trade war with the US, a record trade figures were achieved: exports increased to 2.24 billion euros (+5.0%), while imports were up by almost 1.6% at 1.86 billion euros. The major challenges in 2020 will be: preventing coronavirus from having a significant impact on the economy, returning to normal trade with the US following the agreements reached, preventing financial risks and controlling pollution in major cities.

The economic performance of euro area countries was also very uneven in 2019. Although to date, Eurostat has not published its final GDP figures, and in many cases the data we have is provisional, we can confirm that the euro zone as a whole grew 1.2%, compared with 1.9% the previous year; the lowest increase since 2013, as a result of the slowdown of the main economies in the final quarter of the year. The breakdown by countries shows Spain at 2%, as the fastest-growing of the five major Eurozone economies for the second-year running, followed by France at 1.2% and Germany at 0.6%. Italy, meanwhile, which has now experienced over a decade of economic stagnation, contracted at -0.2%. The European Union as a whole, including the United Kingdom for the final time, grew by 1.4% during the year, compared to 2.0% the previous year, its weakest result since 2014. The European Central Bank has continued to pursue its active liquidity policies, by systematically purchasing the public debt of peripheral countries, as well as through various liquidity auctions with the aim of stabilising lending in the economy. Looking at future years, the economic forecasts are uncertain due to the economic impact of coronavirus (COVID-19), which has spread from China to the rest of the world in the first quarter of 2020 and will have a serious impact on all sectors: tourism, exports, commodity prices, energy prices, etc.

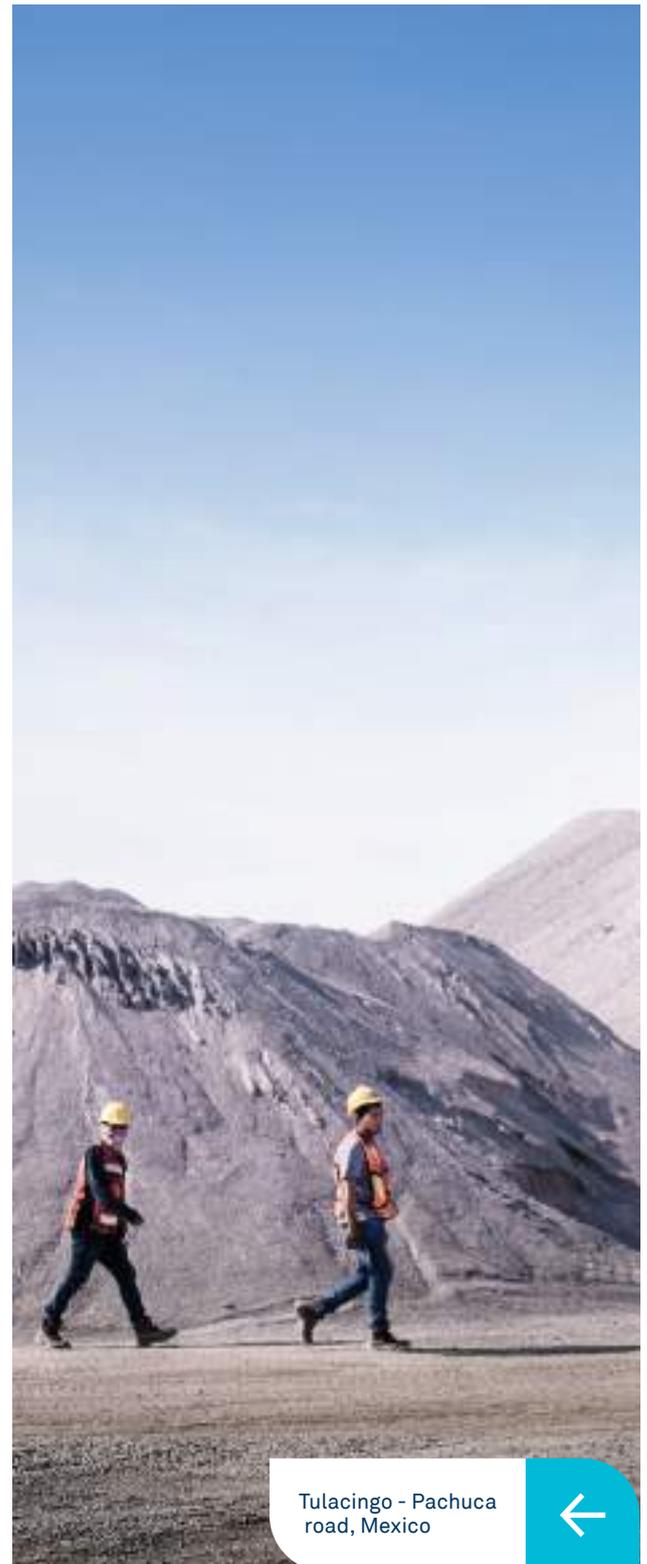
Year-on-year inflation in the euro area, according to data provided by Eurostat, was 1.3% in 2019, compared to 1.6% the previous year, thanks to price containment over the course of the year.

## 3.2. Economic Environment in Spain

According to data from the Bank of Spain, the Spanish economy, measured in terms of GDP, grew by 2.0% in 2019, four-tenths lower than the growth recorded the previous year. This is the sixth year of positive growth, following six consecutive years of contraction. Domestic demand remains the catalyst of the Spanish economy, growing by 1.8%, thanks once again to the boost from household consumption, the favourable performance of the labour market and the fall in the cost of borrowing for families. By sectors, Services grew by 0.9% and Industry by 0.7%. In turn, Construction contracted by -1.7%. Turning to the trade balance, record exports and imports were recorded in 2019. The deficit contracted by 5.5% compared with the previous year, standing at 33,980 million euros. Exports reached 290,089 million euros, 1.8% more than in 2018. This was mainly due to the efforts made by Spanish companies in tightening labour costs and prices, which enabled them to become more competitive and increase global market share. The sectors which performed particularly well were capital goods (20% of total exports), food, beverages and tobacco (17%) and the automotive sector (15%). Imports also grew, by 1%, to 322,069 million euros, due to greater demand for domestic consumption and higher oil prices. 52% of Spanish goods were exported within the EU: mainly to France (15%), Germany (11%), Italy (8%), Portugal (8%) and the UK (7%). Additionally, according to data provided by the Ministry of Industry, Energy, Tourism and Digital Agenda, in 2019, and for the eighth year running, Spain saw a record number of overseas visitors, with 83.7 million tourists visiting the country, 1.33% more than in 2018. Spain was once again above the United States, putting it in second place for global tourism, behind France. Estimates indicate that the total expenditure by those travellers was 92,278 million euros, 2.8% more than the previous year, with average spend per tourist standing at 1,102 euros, 1.7% higher year-on-year.

The European Commission's 2020 and 2021 forecasts for Spain, are less optimistic than in previous years. This is a result of the slowdown in private consumption and increased uncertainty at home and abroad.

As regards the labour market, according to data published by the Spanish National Institute of Statistics (INE), the Labour Force Survey (LFS) reflects an increase of 402,300 jobs last year, 2.06% more than in 2018,



Tulacingo - Pachuca road, Mexico



with growth in the sectors of: Services (+374,600), Industry (+55,400), and Construction (+4,000), and only Agriculture declining (-31,700). Unemployment ended the year at 13.78% of the active population, compared to 14.45% the previous year. As for Social Security, 2019 closed with an average enrolment of 19.3 million employees, representing an average increase of more than 384,373 contributors compared to the figures for the previous year and a historical record.

Turning to prices, according to INE, inflation in Spain was 0.8% in 2019, compared to 1.2% last year. The sectors with the biggest price rises in the general index were as follows: Transport (+4%); Hotels, cafeterias and restaurants (+2%); Food and non-alcoholic beverages (+1.7%), and Other goods and services (+1.4%). All sectors experienced year-on-year increases, except for Housing, which experienced a significant decrease (-5.0%). Core inflation, excluding food and energy products, was 1.0%; one-tenth higher than in 2018.

Spain's main stock market index, the IBEX-35, ended 2019 with gains. The last trading session of the year closed at 9,549.2 points, an annual increase of 11.82%. In 2018, it experienced a 15% decline.

According to data published by the Spanish Association of Construction Companies (SEOPAN) public tenders totalled 18,545.34 million euros of real investment at the end of 2019, a year-on-year increase of 10% versus tenders in the previous year. In terms of governmental bodies, the General State Administration accounted for 6,343 million euros (+17%); Autonomous Communities for 6,159 million euros (+46%) and the Local Government for 6,044 million euros (-16%). Of particular note within the investments made by the General State Administration are the 1,924 million euros invested by ADIF (including High Speed), the 1,439 million euros invested by the Directorate General for Roads, the 899 million euros awarded by AENA, and the 497 million euros invested by the Port Authorities.

Regarding the future of the construction sector in Spain, the outlook remains rather promising, as infrastructure is the key to becoming more competitive in a country whose economic pillars are tourism and exports.

Throughout the year, the Ministry of Economic Development has also continued developing the new infrastructure, transport and housing plan ("PITVI") introduced at the end of 2012, which replaced the strategic infrastructure and transport plan ("PEIT") and the strategic infrastructure plan ("PEI"). The new plan is expected to remain in place until 2024.

Depending on the macroeconomic scenario in Spain, the total sum of investment earmarked in the "PITVI" Plan ranges between 0.89% and 0.94% of GDP up to 2024.

Of the total amount planned, approximately 90% is being allocated to transport policies and 10% to housing. Of the former, 52,403 million euros is being allocated to roads, including 18,668 million euros for the construction of 3,500 km of new high-capacity routes, with a further 1,265 million euros earmarked for the expansion of existing roads. A 25,000 million euros investment package has been allocated to Spain's high-speed "AVE" rail system. The bulk of this amount is currently being used for the connection to Galicia (8,517 million euros) and for the Basque "Y" (4,323 million euros), which will join the three capitals of the region. The other flagship projects will be the AVE to Badajoz, with 2,651 million euros, and the connection to Asturias, with another 1,719 million euros. Other noteworthy interventions include national ports, with 2,000 million euros, and modernisation of conventional railway transport, with 1,310 million euros.

Elsewhere, the so-called "Juncker Plan" continues to be rolled out, which, since its launch in July 2015 is expected to mobilise 408,000 million of euros into new infrastructure investment in the European Union, well above its original target of 315,000 million euros. This Plan was launched in response to the economic and financial crisis of the time, with the intention of fostering investment that focuses on key sectors to drive competition and potential growth in the European Union, especially with regard to research and development, the digital economy, energy and transport infrastructure, social infrastructure and the environment. It has the backing of a first-loss guarantee of 21,000 million euros, provided from the EU budget and the European Investment Bank (EIB),

making it possible for projects with a higher risk profile to be funded, and at the same time, leverage a greater volume of private investment. To date, and within the framework of this initiative, the EIB group has already approved 128 transactions in Spain, for a total volume of financing of 9,600 million euros, with which it is hoped to mobilise 46,700 million euros of investment.

Spain receives the third most funding among EU countries, after France and Italy. Among other actions, the new routes outlined in the European rail transport plan are taken into consideration. Spain, with five corridors crossing the entire country, is to be one of the main beneficiaries. The network, which will criss-cross the country's territory, should be completed by 2030, and is expected to receive a total investment of 49,800 million euros, of which at least 10% will be covered with EU funds. The Central Corridor will link

Algeciras to France through the centre of the peninsula; the Atlantic-Mediterranean Corridor will run from Lisbon to Valencia; a branch of the corridor will run from Portugal to France, crossing the Castile plateau and the Basque Country; the Mediterranean Corridor will link Algeciras to Murcia, Valencia, Catalonia and the French border; and another corridor will run from the Cantabrian Sea to the Mediterranean, linking Bilbao to Valencia and passing through Pamplona and Zaragoza.



Construction of the “El Pedregal” roundabout in the town of Imués, Unión del Sur Concession in Rumichaca-Pasto, Colombia.





Construction of the Bridge over  
the Guaitara River, Colombia



# Business Model and Operating Environment

4.1. Mission, Vision and Values	38
4.2. Business model	42
4.3. Sacyr's Strategic Vision for 2015-2020	48
4.4. Performance of the Sacyr Group	62
4.5. Sacyr Concessions	66
4.6. Sacyr Engineering and Infrastructures	70
4.7. Sacyr Industrial	74
4.8. Sacyr Services	78

## 4.1. Mission, Vision and Values



Mission

To develop complex infrastructure projects and services that contribute to improving citizens' quality of life, providing opportunities for personal and professional development for our employees and creating value for our customers, partners and shareholders.



Vision

To be a leading group with an international focus that is seen as a benchmark in developing innovative, high-value projects, that grows steadily and profitably, providing quality employment opportunities for our employees while being environmentally friendly.



Positioning

We are a global group committed to meeting any challenge in order to transform our society, working with effort and passion to improve people's infrastructure and services.



Values

Our values guide us inside the company and, in relation to our external audience, help us build our competitive position and define ourselves in the market.



# We are talent **at the service of progress**

## What we feel, what drives us

### Passionate about excellence

Committed to quality, things done right, detail and rigour.

We like perfection, and recognise people who work professionally and reliably.

We're passionate about what we do, and we do it better than anyone.

### Integrity is our watchword

No double meanings, transparent, honest and honourable. We work for those who put their trust in us and we repay them with work of the highest quality.

### Believe you can do it

We never give up, we are always moving forward, we overcome all our challenges through our conviction. We are commitment, energy and determination. We are optimism.

### Dream tomorrow

We believe in a better world that changes with us. We imagine, we dream and we create the future we want to live in. Creative and ingenious innovators, helping those around us to live a better future.

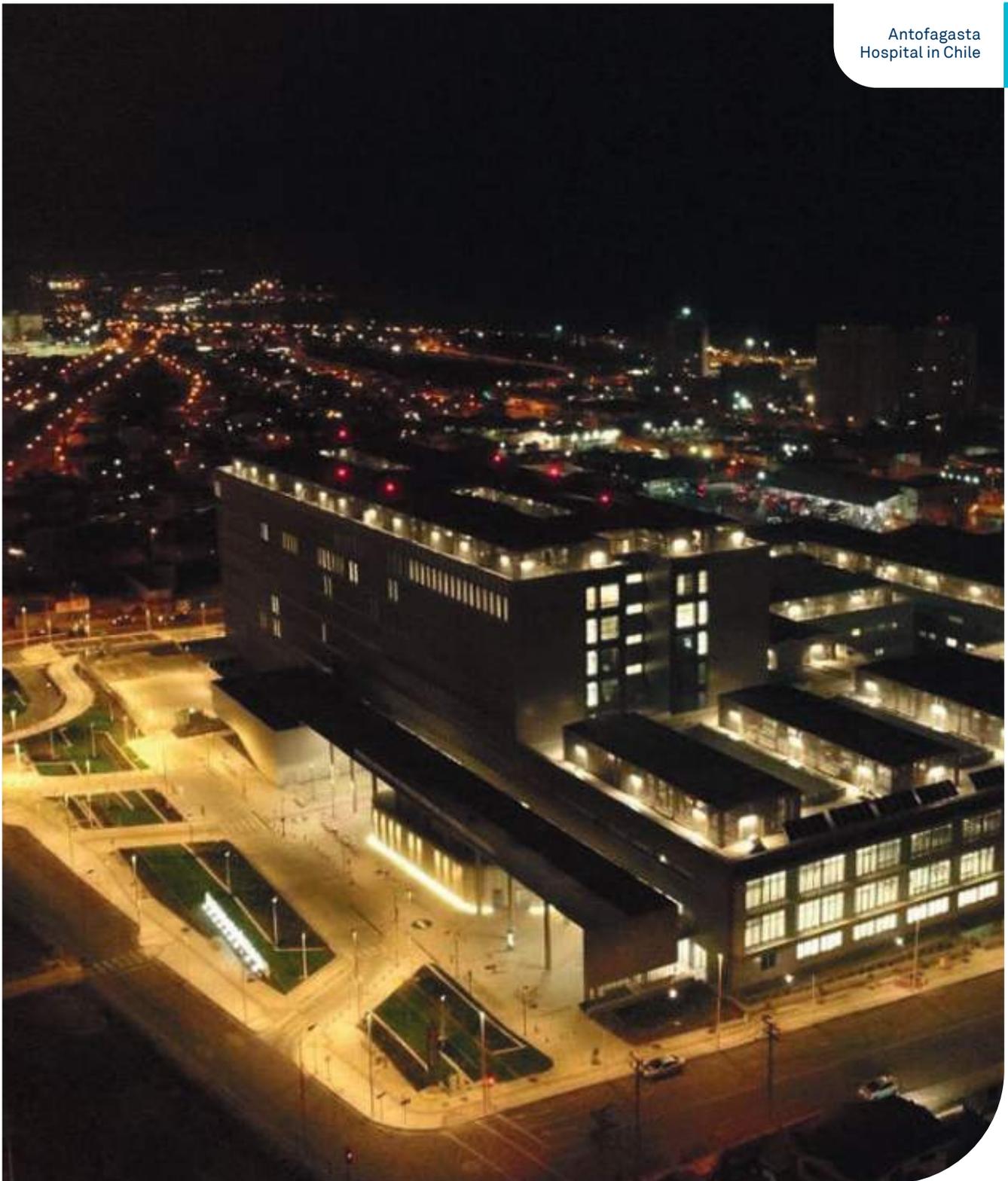
## Challenges met

**Challenges.** Our ability to overcome every challenge. Our know-how, experience. Our business.

**Achievements.** The benefit of what we do, a job well done. The result for the Company, customers, shareholders and society.

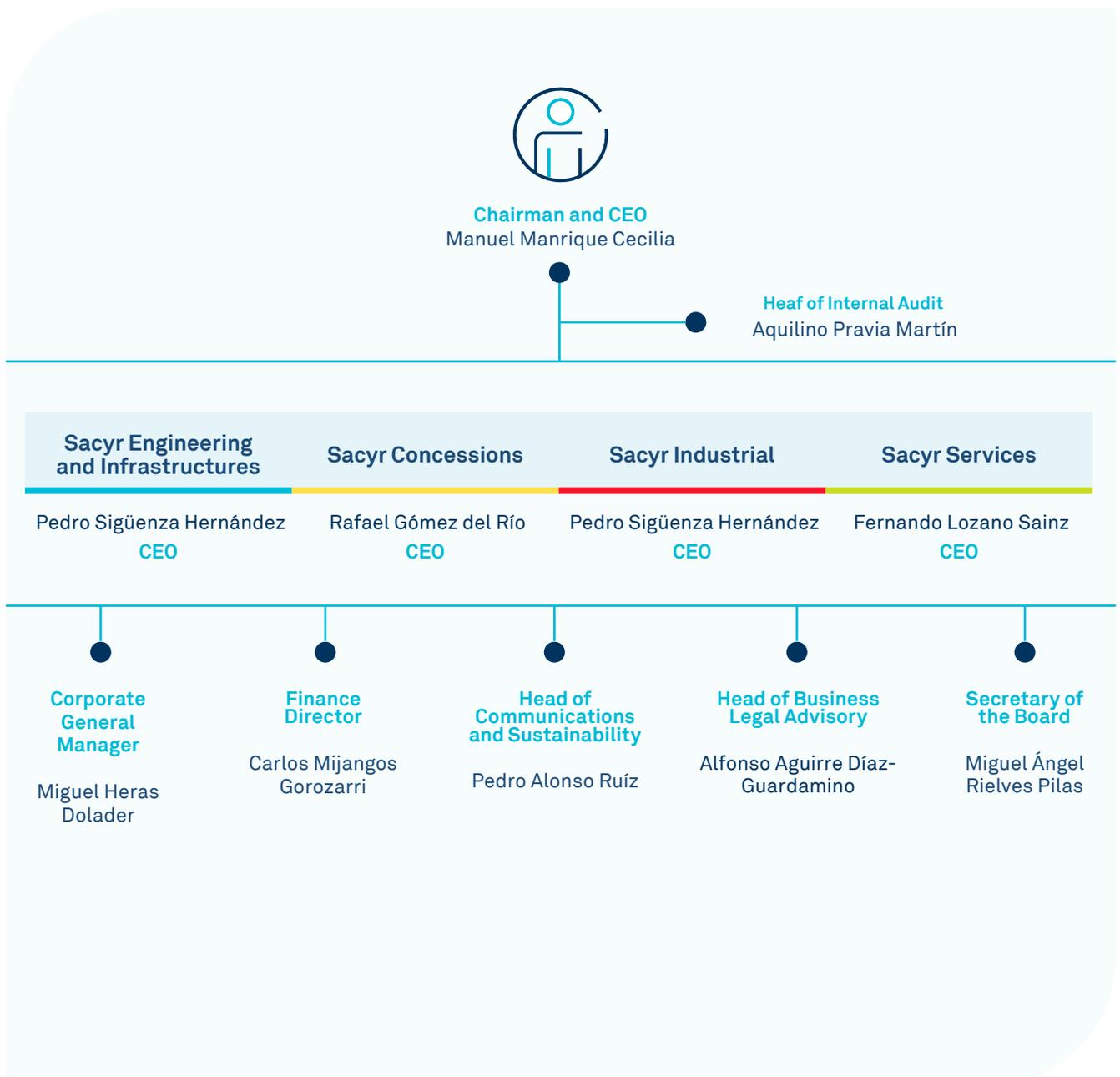
Innovation	Excellence	Team spirit	Adaptability	Integrity
Imagination	Rigour	Trust	Resilience	Honesty
Creativity	Talent	Collaboration	Pragmatism	Transparency
Courage	Passion	Loyalty	Austerity	
<b>214</b>	<b>42,965</b>	<b>+43,000</b>	<b>80%</b>	<b>0</b>
R&D+i projects	Backlog in € million	Employees	Debt reduction since 2008	Breaches of the Code of Conduct

Antofagasta  
Hospital in Chile



## Organisational chart

The Group's organisational structure is arranged around the figure of the Executive Chairman and CEO, to which are accountable, firstly, the non-executive Chairmen and the Managing Directors of each business area, and secondly, various departments which provide support to the rest of the Group: the General Finance Department, the General Corporate Department, the General Communication and Sustainability Department, and lastly, the General Legal Advisory Department and the Office of the Secretary to the Board of Directors.



## 4.2. Business model

(102-2)



### ENGINEERING AND INFRASTRUCTURES

#### What is it?

Focuses on construction activities, including:

- Civil engineering
- Buildings
- Turnkey/EPC

- High technological capability
- 88% of international exposure

#### Key data

The principles of Sacyr Engineering and Infrastructures are based on meeting deadlines, promoting innovation, strengthening our internationalisation, high safety and quality standards and maximum respect for the environment.

A leading infrastructure company covering all types of civil engineering projects (motorways, underground and railways, airports, maritime and hydraulic) and buildings.

#### KEY FIGURES

Order book

**7,134**

Millions of euros

Months of secured activity

**41**

#### KEY RESOURCES



Financial capital



Human capital



Industrial capital



Share capital



Intellectual capital



Natural capital



**CONCESSIONS**

**What is it?**

**Diversified infrastructures portfolio:**

- Asset diversity
- Several geographic markets
- Combination of mature assets and concessions with growth potential

**45 assets in 10 countries**

27 years remaining on assets

High growth potential and potential for increasing value

**Key data**

Over more than 20 years of history, Sacyr Concessions has demonstrated its experience and technical expertise, as well as its financial capacity with 27 billion euros in overall investments.

It specialises in greenfield projects and handles design, funding, construction and asset management. 30 assets in operation

Young assets with 24 years left to run.

15 assets under construction

Investment in progress €13.3 billion

**KEY FIGURES**

**Order book**

**30,028**

Millions of euros

**% International**

**84%**

**KEY RESOURCES**



**Financial capital**



**Human capital**



**Industrial capital**



**Share capital**



**Intellectual capital**



**Natural capital**



**SERVICES**

**What is it?**

**Focuses on public service concessions:**

- Water, Environment and Multiservices
- Stable activity generating long-term cash flow

**Solid portfolio of public and private contracts**

**Strong track record**

**Improvement in revenue and margins**

**Participating in the transition to a green economy:**

Green revenues: % of revenues from projects that help the world adapt to, mitigate or remediate the impacts of climate change, resource depletion and environmental erosion.

**Key data**

**Environment:**

- Municipal services
- Waste treatment
- Environmental work and regeneration

**Water:**

- End-to-end water cycle
- Water treatment plants
- Sacyr Agua, 8th biggest international company based on desalinated water capacity (International Desalination Association)

**Multiservices:**

- Facility management
- Homecare assistance
- Infrastructure maintenance
- Restoration
- Mining

**KEY FIGURES**

**Revenue backlog**

**6,408**

Millions of euros

**EBITDA margin**

**9.6%**

**Green revenues**

**51.34%**

**KEY RESOURCES**



**Financial capital**



**Human capital**



**Industrial capital**



**Share capital**



**Intellectual capital**



**Natural capital**



**INDUSTRIAL**

### What is it?

Experts in engineering and construction of industrial facilities:

- Water
- T&D and renewables
- Energy, Industry & Environment

Core business with high growth potential

**power plants**

**water treatment plants**

**Participating in the transition to a green economy:**

Green revenues: % of revenues from projects that help the world adapt to, mitigate or remediate the impacts of climate change, resource depletion and environmental erosion.

### Key data

Industrial construction and engineering activities:

Energy generation, biomass, co-generation plants and waste-to-energy plants, conventional generation energy plants, transmission lines and electrical substations, industrial factories and plants, oil and gas infrastructures and facilities, biofuel manufacturing, desalination of salt and brackish water, potable and waste water treatment, purification and reuse.

Strategic alliances:

- Sacyr Fluor: Strategic acquisition of 50% Fluor S.A. for EPC projects.
- Sacyr Nervión corporation: Maintenance of industrial facilities.
- Isotrón: EPC for electricity generation and transmission.
- Sadyt: integration of EPC activity into Sacyr Industrial for water projects.

### KEY FIGURES

**Revenue backlog**

**679**

Millions of euros

**EBITDA margin**

**6.6%**

**Green revenues**

**41.46%**

### KEY RESOURCES



**Financial capital**



**Human capital**



**Industrial capital**



**Share capital**



**Intellectual capital**



**Natural capital**

## Business model

(102-2)

The Sacyr Group, active for over 30 years, is structured into four different areas of activity and operates in a total of 24 countries:



### Concessions:

Business operated by Sacyr Concessions, the seventh largest private transport infrastructure operator in the world, with a presence in Spain, Italy, Ireland, Portugal, Chile, Colombia, Mexico, Peru, Uruguay and Paraguay. Specialises in management of motorways, hospitals, transport interchanges, airports, etc.



### Engineering and Infrastructures:

The engineering and construction activity is carried out through the head company Sacyr Engineering and Infrastructures in Spain, Chile, Colombia, Peru and Mexico; Sacyr Somague, in Portugal; and SIS, in Italy, which specialises in all manner of civil engineering and building projects, both residential and non-residential.



### Services:

Activity conducted by Sacyr Servicios (formerly Valoriza), with presence in Algeria, Australia, Colombia, Chile, United States, Spain, Mexico, Oman, Peru, Portugal and Uruguay. The unit specialises in the management of the following services:

- Environmental: through the head unit Valoriza Medioambiente, a leading company in the operation of:
  - Municipal services: leader in urban services management, with presence in some of the main cities in Spain. The company carries out street cleaning, waste collection, including underground containment, gardening and maintenance of green areas, parking meter management, towing services, bicycle rental and removal of vehicles from public thoroughfares.
- Waste treatment: Sacyr Services has major contracts in place in the field of construction and operation of waste treatment plants, landfill degassing, biomethanisation plants, incineration and energy recovery. The firm also has facilities for treatment, composting and thermal drying of sewage treatment plant sludge.
- Environmental work and regeneration: services for water quality control, atmospheric control and recovery of landscapes and woodlands.
- Water: via Sacyr Water and focused on the operation and maintenance of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial waste water treatment, agricultural treatment etc.), and the end-to-end management of the water cycle under public sector concessions or in the private sector.
- Multiservices: this area groups several services through the following companies:
  - Sacyr Facilities: firm specialising in cleaning services, facility management services, energy and other ancillary services (porter services, receptionists, gardening etc.).
  - Sacyr Social: leading company in services to groups in a situation of dependence or social vulnerability (the elderly, children, the disabled). Management of care homes and day centres, as well as home help services.
  - Sacyr Maintenance: Group company that specialises in the maintenance and upkeep of roads and other specific infrastructure: dams, irrigation channels etc.
  - Valoriza Mining: mining projects in Spain, mostly on copper, gold, tin, lithium and tungsten deposits.
  - Cafestore: Group company specialised in the operation of motorway service areas (third leading Spanish operator in this market), and in the management of restaurants and cafeterias at large facilities: hospitals, transport hubs and public and private buildings.



## Industrial:

The engineering and industrial construction activity is carried out through Sacyr Industrial. This division is present in Spain, Peru, Ecuador, Colombia, Chile, Bolivia, Panama, Mexico, Algeria, Oman and Australia. Sacyr Industrial is the result of the integration of several companies and areas, and is in charge of engineering and industrial construction activities. Covering the promotion, performance, start-up and operation of projects in the following business areas:

- Energy, Industry & Environment: Sacyr Industrial is one of the leading international companies in the design, construction and operation of waste treatment and waste-to-power plants. It also builds industrial plants and conventional and renewable energy facilities. The firm also has experience in cement projects, mineral management and processing plants.
- Oil & Gas: implementation of refinery, chemical and petrochemical, gas handling and treatment and liquefied natural gas (LNG) projects, and the transportation and storage of this type of fuel.
- Water: business activity via Sadyt, global leader in engineering activity, development and operation of all types of water treatment plants: desalination, purification, drinking water plants, etc.
- T&D and renewables: implementation of "Turnkey" EPC and BOP projects for wind farms and large photovoltaic plants, O&M for renewable energy plants. Specialists in geothermal energy and generation using biomass. EPC projects for medium and high voltage transmission lines, as well as BOOT projects and their financing.



Portland cement plant in Oruro, Bolivia



## 4.3. Sacyr's Strategic Vision for 2015-2020

Sacyr Group's operating environment provides us with new challenges and opportunities as we continue along the path we embarked upon in 2015, when the entire Company's strategy was established.

Sacyr was founded in 1986 and since then we have overcome all the challenges we have faced thanks to our people and our values.

### We are a team

Thousands of people who have **talent, rigour and the passion for doing a good job**. We are driven by collaboration, trust in the Group, loyalty.

### Strategic vision

Based on: profitability, risk control and sustainable growth.

We developed 3 areas of strategic focus that drive activities in our value-creating business model



#### FOCUS

- Specialisation in priority business areas
- International growth with local presence in a select group of regions/countries



#### SCALE

- Sustainable position against large-sized competitors
- Ability to operate globally



#### SUSTAINABILITY

- Reduce corporate debt
- Diversify sources of finance

			
Concessions	Engineering and Infrastructures	Industrial	Services
<p><b>Driver of growth and stability</b></p>	<p><b>International leader in large projects</b></p>	<p><b>Positioning in energy</b></p>	<p><b>Quality and technology</b></p>
<ul style="list-style-type: none"> <li>➤ Greenfield investments focusing on Latin America and North America</li> <li>➤ Rotation of mature assets</li> </ul>	<ul style="list-style-type: none"> <li>➤ International growth focusing on Latin America, North America and the Middle East</li> <li>➤ Combination of organic growth, alliances and inorganic growth in North America (agreement with Manhattan Construction Group)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strong development in the sector focusing in oil &amp; gas, renewable energy and water, and in Latin America, North America and the Middle East</li> <li>➤ Reinforcement of capacities by a combination of organic growth, alliances and inorganic growth</li> <li>➤ Joint venture with Fluor (Sacyr Fluor)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Infrastructure maintenance: increase capacities/ specialisation and attain scale</li> <li>➤ Environment and facilities: organic growth in Spain and international expansion following the other divisions of the Group</li> <li>➤ Water: development with international focus in Latin America, North America and the Middle East</li> </ul>

**2019 results (millions of euros)**

Revenue			
1,007	2,074	352	1,137
EBITDA			
331	253	23	109
EBITDA/Revenue			
64.7%	12.2%	6.6%	9.6%

## → 80% of EBITDA comes from concession assets (infrastructure, water, circular economy and renewable energy)

### INCOME STATEMENT (INCOME)

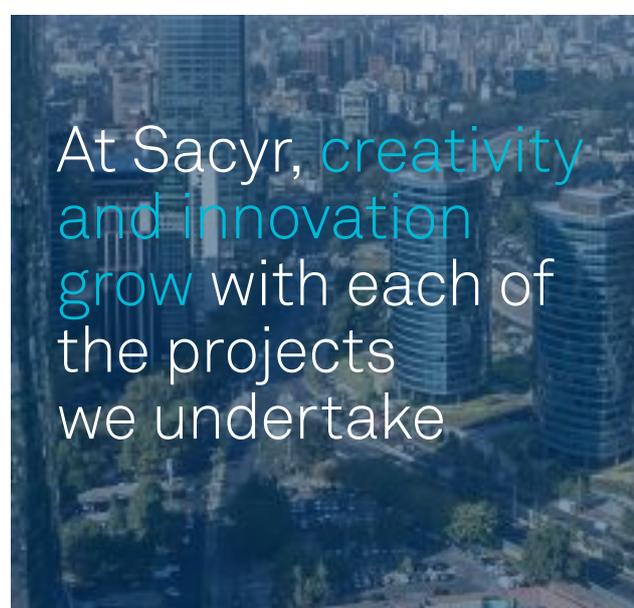
CONSOLIDATED INCOME STATEMENT (€ thousand)	2019	2018	Chg. 19/18
Revenue	4,169,467	3,795,717	9.8%
Other income	367,192	322,391	13.9%
Total operating income	4,536,659	4,118,108	10.2%
External and operating expenses	-3,856,901	-3,574,819	7.9%
<b>EBITDA*</b>	679,758	543,289	25.1%
Depreciation and amortisation	-254,126	-138,030	84.1%
Provisions and other non-recurring expenses	15,350	-40,376	-138.0%
<b>EBIT</b>	440,982	364,883	20.9%
Financial result	-315,920	-247,260	27.8%
Gains/losses on exchange differences	5,798	48,206	-88.0%
Share of profit from equity-method companies	-259,841	200,979	-229.3%
Provisions for financial investments	11,317	-57,600	n.a.
Change in value of financial instruments at fair value through profit or loss	-112,682	-11,140	n.a.
Gain/(loss) on disposal of non-current assets	46,486	-12,544	n.a.
<b>Profit before tax</b>	-183,860	285,525	n.a.
Income tax	-89,327	-77,098	15.9%
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	-273,187	208,427	n.a.
<b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	0	0	n.a.
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	-273,187	208,427	n.a.
Attributable to non-controlling interests	-24,546	-58,030	-57.7%
<b>NET ATTRIBUTABLE PROFIT</b>	-297,733	150,398	n.a.
<b>Gross margin</b>	16.30%	14.30%	

(\*): data exclude intakes from water treatment plants operated by Sacyr Agua.

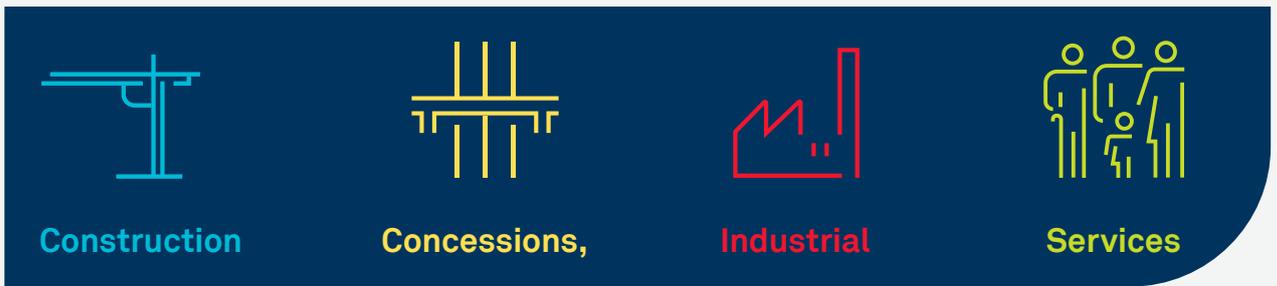
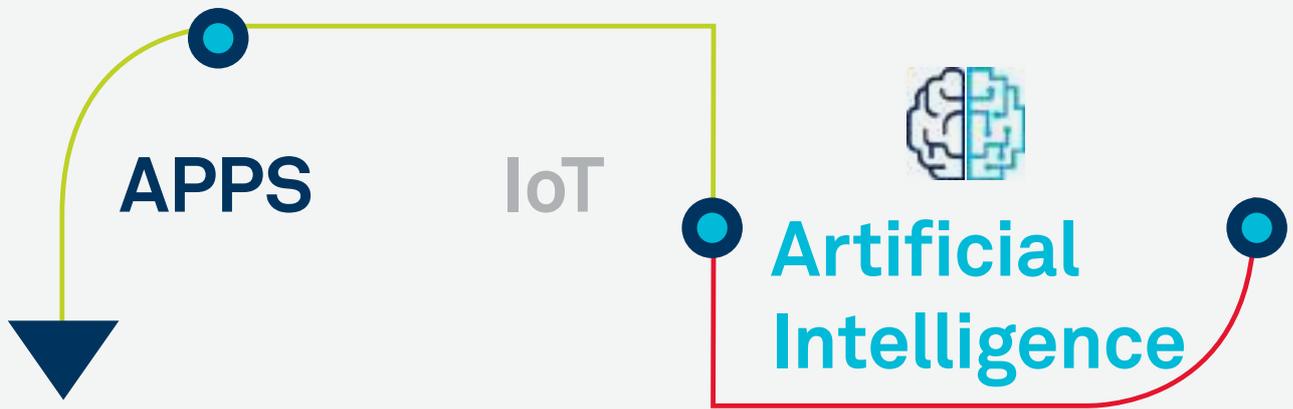
### BALANCE SHEET

CONSOLIDATED BALANCE SHEET (€ thousand)	2019	2018	Chg. 19/18
Non-current assets	9,309,908	8,895,503	414,405
Intangible assets	21,572	25,901	-4,329
Concession projects	876,679	1,353,656	-476,977
Property, plant and equipment	334,175	441,230	-107,055
Rights of use on leased assets	135,052	0	135,052
Financial assets	3,174,682	3,335,804	-161,122
Receivables from concessions	4,576,454	3,552,834	1,023,620
Other non-current assets	94,967	19,444	75,523
Goodwill	96,327	166,633	-70,306

<b>Current assets</b>	4,597,115	4,954,307	-357,192
Non-current assets held for sale	347,254	362,172	-14,918
Inventories	241,321	209,331	31,990
Receivables from concessions	328,912	293,238	35,674
Receivables	1,990,911	1,974,908	16,003
Financial assets	76,821	124,446	-47,625
Cash	1,611,896	1,990,212	-378,316
<b>TOTAL ASSETS/LIABILITIES</b>	<b>13,907,023</b>	<b>13,849,810</b>	<b>57,213</b>
<b>Equity</b>	1,190,370	1,507,190	-316,820
Shareholders' equity	825,198	1,145,833	-320,635
Non-controlling interests	365,172	361,358	3,814
<b>Non-current liabilities</b>	8,178,417	7,915,873	262,544
Financial debt	5,070,098	5,061,232	8,866
Financial instruments at fair value	209,410	105,917	103,493
Lease obligations	90,296	0	90,296
Provisions	214,396	313,917	-99,521
Other non-current liabilities	976,775	817,365	159,410
<b>Other hedged debt</b>	1,617,442	1,617,442	0
Current liabilities	4,538,236	4,426,746	111,490
Liabilities associated with assets classified as held for sale	227,543	170,236	57,307
Financial debt	931,869	1,097,331	-165,462
Financial instruments at fair value	20,555	18,953	1,602
Lease obligations	38,338	0	38,338
Trade payables	2,466,050	2,431,138	34,912
Operating provisions	204,108	157,225	46,883
Other current liabilities	649,773	551,863	97,910



## Priority technologies for the Sacyr group



# We innovate to improve people's quality of life

## Sacyr Group innovation strategy

At Sacyr, we innovate to improve people's quality of life through the implementation of large infrastructure and service projects that generate value for our employees, customers and shareholders. We seek change because we want to build a better planet. A world made by and for citizens. Without borders. A world that changes along with us and that we change thanks to the power of our talent and energy. Innovation is the cornerstone that supports the whole transformation process.

We believe in innovation as a tool to generate competitive advantages that enable us to differentiate ourselves in an increasingly complex market, making our processes more efficient and providing greater value to our customers. The most successful companies are always those that constantly redefine and innovate.

From our beginnings, innovation always played a leading role in our business strategy. A strategy that evolved over the years from a focus on R&D, largely based on unique projects and "hallmarks", to more disruptive innovation.

Activities related to research, development and innovation are carried out in all companies of the group. The Innovation department coordinates and serves as the backbone to promote progress and continuous improvement in this field. In addition, all our companies have their own innovation department, whose responsibility is the design and execution of specific projects, always under the coordination and oversight of Sacyr's Innovation department.

Innovation strategy and activities are addressed by an Innovation Teams Committee. This committee sets out the roadmap, coordinates actions between the different businesses and structures initiatives that promote innovation.

Throughout our history, we have strengthened this innovation-driven strategy as a way to differentiate ourselves from other market players. This model

enables us to be more efficient in our work, increase our income and develop new businesses. The outcome: we have become a pioneering firm in most of the markets where we operate. Our model rests on four key premises:

- A clear business focus that allows us to prioritise those innovation projects that most contribute to improving the infrastructure users' experience and to reducing funding costs, which will have a positive impact on Sacyr's income statement in the short, medium and long term.
- An active governance of innovation, where the various Innovation Departments and Committees are responsible for establishing innovation and R&D guidelines, coordinating initiatives between the different business areas and structuring initiatives that incentivise innovation.
- An innovation culture that promotes an open innovation model, based on cooperation between external agents, such as entrepreneurs, scientists, universities and business partners; and the intrapreneurs that form part of Sacyr success. The success of this cultural change is the responsibility of a multidisciplinary team of innovation, talent management and communication
- A solid process of enhancing innovation, by obtaining project certificates from public authorities and by seeking out more advanced patents for our R&D+i developments.

## Developments in innovation activity at Sacyr

Sacyr is carrying out an ambitious development of its innovation activity. Since 2004, we have obtained external and official recognition in the form of funding, subsidies or certification of our content as an R&D&I activity, across a wide portfolio of projects through different tenders from public bodies.

Investment in innovation during 2019 was €8 million across the Group. Excellence in research is the result of the capabilities and expertise of our professionals and our ongoing commitment as a company to developing new technologies and processes.

One of the pillars of our innovation strategy is the identification of the challenges of innovation faced by each of our companies, and which to a large extent depends on the type of business sector they compete in. These businesses are not only defined by infrastructure type (roads, railways, ports, water treatment plants, industrial facilities, hospitals, etc.) but also by the level of engagement in their implementation and management cycle (design, financing, construction, integrated management, maintenance, etc.).

To identify these innovation challenges, we established two fundamental principles:

- Provide better service to end-users of the infrastructures, whether it be through safer roads; more efficient water or waste treatment plants, which are better integrated into the ecosystem; better equipped hospitals, etc.
- Introduce efficiency improvements throughout the infrastructures implementation and management cycle (design, financing, construction) so that the total cost is more competitive for our corporate customers, large enterprises and the public sector. **(SASB: IF-EN-410a.2)**

## Priority areas of innovation

Innovation is synonymous with creativity, observation and new ideas. The concept is closely tied to new technologies. For this reason, our innovation strategy is based on several technological platforms we have identified as priorities for our lines of activity:

1. **Use of mobile applications** to connect with the general population, customers, suppliers, work teams, etc.
2. **Development of the Internet of Things** to gather information on the use and status of the infrastructures.
3. **Application of artificial intelligence and Big Data** to analyse the information from mobile apps and sensors, to enable optimal decision-making in infrastructure management.

4. **Deployment of autonomous machines, drones and robotics** to improve the efficiency of our operational processes and avoid hazardous work for humans
5. **Use 3D printing and modelling, along with augmented/virtual reality**, to assist with the interaction between the physical and digital worlds

## Certification of the R&D Management System

We see technological innovation, research and development as critical factors in ensuring business success. For this reason, we have an R&D+i Management System certified by AENOR, in accordance with the UNE 166002.214 standard, which helps us to rationalise and systematise all our R&D+i activities. This enables us to:

- Promote R&D+i activities at all our companies and set key targets in this field.
- Optimise the processes of research, development and technological innovation within our organisation, facilitating the recognition of emerging technologies or new technologies relevant to our business. Design common guidelines for organising and effectively managing R&D+i.
- Strengthen technological surveillance by analysing our internal and external situation so that we can anticipate market changes and identify new opportunities for improvement.
- Identify and assess the threats and opportunities posed by technological trends
- Ensure that activities from the various departments of the company that could generate proprietary technologies and patents are detected in order to improve our competitiveness.
- Identify and detect ideas to satisfy the potential market or improve our processes and/or products
- Select and manage a suitable portfolio of strategic projects for our different lines of business.
- Promote R&D+I as a means to gain a competitive edge and treat it as such in all corporate reputation schemes

- Support management in decisions to carry out projects, reduce uncertainties and quantify investment and expenditure.
- Achieve a competitive edge in contracts with third parties or in public tenders.
- Create collaboration channels with universities and government research bodies so that they can actively contribute to our innovation process.
- Harness the creativity and collective intelligence of the organisation to foster an innovative culture

Implementation of the R&D+i Management System at Sacyr contributes to the optimisation of R&D+i processes, improvement of competitiveness, the global vision of the organisation, the deployment of the Group's R&D+i strategies and objectives, and the involvement of our people and change management.

## Open innovation

At Sacyr, we combine synergies, create global teams and contribute to innovation and technology anywhere in the world.

In recent years, we have strengthened our commitment to innovation and digitalisation, becoming a more agile and open organisation, which applies and promotes robust policies and processes that ensure cross-cutting deployment of new technologies to public infrastructure and urban services. For this purpose, we carry out a range of initiatives that channel our innovation and make change possible. In this context, we accommodate the talent and ideas of the innovation ecosystem through open innovation dynamics that enhance creativity, cooperation and innovation culture.



Waste facilities - Vitacura, by Americo Vespucio Oriente, Chile



## Sacyr iChallenges

Sacyr iChallenges is our open innovation and co-creation programme aimed at solving business challenges posed by the company alongside partners in the innovation ecosystem. For more than nine years, we have committed to collaboration and co-creation with the innovative ecosystem on a global level.

At the last staging of Sacyr iChallenges we expanded the spectrum of innovative agents with whom to co-create in order to consolidate our position as a benchmark programme for open innovation. The programme is open to proposals from large companies, technology firms, joint ventures, research centres, universities, start-ups, etc. Sacyr wants to work alongside all the innovative players that can provide solutions to the challenges posed by its initiative.

These challenges aim to optimise and improve our processes through innovative solutions or new business models in different areas: Engineering and Infrastructure, Industrial, Services and Concessions.

Further information on previous editions of the awards and new calls for entries can be found on the Sacyr iChallenges website: [www.sacyrichallenges.com/](http://www.sacyrichallenges.com/)



General Bonilla Roundabout,  
Concepción Cabrero Route. Chile





## Sacyr Innovation Awards

After nine years of these awards, the objective of the Sacyr Foundation continues to be to encourage and promote the development of high potential start-ups oriented towards the infrastructures and services sectors, and to provide them with all the support necessary during their process of maturing and entering the market.

The Sacyr Innovation Awards represent our company's commitment to innovation and the use of new technologies in our activities. For Sacyr, innovation offers endless opportunities and new business models that are key to driving and leading technological change.

The selection criteria of the Sacyr Awards recognise the degree of technical innovation of the projects presented, their applicability to Sacyr's various business areas and their reach in the international market. The winning projects receive the sum of 50,000 euros in the form of a convertible loan.

The Sacyr Group also contributes to the project's business development, providing commercial, legal and financial advice, and giving the entrepreneurs access to a wide network of global partners.

The ninth edition of the Awards in Spain, presented in December 2019, involved the participation of over 200 project proposals of high quality and future potential. The winning start-up was Artabro Tech, which beat the other two finalists Kwido, Informática El Corte Inglés and Zerintia to the award. The Artabro Tech project proposes the use of artificial intelligence as a tool in the development of the Company's private sector business activities.

More information on previous years' awards and new calls for projects can be found on Sacyr's website: [www.sacyr.com](http://www.sacyr.com)

## Sacyr Innovation Awards in Chile

Following the success of the 1st staging of the Sacyr Innovation Awards in Chile, we are launching a new call for entries for these awards. The winners of this second edition were Idea-Tec, in the "National" category, and Fibra-Tyre, in the "Regional" category.

The second staging of the awards included more than 30 projects linked to energy efficiency, IoT, Smart Cities

& Smart Services, new materials and sustainable construction. From these candidacies, five were selected to go forward to the final stage by a Technical Committee, where a jury made up of major personalities from the world of innovation chose the winners in the two categories.

Representatives of both the Chilean government and Sacyr were present at the award ceremony, along with the members of the media and well-known figures from the academic and business worlds.



Occidente-Devimar tunnel,  
Medellín, Colombia





The western tunnel connecting the city of Medellín with Santa Fe de Antioquia in Colombia.



## Natural innovators

Once again, we have recognised the talent, effort and commitment of our employees. The Natural Innovator Awards represent that commitment to innovation and a different way of doing things that enables our activities to improve and drive business growth.

This accolade is accorded to people who, through their work and innovative spirit, contribute to making

Sacyr a better and more sustainable company. These people symbolise the vision, mission and values of the company. These values include teamwork, commitment, excellence, self-improvement and innovative talent.

In addition to Spain, the Natural Innovator Awards are held in some of the other countries we operate in, such as Chile, Colombia and Peru.

## Sacyr Ingenium

Ingenium is our collective intelligence platform. This tool seeks new ideas within the company on how to achieve more profitable and sustainable businesses through the use of new technologies and thus improve quality of life in wider society.

At Sacyr, we encourage creativity and give credit to all those who dare to think differently. That is why we encourage the talent and innovative spirit of our employees through collective intelligence campaigns aimed at generating new ideas to meet our challenges.

## Industry awards

Recognition for all this work is of course an enormous satisfaction. Throughout our history we have received many accolades and recognition for projects and innovation initiatives that contribute to making our daily lives easier. These are some of the awards we received in the past year:

- **CIO Of The Year Europe:** These awards from IDIG, a firm that specialises in technology news and reporting, are the leading recognition for IT transformation in Europe. We received the "CIO Of The Year Europe" award in the "Best Project of the Year Europe" category: IT & Business Innovation" for our Digital Twin project.
- **Comunicaciones Hoy Awards:** these prizes recognise the best products, solutions and technological projects of the year. We received the award in the category "Best technological project IoT/Industry 4.0" for our innovative Sacyr Tracking platform.
- **Comprendedor Awards:** these prizes are aimed at recognising the best projects among large companies and scaleups to find solutions to meet challenges of strategic innovation and digital transformation. We received the award in the "Industry 4.0" category for our Sacyr Tracking platform.
- **GEOBIM Awards:** this accolade is accorded to organisations that are committed to ongoing improvement through digital technology implemented throughout the construction process. Our Sacyr Tracking platform received the GEOBIM Award in the "Leadership in Design Engineering" category.



Unloading rails at the Uruguay Central Railway

- International Award “Fundadores Dr. Jorge O. Agnus Dei e Ing. Hélio Farah: this award recognises excellence and innovation in the road sector. Our project Repara 2.0, developed together with UPM and Repsol, received this award in the category "Design methodology for recycled mixtures with emulsion and 100% RAP".
- Civil Work Award of the Region of Murcia: These awards aim to promote and encourage quality in civil engineering and its cultural and social values, and to encourage innovation, quality and creativity in this field. The Aunor team received this award for the use of new cold recycled mixes within the Repair 2.0 project.



Interior of the Quirón Hospital, Madrid.

## 4.4. Performance of the Sacyr Group

### 2019 Significant events

Some of the most significant events that took place during the year, are as follows:

#### a) Flexible Dividend

In January 2019, Sacyr implemented the Scrip Dividend programme, approved at the 2018 General Shareholders' Meeting. Shareholders could choose between receiving a new share for every 35 outstanding shares, or selling Sacyr their free allocation rights at a guaranteed fixed price of 0.051 euros, gross, per right. Over 95% of Sacyr shareholders chose the Scrip Dividend in shares, for which a total of 15,039,736 new shares were issued. The new shares began trading on Spanish stock markets on 20 February 2019.

At the 2019 Annual Shareholders' Meeting, held on 13 June, two new Scrip Dividends were also approved, with similar characteristics to those carried out at the beginning of the year. In mid-June, the first of these was implemented. The shareholders were able to choose: between receiving a new share for every 39 existing shares held, or selling Sacyr their free allocation rights at a guaranteed fixed price of 0.054 euros, gross, per right. Over 91% of Sacyr shareholders chose the Scrip Dividend in shares, for which a total of 13,410,823 new shares were issued. On 30 July 2019, these new shares began trading on Spanish stock markets.

Finally, on 19 December 2019, the Chairman of the Board of Directors, exercising the powers which he had been delegated, decided to implement the second of the Scrip Dividends approved at the 2019 General Shareholders Meeting. Shareholders could choose: between receiving a new share for every 46 existing shares held, or selling Sacyr their subscription rights at a guaranteed fixed price of 0.056 euros, gross, per right. More than 94% of shareholders chose the Scrip Dividend in shares, for which a total of 11,980,391 new shares were issued, with Sacyr's new share capital now comprising a total of 593,986,279 shares. The new shares began trading on Spanish stock markets on 19 February 2020.

#### b) Itinere Infrastructures

On 28 February 2019, Sacyr, S.A. and its subsidiary Sacyr Concessions, S.L., proceeded with the joint sale of all their shares in Itinere Infrastructures, S.A. to

Itinere Investco, B.V., for the total sum of 202 million euros. The funds obtained were earmarked to partially reduce the Group's corporate debt.

#### c) Panama Canal

In March, Sacyr returned the second and final tranche of the outstanding advances for the construction of the third set of locks on the Panama Canal to the Panama Canal Authority ("Autoridad del Canal de Panamá - ACP"). The amount returned by Sacyr came to 125 million euros.

In June, the consortium, Grupos Unidos por el Canal (GUPC), led by Sacyr, completed the three-year period in which it had performed maintenance on the third set of locks on the Panama Canal. Over the past 36 months, almost 6,500 vessels have passed through the new infrastructure, which has recorded availability of 99.97%, improving on the contractual obligation of reaching 99.6%. Furthermore, no incidents have occurred during this time attributable to GUPC. The ships that have passed through the Neopanamax Locks represent 51% of the Canal's income from tolls, given its increased cargo capacity. The larger size of the vessels equate to 3.4 times more tonnes per passage compared to the original locks. The Canal sees daily average traffic of around 7.5 vessels in the Neopanamax Locks, although up to 12 vessels have passed through in a single day.

#### d) Issue and redemption of convertible bonds

On 10 April 2019, Sacyr successfully issued convertible bonds for a nominal amount of 175 million euros, maturing in 5 years. The bonds issued accrue fixed interest of 3.75%, payable once per quarter, and have a conversion premium of 35%. The issue, initially for 150 million euros, was oversubscribed several times, with requests received from more than 65 investors from 13 different countries. The bonds are listed on the unregulated organised secondary market (Freiverkehr) of the Frankfurt Stock Exchange.

At the same time as this transaction, Sacyr also launched an offer to repurchase the convertible bonds issued on 24 April 2014, maturing on 8 May 2019. From the total of 250 million euros, from the outstanding balance of the issue, 82.2 million euros, 32.9% responded to the repurchase offer. Subsequently, on 8 May 2019, Sacyr proceeded with the total redemption, upon maturity, of the remaining outstanding nominal balance of this convertible bond issue, for the total sum of 167.8 million euros. The bonds are also traded on the Frankfurt Stock Exchange.

### e) Stake in REPSOL

In 2019, Sacyr remained a core shareholder of REPSOL via a 7.8% interest in the oil company (8.3% when excluding its treasury shares).

In 2019, and as a result of the Repsol Scrip Dividend programme, Sacyr Group, via its investees: Sacyr Securities S.A., Sacyr Investments S.A.U. and Sacyr Investments II S.A.U., received total dividends of 112.4 million euros (a dividend on account of 2018 profits, for 50.4 million euros, at the beginning of January and another, final, dividend of 62 million euros, at the beginning of July).

### f) Sacyr Concessions "Investor Day 2019"

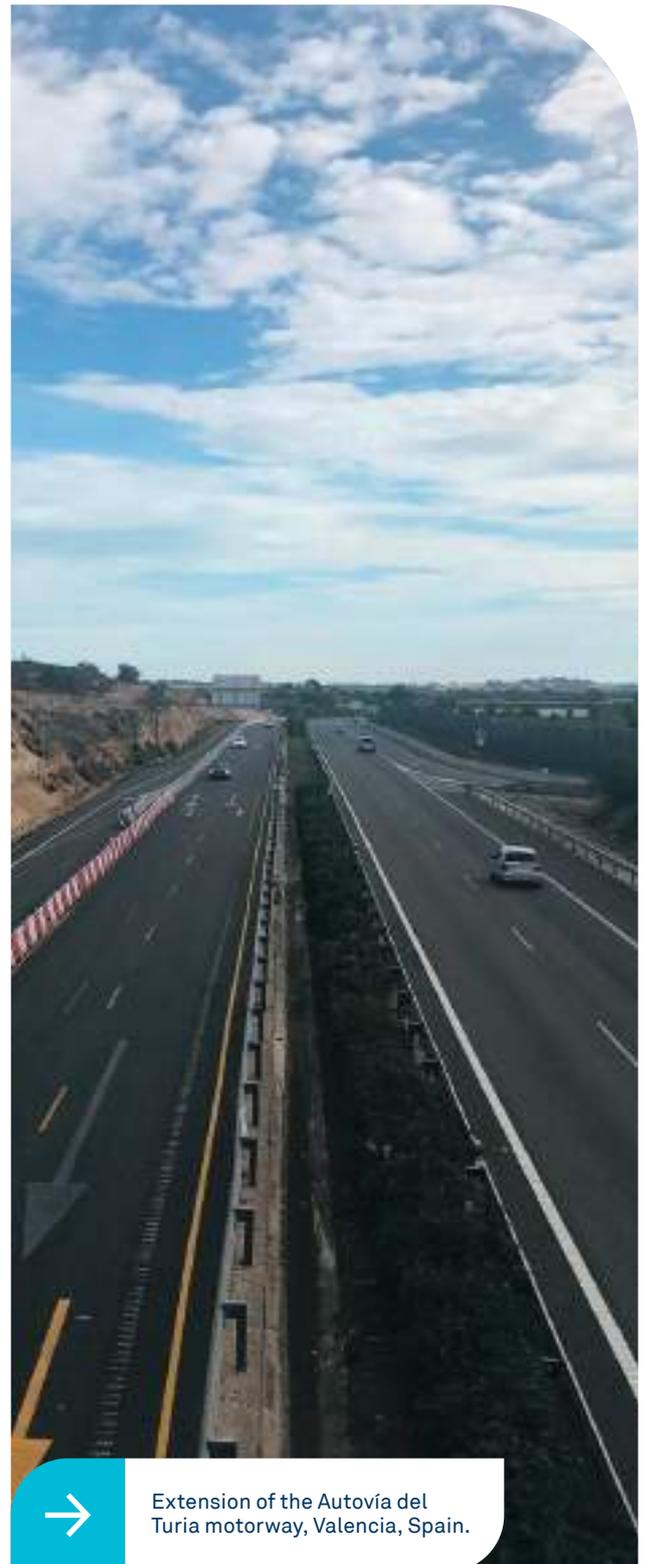
On 4 June, Sacyr Concessions held its Investor Day, providing details of the strategy and growth for the coming years for this business area of the Group. The event was attended by more than 80 national and foreign investors and was a resounding success, as demonstrated by the various reports and press releases published in the days after it.

### g) Asset rotation

On 5 April, Sacyr Concessions reached an agreement to sell 49% of its holding in seven concessions located in Chile, to Fondo de Inversión Toesca Infraestructura S.C. The deal, executed on 20 June 2019, was worth approximately 440 million euros, including the debt associated with the shareholding. The funds obtained were set aside to partially reduce the Group's corporate debt. Sacyr Concessions retains control over the partially sold assets, which continue to be consolidated on a comprehensive basis, meaning there was no impact on accounting profit.

Sacyr Concessions reached an agreement to sell 95% of the share capital of Autopista del Guadalmedina, CESA (Guadalcesa): 47.5% to Aberdeen Infrastructure for 220 million euros and 47.5% to Core Infrastructure Fund II (which belongs to Mirova), for the sum of 235 million euros, respectively, including the debt associated with this shareholding. The execution of the transaction was subject to a series of standard conditions precedent, including approval being obtained from the relevant authorities.

On 11 February 2020, the transfer of 47.5% to Aberdeen Infrastructure took place, as the conditions precedent set in the deed of sale were met. Sacyr Concessions retained control over the asset up until the transfer of the shareholding in February 2020, generating income of 80 million euros to date.



Extension of the Autovía del Turia motorway, Valencia, Spain.

Sacyr Industrial, as part of the Group's policy to rotate mature assets, disposed of a series of 9 generation and cogeneration plants in Spain, with a capacity of 125 MW, for the sum of 149 million euros, including associated debt. From the plants sold, 5 are cogeneration plans,

with an installed capacity of 100 MW, another 2 are olive processing plants and the remaining 2 are biomass plants. Sacyr Industrial will continue to operate and maintain all the plants sold.

## Share price

### Financial analysts

At year-end 2019, 11 analysis firms actively followed Sacyr's share. Of these, 100% were positive - either "buy", "overweight" or "hold".



At 31 December 2019, the share had considerable upside potential of around 25%.

The share price reached its intraday high of 2.716 euros on 16 December, and its daily closing high of 2.678 euros on 7 November. The intraday day low was 1.69 euros, on 2 January, and the minimum daily close was 1.775 euros per share, on 2 January.

### STOCK MARKET INFORMATION

	2019	2018
Share price (euros) (1)		
High	2.716	2.77
Low	1.690	1.534
Average	2.261	2.357
Year-end	2.600	1.744
Average daily trading volume (no. of shares) (1)	1,750,740	2,430,538
Annual trading volume (thousands of euros) (1)	1,008,879	1,466,440
No. of shares (admitted for trading) at year-end	582,005,888	553,555,329
Market capitalisation (thousands of euros) (1)	1,513,215	965,400
Earnings per share (euros/share)	-0.53	0.28
Price/carrying amount (2) (no. of times) (3)	1.83	0.84

(1) Source: Continuous Market of Spanish stock markets

(2) Equity/number of shares outstanding at year-end

(3) Capitalisation/Equity



Punta Langosteira.  
A Coruña. Spain.

## Shareholders, analysts and investors

### Personalised customer service

Sacyr's Investor Relations Department provides minority shareholders, financial analysts and investors with a number of direct and personalised contact channels:

- Telephone: (shareholder hotline: [900 101 930](tel:900101930) and investor hotline [902 196 360](tel:902196360))
- Website: [www.sacyr.com](http://www.sacyr.com)
- E-mail: [accionistas@sacyr.com](mailto:accionistas@sacyr.com) - [ir@sacyr.com](mailto:ir@sacyr.com)

**Face-to-face meetings, teleconferences, roadshows and conferences:** over 230 activities were held in 2019, including 210 meetings or teleconferences, 18 roadshows and 6 conferences. The Investor Relations Department staff personally attend to both minority shareholders and the rest of the investors and analysts, and also keep in contact with various other financial stakeholders. It is worth stressing the geographic

diversity of Sacyr's investor interest, with the presence of countries including the US, the UK, France, Italy, Switzerland, Portugal, Germany and Spain.

**General Shareholders' Meeting:** This is an excellent forum for exchanging information between company directors and shareholders. At these meetings, directors report on the progress of the company, its profits, and the main milestones reached and planned, while shareholders can request information and clarification and make any comments they deem appropriate.

**Financial information:** Pursuant to current regulations, the Sacyr Group regularly prepares the Annual Report, half-yearly and quarterly financial results, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report. These reports may be viewed on the CNMV's website, [www.cnmv.es](http://www.cnmv.es), and on Sacyr's website, [www.sacyr.com](http://www.sacyr.com)

**Sacyr's website ([www.sacyr.com](http://www.sacyr.com))** contains all relevant corporate and financial information regarding the Company's performance, and all information made public through various financial and economic reports and communications (Annual Report, quarterly results, etc.).

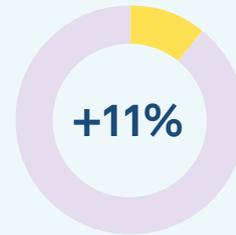
## 4.5. Sacyr Concessions

The Group's main value creator

Revenue  
**1,007**  
Millions of euros



Backlog  
**30,028**  
Millions of euros



Leaders in infrastructure development with a highly diversified backlog

We are a leading company in greenfield project development.

We undertake the **end-to-end management of projects** with which we add value at every stage: design, construction, financing, operation and maintenance.

We currently manage:

EBITDA margin  
**64.7%**  
[+1.8 p.p.]

Concession revenue  
**511**  
Millions of euros  
[+18%]

International backlog  
**84%**  
from the international market

EBITDA  
**331**  
[+22%]

**3,600**

km of motorway

**2,500**

Hospital beds

**37**

million travellers a year

**2.6**

million passengers a year

## Concessions,



Chile  
Colombia  
Spain

Ireland  
Italy  
Mexico

Paraguay  
Peru

Portugal  
Uruguay

**273**

km of train track

**10**

countries

**45**

Concessions,

**27**

years remaining

**27,000**

million euros of global investment in 20 years

At year-end the Group has interests in 45 concessions spread across 10 countries, of which 30 are currently operating and 15 are in development. There are 27 motorway and road concessions in the EU and America (8 in Chile, 4 in Spain, 4 in Colombia, 1 in Ireland, 1 in Italy, 1 in Mexico, 1 in Paraguay, 1 in Peru, and 1 in Uruguay), in addition to concessions for 7 hospitals, 6 car parks, 2 transport hubs, 2 airports and 1 railway.

The following major contracts were awarded in 2019:

#### Investment (millions of euros)

Chile	
Concession for the 142 km Route 66 “Camino de la Fruta” motorway, with an estimated backlog of 2,695 million euros.	505
Concession for the 245 km, Route 5 “Los Vilos-La Serena” motorway, for an estimated backlog of 864 million euros and a maximum concession period of 30 years.	447
“Aeropuerto de Chacalluta de Arica” concession, with a backlog of 204 million euros and a 20-year concession term.	74

#### The following significant corporate transactions also took place:

#### Millions of euros

Financing agreement with a group of local financing institutions for the “Américo Vespucio Oriente” AVO I toll road in Santiago de Chile	840
Issuance of two bonds in Chile (Series A and Series B) to refinance Antofagasta hospital. Having been oversubscribed two and a half times, the issue was well received on the Chilean market.	254
Financing, through Consorcio Grupo Vía Central, of the Central Railway in Uruguay	773
Securing of funding for its fourth-generation “Autopista al Mar 1” motorway concession in Colombia	630
Financing of the “Puerta de Hierro – Palmar de Varela” and “Carreto – Cruz del Viso” motorways in Colombia	168
Funding of the fourth-generation Rumichaca-Pasto motorway in Colombia	513
Financing for the Routes 2 and 7 motorways in Paraguay	440
Sacyr Concessions has signed the complementary agreement for the “Málaga-Las Pedrizas” project (Autopista del Guadalmedina) with the awarding authority.	24

**Openings:**

- In June, Sacyr Concessions brought the first section of the “Pedemontana-Veneta” motorway in Italy into service.
- In September, Sacyr Concessions brought the Route 24 motorway in Uruguay into service, the first Public Private Partnership (PPP) in the country.



Valle del Desierto  
Highway, Chile.



## 4.6. Sacyr Engineering and Infrastructures

Infrastructure leader in all types of civil works projects

Revenue  
**2,074**  
Millions of euros



EBITDA  
**253**  
Millions of euros



**Activity is focused on infrastructure projects. 81% of total activity**

— Focused on high-added value projects. 88% international

— Extensive experience in projects with a high-level of technical and technological capacity.

Our international expansion model has to take into account the need for local deployment, taking advantage of both the ability we have demonstrated to compete with sector-leading companies in other countries as well as our peers, and our know-how in particular segments.

Backlog

**7,134**

million euros

[+15%]



We imagine infrastructure that improves the quality of people's lives

Months of activity

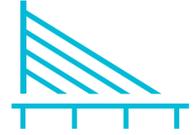
**41**

EBITDA margin

**12.2%**

[+2.4 p.p.]

## Engineering and Infrastructures



Angola	Colombia	Togo	Peru
Brazil	Spain	UAE	Portugal
Cape Verde	Italy	Mexico	UK
Qatar	Ireland	Mozambique	Paraguay
Chile	Kuwait	Panama	Uruguay

**Millions of euros**

		<b>Millions of euros</b>
<b>Chile</b>		
Construction of the "Provincia Cordillera" hospital in Santiago de Chile, Chile. 394 beds and 10 operating theatres	153	
Construction of the "Sótero del Río" hospital in Santiago de Chile, Chile. 710 beds and 39 operating theatres and 5 delivery suites.	328	
Construction of the 142-km Route 66 "Camino de la Fruta" motorway.	383	
Construction and improvement of the 245-km "Los Vilos-La Serena" section of the Route 5 motorway.	331	
The expansion and upgrade of the "Aeropuerto de Chacalluta de Arica"	61	
<b>Italy</b>		
700 hospital beds, 21 operating theatres and 45 consulting rooms	155	
<b>UK</b>		
Design, construction, integration of systems and start-up of the extension to the tram system in the city of Edinburgh.	124	
<b>Portugal</b>		
Construction of a new railway line, which forms part of the South International Corridor, which will connect the ports of Lisbon, Sines and Setúbal with the network connecting to Spain in Badajoz.	130.5	
Line maintenance and electrification work on the Portuguese National Railway Network.	40	
The remodelling of the "Edificio Monumental", in Praça Duque de Saldanha, Lisbon.	25	
<b>US</b>		
Reconstruction and extension of the IH35E interstate highway in Texas	104	
<b>Qatar</b>		
Urbanisation works in South Al Meshaf, south of Doha	114	
<b>Spain</b>		
Construction of the "Los Arejos-Níjar" section of the "Murcia-Almería" high-speed railway in the Mediterranean Corridor	98	
Construction of the new link building between terminals T1 and T2 of the Tenerife Sur Airport, in the Canary Islands	44	
Infrastructure, line and device maintenance work on the "Madrid-León" high-speed rail line, which is already in operation, and the "Venta de Baños-Burgos" rail line, which is in the final stage of works	43	
High-speed railway works on phase II of the "Hernani – Astigarraga" section in the Basque Country, worth 38 million euros and scheduled for completion in 37 months	38	
Extension work on the Autovía del Turia (CV-35) motorway in the A.C. of Valencia	37	
Irrigation network project for the irrigable area of Armuña, Salamanca	25	
Remodelling work for the intersection between the M-40 and A6 motorways and new connections between Avenida de la Victoria and the A6	24	
Work to fully overhaul the "Príncipe de Asturias" Oncology Institute at Gregorio Marañón University General Hospital, in Madrid	15	
Residential construction projects in Madrid, Barcelona and other cities	120	
<b>Peru</b>		
Technical file and construction of a 205-km road in Ancash, north of Lima	34	
Urban renovation of "Finca Bonita" and the second stage of "Macrópolis", the largest industrial park in Peru	10	
<b>Brazil</b>		
Construction of sections 1 and 2 of the central section of the North-South railway line, connecting the cities of Belem and Porto Alegre.	61	
Construction of the new "Jardín Colonial" station on Line 15 (silver) of the São Paulo metro	14.5	
<b>Ireland</b>		
Conservation, repair and maintenance of 120 km of railway lines, in addition to the renewal of 40 km of catenary by Irish Rail, for the sum of 21 million euros, over a period of 5 years.	21	
<b>Mexico</b>		
Expansion of "Aeropuerto Internacional de la Ciudad de México" (AICM) for a total of 17 million euros. The works involve constructing 7 new parking positions to replace the remote terminals from gates 75 to 81.	17	

This year, Sacyr has commissioned the Pumarejo Bridge over the River Magdalena in the city of Barranquilla, Colombia. Measuring 2,173 metres in length, it will be one of the longest brace-stayed

bridges in Colombia and the widest brace-stayed bridge in Latin America, measuring 38.1 metres in width.

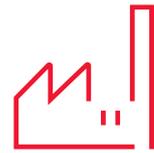


Load test on the Pumarejo Bridge, Colombia



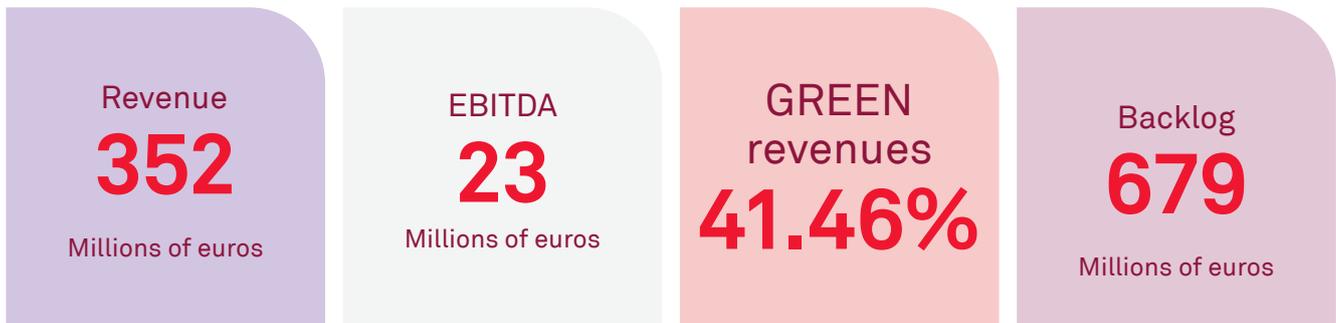
## 4.7. Sacyr Industrial

We offer a wide range of end-to-end and highly-innovative solutions. With over 1,600 professional staff, all of our projects and services are characterised by environmental protection, excellence, safety and social responsibility



**Industrial**

- – Experts in engineering and construction of industrial facilities
- Green Transition Vehicle



### Water

- Design, construction and O&M of water treatment plants in all technologies, since 1985.
- Specialised in-house engineering: SADYT.
- Drinking water, purification, desalination and industrial water plants.
- Development of public-private initiatives (APPs, Sacyr Servicios).
- BOOT projects and their financing

Completion of the Sohar desalination plant in Oman and progress with the drinking water works in Neerabup in Perth, Australia, and the first phase of the Adelaide irrigation plan, also in Australia.

Opening of the Group's first waste treatment plant in Australia. The facilities, located to the south-east of Melbourne, will provide services to more than 1.2 million residents and has a maximum treatment capacity of 120,000 tonnes per year.

Expansion of the Neerabup groundwater drinking water plant to the north of the city of Perth (Western Australia). This 15-month contract is worth 16.2 million euros.



## T&D and renewables:

- "Turnkey" EPC and BOP projects for wind farms and large photovoltaic plants.
- O&M for renewable energy plants
- Specialists in geothermal energy and generation using biomass
- EPC projects for medium and high voltage transmission lines
- BOOT projects and their financing

Completion of the construction of three photovoltaic plants in Ciudad Real (Spain), a wind farm in Lugo (Spain)

**+8,000**  
km of lines  
maintained

**"In-house"**  
in solar, geothermal  
and biomass  
engineering

Substations and  
electricity lines  
**up to 400 kV**

Service to more than  
**900,000**  
people in LATAM

Construction and installation of two hydroelectric plants in Peru, worth 102 million euros, with the work scheduled for completion in 30 months

Construction of two wind farms in Chile, amounting to 61 million euros.

Construction of a 5.6 MW geothermal pilot plant in "Laguna Colorada", Potosí (Bolivia), for a total amount of 15 million euros; these works are due to be completed in

24 months. Once complete, it will be the highest plant in the world of its kind (4,980 metres above sea level)

Disposal of a total of 9 generation and cogeneration plans in Spain, for the sum of 149 million euros, including associated debt, and a capacity of 125 MW, while continuing to operate and maintain all of these plants.

## Oil & Gas:

- Engineering and EPC projects in refining and petrochemical industry
- Wellhead facilities, gas pipelines, compression and storage facilities
- LNG storage, liquefaction and regasification plants, including offshore facilities
- End-to-end maintenance of refineries and storage facilities: Sacyr Nervión
- International class in-house engineering. **SACYR FLUOR**
- BOOT projects and their financing

Completion of the "Nuevo Mundo" projects and the petrol module at the "La Pampilla" refinery, both in Peru

Engineering  
capacity of  
**800,000**  
hours/year

**+7 million** 3 million  
man-hours  
without an accident  
hours refinery  
maintenance

**ISO 45001:2018**  
new certification  
in Safety Management

## Energy, Industry & Environment:

- "Turnkey" EPC projects at industrial plants, including energy, mining and environmental
- Conventional and renewable energy plants in all technologies
- Waste treatment and waste-to-energy (WTE) plants in all technologies
- Development of public-private initiatives (PPP), waste treatment and WTE concessions
- Operation and maintenance of power plants and industrial facilities.

Completion of the cement plants in Chimborazo (Ecuador) and Oruro (Bolivia) and the completion of the waste treatment plant in Melbourne (Australia), along with the maintenance of electrical infrastructures in Chile and Panama

**+100**  
cogeneration  
projects

**+1 million**  
hours of operation

Own engineering with  
**+450**  
professional staff

Energy for  
**+2 million**  
homes

Construction, assembly and start-up of the building and facilities housing the primary crusher, conveyor belt and vehicle workshops for the copper mine in Quellaveco, in

the region of Moquegua (Peru). These works, scheduled for completion in 24 months are worth a total of 44.6 million euros.



Opening of the Waste Plant in Melbourne, Australia.



## The main milestones in 2019 were:

### Water:

- Completion of the Sohar desalination plant in Oman and progress with the drinking water works in Neerabup in Perth, Australia, and the first phase of the Adelaide irrigation plan, also in Australia.
- Opening of the Group's first waste treatment plant in Australia. The facilities, located to the south-east of Melbourne, will provide services to more than 1.2 million residents and has a maximum treatment capacity of 120,000 tonnes per year.
- Expansion of the Neerabup groundwater drinking water plant to the north of the city of Perth (Western Australia). This 15-month contract is worth 16.2 million euros.

### T&D and renewables:

- Completion of the construction of three photovoltaic plants in Ciudad Real (Spain), a wind farm in Lugo (Spain)
- Construction and installation of two hydroelectric plants in Peru, worth 102 million euros, with the work scheduled for completion in 30 months
- Construction of two wind farms in Chile, amounting to 61 million euros.
- Construction of a 5.6 MW geothermal pilot plant in "Laguna Colorada", Potosí (Bolivia), for a total amount of 15 million euros; these works are due to be completed in 24 months. Once complete, it will be the highest plant in the world of its kind (4,980 metres above sea level)
- Disposal of a total of 9 generation and cogeneration plans in Spain, for the sum of 149 million euros, including associated debt, and a capacity of 125 MW, while continuing to operate and maintain all of these plants.

### Oil & Gas:

- Completion of the "Nuevo Mundo" projects and the petrol module at the "La Pampilla" refinery, both in Peru

### Energy, Industry & Environment:

- Completion of the cement plants in Chimborazo (Ecuador) and Oruro (Bolivia) and the completion of the waste treatment plant in Melbourne (Australia), along with the maintenance of electrical infrastructures in Chile and Panama
- Construction, assembly and start-up of the building and facilities housing the primary crusher, conveyor belt and vehicle workshops for the copper mine in Quellaveco, in the region of Moquegua (Peru); scheduled for completion in 24 months are worth a total of 44.6 million euros.

#### Green revenues (thousands of euros):

- **Geothermal Plants: 2,516**
- **Hydroelectric: 27**
- **Solar Plants: 35,778**
- **Wind Power Plants: 6,978**
- **Energy recovery: 10,649**
- **Water Desalination: 12,043**
- **Water Cycle: 33,735**
- **Waste Treatment: 6,314**
- **Environment and Mining: 18,890**
- **Energy Management: 19,017**

## 4.8. Sacyr Services

Always focused on an end-to-end customer service  
Leading the Transition to a Green Economy



Water: water treatment plants, integrated cycle



Environment: municipal services, waste treatment, environmental projects



Facilities: facilities management, social services



Infrastructure maintenance, Mining



Cafestore: restaurant services

EBITDA  
**109**  
Millions of euros



Backlog  
**6,408**  
Millions of euros



Revenue  
**1,137**  
million euros  
[+5.7%]

GREEN revenues  
**51.34%**

EBITDA margin  
**9.6%**  
[+0.8 p.p.]

Millions of euros:

**474**

Environment

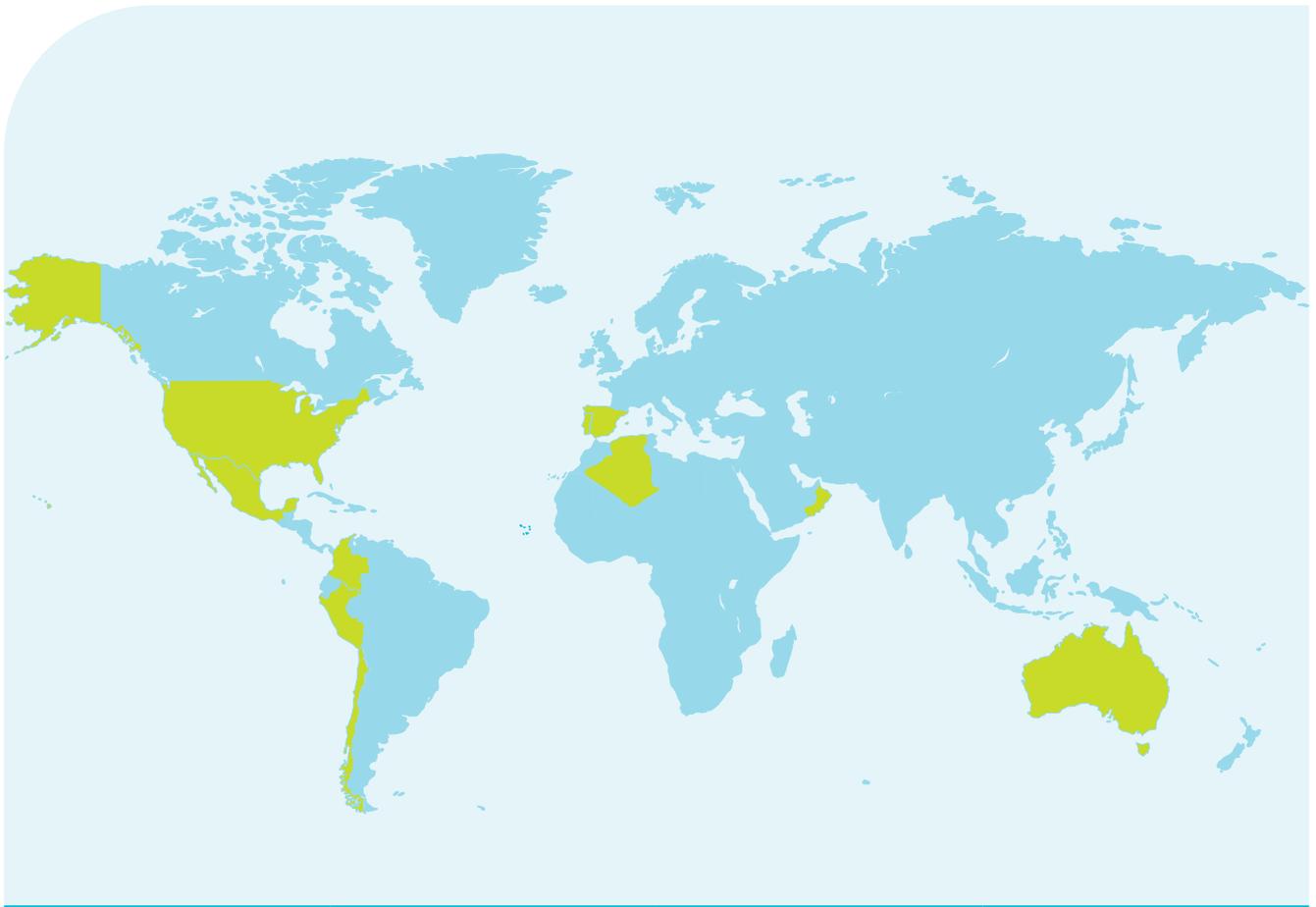
**126**

Water

**532**

Multiservices

## Services



Algeria	Colombia	Mexico	Portugal
Australia	USA	Oman	
Chile	Spain	Peru	

- We offer our customers an end-to-end service which covers their needs and provides a sustained return
- We are the number 2 Spanish company and number 11 in the world by contracted capacity of desalinated water, according to the IDA ranking.
- We use the latest and most advanced technologies and develop innovative projects that increase the efficiency, sustainability and security of our employees and of the services we provide

## We carry out a wide range of businesses

### Environment

#### Valoriza Medioambiente

Benchmark Group. The areas in which it conducts its business are outlined below:

##### Municipal services

Growth driver of the Environment Group

Street cleaning, collection of waste in Spain and Colombia, including underground recycling containers, gardening and maintenance of green areas, management of parking meters and towing services.

- Maintenance of 1,450 hectares of green spaces with more than 700,000 trees
- 580 towns with over 5 million citizens served

##### Waste treatment

Construction and operation of plants to treat urban solid waste, packaging, and batteries; treatment facilities for construction and demolition debris and landfill gas removal; and plants for biomethanation, incineration, and waste-to-energy production; as well as facilities to treat, compost, and thermally dry the sludge from waste-water treatment plants.

- 48 waste treatment plants built
- Management of 3 million tonnes of waste a year
- Pioneering technology in waste treatment in **Spain, Australia and the US**

##### Environmental work and regeneration

Water quality control, atmospheric control and recovery of landscapes and woodlands.

The following MILESTONES AND CONTRACTS AWARDED in 2019 are worth particular mention:

Millions of euros

##### Internationally:

Collection, transport and disposal of urban solid waste (USW), and road cleaning, to the town of Oliveira de Azeméis, in the Aveiro district of Portugal. For a period of 8 years.	7
--	---

##### In Spain:

Street cleaning, urban solid waste collection and transport in Santa Cruz de Tenerife. For a period of 8 years.	142
---	-----

Street and beach cleaning service, urban solid waste collection and similar services in Teide (Canarias). For a period of 15 years.	55
---	----

Extensions to the USW collection and transport services in the cities of Toledo and Cádiz	19
---	----

Municipal waste transfer and transport service, from the transfer plant at Viladecans (Barcelona) to the waste treatment plants in the metropolitan system. The concession is for a term of 3 years and can be extended for a further two	13
---	----

Extension of the term, to December 2030, of the underground USW container contract in the town of Torrejón de Ardoz (Madrid)	10
--	----

Road cleaning service, collection and transport of USW and the provision of containers and elements to the City Council in Sant Just Desvern (Barcelona). For a period of 5 years.	9
--	---

Maintenance and improvement of parks, gardens and avenues in the city of Burgos. For a period of 4 years.	9
---	---

Container service, collection and transport of USW, batch 1, for the city of A Coruña. For a period of 8 years.	8
---	---

Extension of the street cleaning contract, and other services, in the town of Coslada (Madrid)	4
--	---

Construction of cell number 4 of the USW landfill site in Miramundo, Cádiz	4
--	---



Desalination plant in Alicante I and II, Spain



## Sacyr Water

This activity covers the maintenance and operation of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial waste water treatment, agricultural treatment, etc.) and integrated water cycle management under public sector concessions or in the private sector.

Integrated water cycle management activities are carried out by Sacyr Water in Spain and Somague Ambiente in Portugal, serving a total over of 1.3 million people.

The most significant activities include the end-to-end water cycle of the city of Santa Cruz de Tenerife through the investee Emmasa; management of drinking water distribution in Las Palmas de Gran Canaria through the investee Emalsa; and the water supply concession in Guadalajara.

Sacyr Water and Sacyr Sadyt commissioned the Sohar seawater desalination plant, on the coast of Al Batinah (Oman). This inverse osmosis plant is the second biggest in the country and has sufficient capacity to produce 250,000 m<sup>3</sup> of water per day, supplying almost 220,000 people. This 20-year concession has entailed an investment of almost 200 million euros for our Group.

### Millions of euros

#### The following major milestones were reached in 2019:

Operation, maintenance and conservation of two desalination plants, with a desalination capacity of more than 120,000 m <sup>3</sup> per day, to supply 34 towns across the province of Alicante. For a period of 4 years.	16
Provision of drinking water and sewerage systems in the town of Biar (Alicante). For a period of 20 years.	9
Maintenance of the sanitation and water treatment infrastructure in the city of Vitoria-Gasteiz for a period of 3 years, to over 250,000 inhabitants.	7
Provision of the drinking water and sewerage system in the town of Ribadesella (Asturias) for 5-years, supplying over 1 million m <sup>3</sup> a year to around 5,700 local citizens in the town, which in summer has a population of 30,000.	5

Operation, maintenance and conservation of wastewater transport and treatment facilities in Navarre. For a period of 4 years, including a total of 106 wastewater purification plants	5
---	---

## Multiservices

Sacyr Multiservices manages the Sacyr Servicios Group's businesses through five companies: Sacyr Maintenance, Sacyr Facilities, Sacyr Social and Cafestore.

- Sacyr Maintenance specialises in road maintenance and upkeep, both in Spain and abroad.
- Sacyr Facilities, is a benchmark company in full-service cleaning of buildings, facility management services and ancillary services.
- Sacyr Social, is leader in the management of care homes and day centres. In 2019, the following contracts were awarded.
- Valorize Mining: mining projects in Spain, mostly on copper, gold, tin, lithium and tungsten deposits.

#### Green revenues (thousands of euros):

- **Water Desalination: 48,848.07**
- **Water cycle: 77,390.30**
- **Waste Treatment: 434,874.52**
- **Environmental Restoration: 2,638.69**

## CAFESTORE

**Group company that specialises in catering services in concessions**

Cafestore has a presence in motorway service areas (third-leading Spanish operator in this market), social-health services and public-sector organisations, serving over 5 million customers a year. In addition, it manages the operation of four petrol stations and a hotel.

At year-end, Cafestore had a total of 40 points of sale: 26 motorway service stations throughout Spain, restaurants at 3 hospitals in the Community of Madrid (2 including patient catering services), 2 cafeterias in transport hubs, 1 cafeteria at AVE rail stations, in 2 elderly care homes and in 3 public organisations of Madrid and 1 in Malaga, and 3 restaurants under the new brand Deliquo, also in Madrid.

Millions of euros

**The following major contracts were awarded during the year:**

Operation of the “Valtierra” service area on the AP-15 motorway in Navarre (AUDENASA). <b>For a period of 10 years.</b>	<b>5</b>
Catering service for patients at the Parla and Coslada hospitals (Madrid). <b>For a period of 3 years.</b>	<b>5</b>
Catering service at building on Calle Ribera de Loira (Madrid). <b>For a period of 3 years.</b>	<b>5</b>
Catering, cafeteria and vending services at Congreso de los Diputados (Madrid). <b>This 1-year contract is worth 4 million euros.</b>	<b>4</b>

## Deliquo

**Cafestore, the independent brand with a different concept. A modern concept which revolves around four cornerstones:**

1. Subtle decoration and timeless atmosphere, to transmit peace, calm and cleanliness
2. Streamlined service, for customers with limited time.
3. Personalisation, with different meal options every day.
4. Create more customer value, so that they see the service as impeccable and special.

For more information, please see our website: [www.cafestore.es](http://www.cafestore.es)



Interior of the Deliquo restaurant.





Native fauna of the Rumichaca  
- Pasto project in Colombia

# 5

## Environmental value

5.1. Sacyr's commitment to the fight against climate change	102
5.2. Water	120
5.3. Biodiversity	128
5.4. Circular economy, use of materials and waste prevention and management	142

# Environmental value

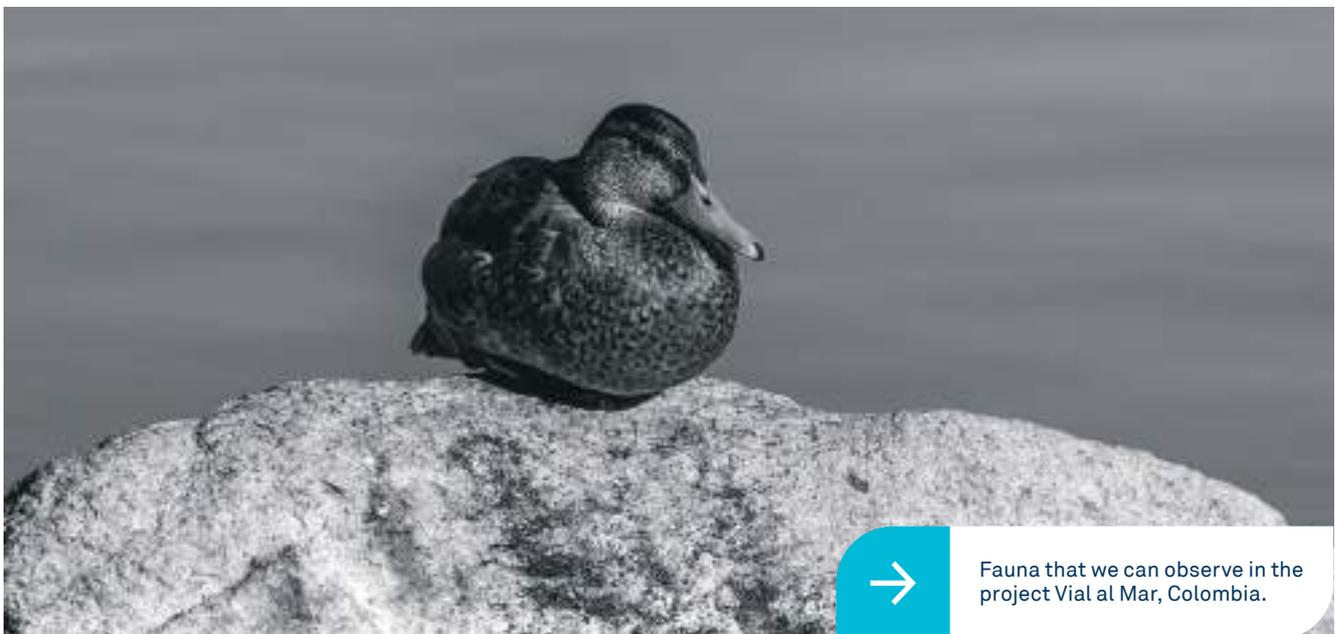


We work on five key axes: **integrated management system, climate change, circular economy** and **biodiversity**, aligning management processes with the **Sustainable Development Goals (SDGs)**

Sacyr is aware of its responsibility and role in environmental matters and in wider society. Accordingly, we align our management approach with the key action areas defined in Agenda 2030: water, biodiversity, the circular economy, energy and climate change.

(103)

The Group has in place several mechanisms that enable it to set out priority lines of action. The key documents are the Quality, Environment and Energy Management Policy and the Climate Change Policy, which set out the guidelines to be followed by our business units to meet the needs and expectations of stakeholders while remaining aligned with a sustainable business model.

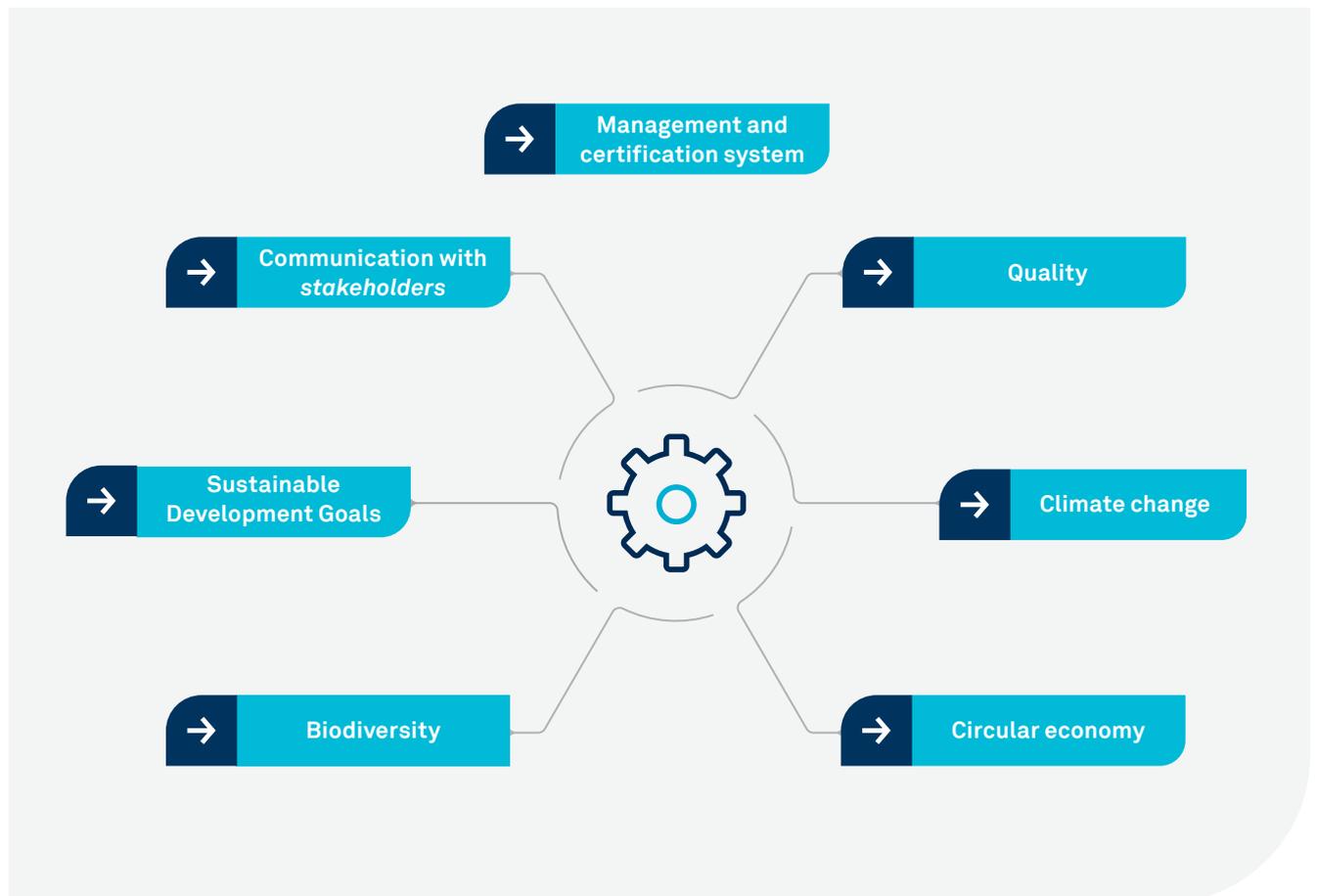


Fauna that we can observe in the project Vial al Mar, Colombia.

The Integrated Management System implemented in our business areas acts as an umbrella for our strategic objectives, measuring our contribution to Sustainable Development Goals and related targets. Specifically, 77% of targets under the centres' programmes tie in directly with the agenda: we work directly on 10 SDGs and 28 targets.

Sacyr's commitment to environmental SDGs is reflected in the performance of the GRI indicators relating to water management, biodiversity, materials use, waste prevention and management and energy.

## Key vectors of Sacyr's environmental strategy



# Certifications

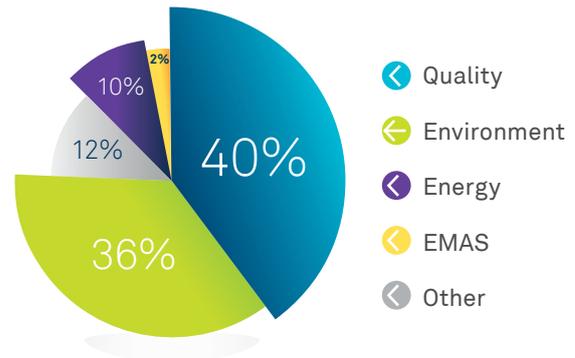
Sacyr has an integrated management system, in which all partial certifications of each of the companies that form the Group are gathered. We currently hold 153 certificates within our Integrated Management System, 25 more than in the previous year, in accordance with internationally recognised standards:

ISO 9001, ISO 14001, ISO 50001, ISO 27001, ISO 17025, ISO 14064, ISO 22000, ISO 10005; UNE standards: UNE 158301, UNE 158101, UNE 158201, UNE 1176-7, UNE 216701; and other benchmarks, such as GRI, the EA0050 specification, CE marking, the EMAS Regulation, the ISAE 3410 standard, Madrid Excelente and Q Calidad Turística.



(103)

In **2019** we increased certifications by **20%**



## Valoriza Medioambiente achieved the Q CALIDAD TURÍSTICA mark.

The Institute for Spanish Tourist Quality (ICTE) awarded the Q Calidad Turística mark to Valoriza Servicios Medioambientales, awarding it the diploma in the course of the "Q Night" ceremony held in Madrid.

The award recognises Valoriza Servicios Medioambientales as an organisation that establishes and ensures a level of service delivery that meets customer expectations and works on continuous improvement.

This certification is integrated with the UNE-EN-ISO 9001 and UNE-EN-ISO 14001 standards and with a range of proprietary specifications developed by the ICTE. To obtain the certificate, the Management System, the activities related to the maintenance of parks, gardens and green areas, and the cleaning and maintenance of beaches and the coastline were audited.



Sacyr has worked for years on construction projects under LEED, BREEAM, GREEN, CES HOSPITALES and GSAS DESIGN & BUILD certification requirements. In 2019, the company obtained CEEQUAL and WELL certification. All certificates cover sustainable environmental requirements, including water efficiency, energy efficiency, reuse of materials, etc. (SASB\_IF-EN-410a.2.)

The Environmental Statements for the three centres certified under the EMAS Regulation were last validated by AENOR in compliance with Regulation (EC) No 1221/2009 as amended by Regulation (EU) 2017/1505 and (EU) 2018/2026, on the following dates: the Street Cleaning and Urban Waste Collection Service of

Majadahonda on 3 December 2019, the Street Cleaning, Waste Collection and Clean Point Management Service of Lérida (ILNET UTE) on 2 December 2019 and the Concession for the Conservation and Operation of the Plaza Elíptica Transport Interchange (ITEPESA) on 5 December 2019. These Statements are publicly available on the Sacyr website:

[http://www.sacyr.com/es\\_en/channel/innovation-channel/commitment-to-quality/our-experiences/](http://www.sacyr.com/es_en/channel/innovation-channel/commitment-to-quality/our-experiences/)

The percentage of activity certified to these voluntary requirements under ISO 9001 and ISO 14001 at year-end 2019 were as follows:

	% of certified activities SACYR 2019			
	Engineering and infrastructures	Services	Industrial	Concessions,
ISO 9001	94.67%	79.70%	32.98%	64.63%
ISO 14001	95.86%	78.63%	32.98%	61.57%

Sacyr has held a Madrid Excelente seal since 2003, which recognises us as a company committed to excellence, reflecting the Group’s commitment to innovation and ongoing improvement, stakeholder satisfaction and active support of economic, social and environmental development.

A number of Sacyr activities were acknowledged by independent entities in 2019, notable among which were the Sacyr Industrial subsidiary, Sacyr Industrial, Operación y Mantenimiento, renewing its PEFC (Programme for the Endorsement of Forest Certification) certificate and FSC (Forest Stewardship Council) certificate addressing the custody of forest and biomass products used at the power plants operated by the Group.



Environmental Management  
Quellaveco, Peru.

## Sacyr recognised for "best environmental management" in the Quellaveco project

Since August 2019, Sacyr, through its business units Sacyr Industrial and Sacyr Engineering and Infrastructure, has been in charge of the construction, assembly and commissioning of the primary crusher building and facilities, conveyor belt and lorry repair garage building and installations at the Quellaveco mine, operated by Anglo-American in Moquegua, Peru.

In its third month of activities on this project, Sacyr was recognised by Anglo-American as the "Company with the best environmental management" for the month of October in the large company category. This accolade is awarded in the light of compliance with

an environmental performance indicator based on the extent of performance of environmental inspections, Acts and Conditions Reports and environmental training, among others. The recognition was signalled with a pennant delivered to the work team to make their effort in this area of work widely visible.

Quellaveco is one of the largest undeveloped copper deposits in the world, with mineral reserves estimated at 1.3 billion tonnes, containing approximately 7.5 million tonnes of copper (0.57% TCu). The deposit is operated by Anglo-American and is expected to average an output of approximately 300,000 tonnes per year during its first ten years of operation.

## Environmental and risk management system

(SASB\_IF-EN-160a.2.) (102-11) (102-15)

The underpinnings of Sacyr's quality, environmental and energy management policy includes the precautionary principle, the application of which is embodied in its environmental management system, which, in compliance with ISO 14001, identifies risks and threats (e.g., impact on air quality of pollutant emissions, resource depletion or the evolving digital environment), and risks and opportunities (e.g., supporting the shift from a linear to a circular economy), assessing each element and establishing action plans to mitigate risks and enhance opportunities.

Environmental risk analyses in Sacyr's priority-2 facilities were drawn up in 2019, with strict methodologies approved by official bodies, in compliance with Ministerial Order APM/1040/2017, and the Responsible Declarations for these were submitted.

In 2019, Sacyr also renewed its international Corporate Environmental Civil Liability insurance programme to cover all Group subsidiaries. This environmental civil liability insurance programme sufficiently complies with the qualitative and quantitative requirements set out in the laws applicable in each country (e.g., Law 26/2007 in Spain and Decree-Law 147/2008 in Portugal). The compensation limit for the Insurance Programme is €40 million per loss event, and €75 million per policy term.

## Environmental expenses and expenditure and regulatory compliance

With the aim of improving our environmental performance, at Sacyr Group we carry out a series of environmental initiatives to reduce environmental risks, guarantee compliance with legal environmental requirements, the prevention of pollution, the adoption of energy-saving and efficiency measures, the preservation of biodiversity, the improvement of waste management and the increase of environmental training and awareness, among others. Expenditure and investment in relation to these initiatives totalled more than €26 million in 2019 (€20 million in 2018).

(103)



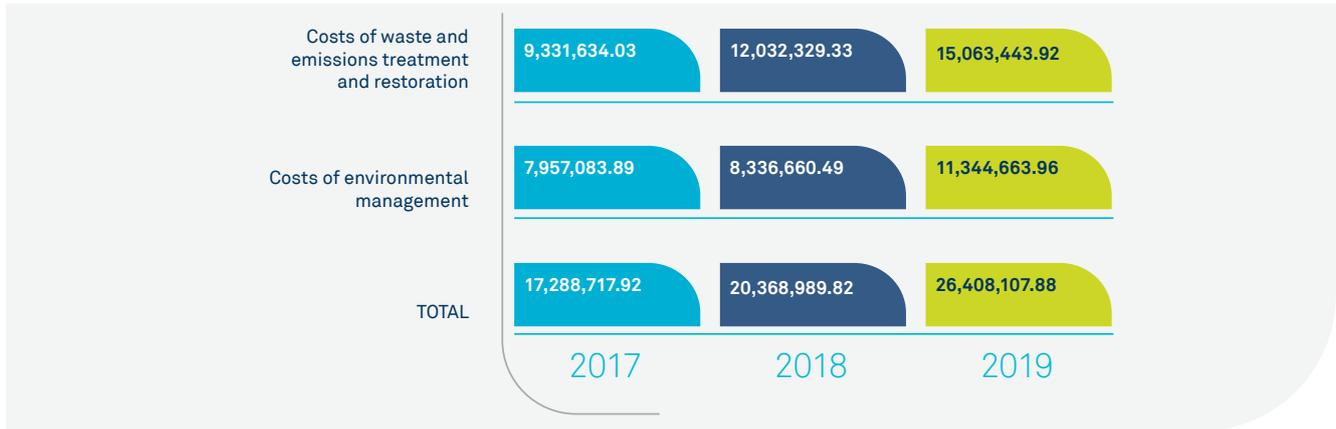
Sacyr's commitment to environmental and social sustainability is also reinforced by the fact that some of its contracts comply with the Equator Principles, which are based on the performance standards of the World Bank's International Finance Corporation (IFC), whose purpose is to ensure that project finance activities lead to positive environmental and social results.

Thus, in addition to economic criteria, as part of their decisions to grant financing, financial institutions include the environmental and social evaluation criteria of the International Finance Corporation.

Sacyr's projects in Colombia and Mexico are subject to the Equator Principles and attracted very favourable assessments in the due diligence processes carried out by banks and independent engineers, allowing the required financial closings. Furthermore, the environmental and social management systems that enhance the management of social and environment risks inherent to each of the specific features of the projects currently under way.

The costs associated with the environmental initiatives carried out in the past three years were as follows:

## SACYR ENVIRONMENTAL EXPENSES AND INVESTMENTS (€)



Sacyr's environmental expenditure and investments increased significantly in 2019 compared to 2018, by almost 30%. The costs of waste treatment, emissions treatment and restoration and of prevention and environmental management in 2019 were the highest of the last three years, with a very significant increase with respect to 2018, of 25% and 36%, respectively.

It is a priority for Sacyr to comply with all statutory environmental provisions in carrying out its activities, regardless of the country in which they take place. To do this, it constantly monitors environmental legislation, to ensure it knows the impact on its activities and that it takes the necessary measures to comply with any new requirements.

As part of its objectives, Sacyr ensures compliance with all legal provisions applicable to the environment. Therefore, as part of its environmental management system, it plans and undertakes audits to check legal compliance with these regulations. It does this through a, systematic and objective, evidence-based review, that ensures that the applicable legal requirements are met in each workplace with the aim of avoiding possible sanctions. (103-1) (103-2) (103-3)

In 2019, a total of nine environmental infringement proceedings were completed. €8,991.57 euros was paid for eight of them, while another was closed out without cost. Four proceedings were initiated this year, one of which is still open. (307-1)

Our investment in the protection and conservation of the environment in 2019 amounted to **€26.4 million**, **52.75%** more than two years ago.

In summary, performance over the past two years was as follows:

	2018	2019
Total amount of penalties	3,000.00	8,991.57
Proceedings closed	3	9
Proceedings closed without monetary cost	2	1
Proposed penalties	4	4

### Management personnel

It is a priority for Sacyr to establish the organisational measures, the human resources and the economic means necessary to guarantee and optimise the functioning of its management system, in which continuous improvement is the principal objective.

Sacyr's strategy has a clear international focus and every year it carries out its activities in an increasing number of countries. To ensure the success of these activities, it is vital to join synergies and create global teams, with people that combine talent and the necessary rigour to do a good job.

Sacyr's department of Quality, the Environment and Energy is a Corporate Service that serves all of the Group's business areas in all the countries in which it operates and which in 2019 comprised 220 employees.

### Supervision of contracts

Audits are a powerful tool for controlling and monitoring the efficiency of management systems. Therefore, Sacyr carries out regular controls at each of its work centres, to determine compliance with the objectives set and based on the outcome of the audits, proposed recommendations and actions for improvement.

Sacyr is also externally audited by its stakeholders, such as customers and suppliers.

### SUPERVISION VISITS AND INTERNAL AUDITS

	2018	2019
ENGINEERING AND INFRASTRUCTURES	157	401
SERVICES	471	871
INDUSTRIAL	11	38
CONCESSIONS	18	45
<b>TOTAL</b>	<b>657</b>	<b>1,357</b>



### System documents

In 2019, the Sacyr Group Quality, Environmental Management and Energy Management System created 77 new documents and updated 97 others (for a total of 174). This documentation, available on the corporate Intranet and the app, has helped support the continuous improvement of the processes and tools on which it is based.

In 2019, Sacyr continued to update its corporate Intranet, My.Sacyr, in addition to the quality, environment and energy channel, thus improving the way in which we interact with the work environment, as this is a global tool that can be accessed anywhere and using any mobile device. This channel, which allows users to share aspects related to quality, the environment and energy management as part of Sacyr's activities, in addition to offering information on quality and providing people with knowledge of Sacyr's Management Systems, experienced a growth of 7.28% in the number of users in 2019, demonstrating the level of interest in these topics. These users visit the channel from the different countries in which the country operates, mainly from Spain, Chile, Colombia, Peru, Mexico and Portugal.

## Supply chain

Sacyr is aware of the need to establish control and influence over its suppliers' environmental and social impact. Therefore, some of the environmental criteria that the Group takes into account when choosing suppliers of supplies/services are: certification of the company to an internationally recognised environmental standard; the product is eco-labelled; the supplier publishes environmental information on its activity and achievements related to biodiversity; measures its carbon and/or water footprint; uses returnable packaging; and/or is a local supplier.

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

To standardise the criteria for environmental assessment of suppliers, work is underway to develop a computer application (Procura) to be used by all business areas. The environmental criteria will be the same everywhere. The application will be implemented in 2020, in the Industrial, Sacyr Facilities and Valoriza Environmental Services business areas.

In 2019, we initially assessed a total of 906 suppliers (746 in 2018), of which 561 met environmental criteria, representing 61.9% of the total number of suppliers evaluated (63.7% in 2018).



In periodic re-assessments or at the end of the supply/service provided, environmental impact was assessed for 2,360 suppliers (1,438 in 2018). 30 were found to have had significant adverse environmental impacts (30 in 2018). Of these, 36.67% agreed to improvements in their environmental performance (26.67% in 2018) while the rest were terminated as a result of the assessment.

(308-1) (308-2)



## Environmental awareness

Sacyr's commitment to the environment extends to staff working for the Organisation. To this end, continuous environmental training is imparted, both to internal staff and external staff working under the company's control.

This training allows Sacyr to count on a group of professionals capable of applying the most advanced knowledge and techniques when carrying out their various jobs, in addition to enhancing improvements to its environmental performance.

Furthermore, the local communities that may be affected by Sacyr performing its activities receive training on environmental and archaeological topics.

In 2019, 1,925 environmental training events were held.

ENVIRONMENTAL TRAINING HOURS BY STAFF TYPE	2019
Internal staff (Sacyr)	75,146
Subcontractor staff and local communities	96,301

Note: the method for accounting for environmental training hours was modified in 2019 taking into account the number of participants in each training action (in addition to the hours in each case). The information will form part of the company's overall training disclosures in future reports.

Sacyr provides its employees with Environmental Best Practice Manuals, which define the possible implications of its activities on the environment and the most appropriate activities aimed at:

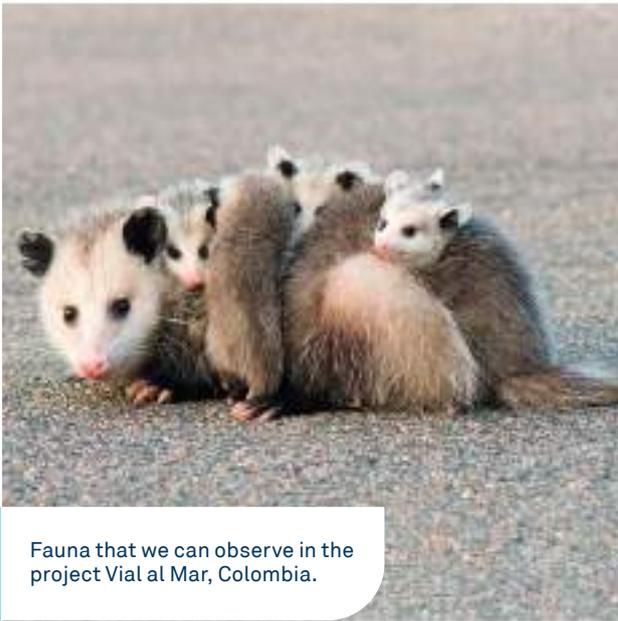
- minimise impact on the natural environment;
- promote resource use and consumption efficiency;
- improve the management of waste generated, applying appropriate measures for their reduction;
- waste recovery and recycling, ensuring the correct elimination of non-recoverable waste;
- prevent pollution of the environment (ground and surface water, soils, atmosphere, etc.);
- inform and raise awareness about the importance of correct energy management and the impact of its activities on energy performance.



Environmental awareness is key to Sacyr's sustainable business model



Vivero Vereda San Nicolás  
Sopetrán municipality, Department of Antioquia



Fauna that we can observe in the project Vial al Mar, Colombia.



**The roads under concession in Colombia are committed to continuous awareness of all their stakeholders (workers, road users, local communities, etc.).**

#### ARCHAEOLOGICAL HERITAGE AWARENESS.

At all our workshops carried out on Archaeological Heritage, a model of interaction and engagement was developed that supported activities for awareness, appropriation of the archaeological heritage and environmental education. Participants used painting, drawing and educational games as a means of learning:

#### PLAN TO AVOID RUNNING OVERS AND MANAGEMENT OF BIODIVERSITY

We raised awareness of careful driving in the local community by means of:

- Online publications
- Radio ads
- Media releases
- Roadside actions and delivery of teaching materials
- 5 road safety campaigns
- More than 600 information beneficiaries or users



→ Green Award-Recognition

**Awareness among Qatar employees is shown by an outstanding environmental performance, which was rewarded with the Green Award.**

The Public Works Authority recognises our company's work in caring for the environment.

As every year, the Public Works Authority (PWA) presents at Qatar the Green Award-Recognition to support and evaluate the sustainability management of companies in the construction sector.

The award was given to the Sacyr-Medgulf joint venture for its Roads and Infrastructures project in the South of Al Meshaf, which achieved the best possible environmental results thanks to sustainable waste management, tighter control of the environmental impacts of the works, transparent reporting and a score of 100% in the monthly KPIs. This award would not have been possible without the ongoing training of employees.

Over the course of the work, training sessions are held every week on topics such as

- Waste management

- Noise impact reduction
- Response to environmental emergencies
- Avoid fuel spills when supplying vehicles
- Handling and storage of chemicals
- Protecting natural spaces

This was the only campaign in the country to raise awareness of the importance of sustainability and help eliminate or minimise the adverse impacts of construction projects

This enables workers to have the environmental knowledge and awareness required to perform to a standard of excellence.

This award is an international accolade that demonstrates our firm commitment to sustainable development in all of our projects.

# Environmental complaints

## Environmental grievance mechanisms

Sacyr establishes formal mechanisms through communication channels for queries, claims and/or complaints. These channels are:

5. E-mail: [codigoconducta@sacyr.com](mailto:codigoconducta@sacyr.com)
6. Form on Sacyr website: [http://www.sacyr.com/es\\_es/contacto/default.aspx](http://www.sacyr.com/es_es/contacto/default.aspx)
7. Form via the Sacyr intranet (General Queries and Whistleblower Line): <https://my.sacyr.com/group/mysacyr/sacyr/cumplimiento-consulta-y-denuncia/linea-de-consulta-y-denuncia-sacyr/consulta-denuncia-general>
8. Form via the Sacyr intranet (EcoMunícate environmental line): <https://my.sacyr.com/group/mysacyr/ecomunicate>
9. Post: the complainant may forward the complaint by writing to the Group's headquarters.

As in 2018, no environmental complaints were received in 2019 by any of these means.

With regard to environmental complaints made directly against contracts by clients, environmental bodies, the community affected by our activities and other stakeholders, Sacyr has a procedure in place to handle them. (SASB\_IF-EN-160a.1.)

In 2019, 19 complaints were received and dealt with in this way. 15 were resolved in the period while the other 4 have been addressed pending final resolution. In addition, two complaints received and addressed in 2018 were resolved in the period. Thus, 17 complaints were closed in 2019, all of which were resolved through remediation.

Analysing the data over the last 2 years, we find:

ENVIRONMENTAL COMPLAINTS	2018	2017
Environmental complaints <b>addressed/ reviewed</b>	9	19
Environmental complaints received and <b>resolved</b>	7	15
Environmental complaints <b>submitted before the reporting period and resolved in the current year</b>	0	2
Environmental complaints resolved via remediation in the current year	5	17

## Environmental communications

Communication is an essential element in Sacyr's activities and in ensuring that the organisation runs smoothly, because good communication makes the business more competitive, makes it easier for it to adapt to environmental change, helps it achieve the objectives it has set for itself, satisfies both its own and its stakeholders' information requirements; at the same time, it serves as a tool for the motivation, commitment, responsibility, involvement and participation of its employees, thereby building and strengthening its corporate identity.

Based on this philosophy, the Company has fluid communication channels, both internal and external, that enable it to provide relevant and transparent information on its environmental performance and to gather information on our stakeholders' main concerns in this area. (SASB\_IF-EN-160a.2.)

Sacyr is a member of several associations dedicated to promoting sustainable development from different perspectives, including:

In 2019, we launched "**EcoMunicate**", a new **internal communication channel** designed to detect, manage and circulate the concerns of all employees regarding the Organisation's **environmental management**. A mailbox for each country's "**home market**".

- Forética (Climate Change Cluster)
- AEC - Asociación Española para la Calidad (Spanish Quality Association)
- Grupo Español de Crecimiento Verde (Spanish Green Growth Group)
- SEOPAN Comisión de Calidad y Comisión de Medio Ambiente (Quality and Environment Committee)
- Spanish Technological Roads Platform (PTC)
- Member of the Advisory Board for the certification of construction companies, made up of the Ministries of Justice, Environment and Development and representatives of construction companies
- Member of the AEN/CTN 198 "Sustainability in Construction" Committee
- Member of the BREEAM Certification Advisory Board

The Department of Quality, Environment and Energy actively participates in the working groups of these organisations, whose objective is to discuss specific sustainability topics to design methods and standards

that serve as a guide for companies in the sector. Subsequently, these publications are shared with the company.

In addition, Sacyr group and its companies regularly sponsor and participate in a range of conferences and events fostering environmental protection. In this way, the Group shares its experiences and best practices with the wider community.

## Communication and community outreach of our projects

Periodically our projects are published via several channels to communicate and encourage local community engagement with the projects we carry out. The publications set out the content of project programmes, including progress of the work, services and timetables, relevant environmental news and environmental volunteering activities in partnership with the communities.



# Satisfaction



**4.19 / 5.00** average  
clients **satisfaction**  
in 2019



→ Almudévar dam, Huesca. Spain

## Client satisfaction

At Sacyr, client satisfaction is a key indicator for evaluating the organization's overall performance.

For Sacyr, knowing the satisfaction of our clients means knowing their perceptions as well as their needs and expectations. For this reason, we regularly analyse the information that comes from them and take actions to increase their satisfaction, improving the quality of the service provided, the client experience, and our capacity of response and adaptation to their needs and the value offered.

Performance over time **2018** **2019** :



### CLIENT SATISFACTION INDEX

	2018	2019
ENGINEERING AND INFRASTRUCTURES	3.94	4.10
CONCESSIONS	4.10	4.03
SERVICES	4.11	3.82
INDUSTRIAL	4.78	4.80

NOTE: Scores range from 1 to 5, with 1 being the least favourable and 5 the most favourable.

## 5.1. Sacyr's commitment to the fight against climate change

Sacyr considers CO<sub>2</sub> management a priority action within its organisation, in order to contribute to a sustainable future.

(103-1) (103-2) (103-3)

Sacyr shares society's concern about climate change and takes on accountability for the impacts resulting from its business. In this sense, Sacyr considers CO<sub>2</sub> management a priority action within the organisation to contribute to improving our environment.

Within the framework of this commitment, a range of actions linked to the fight against climate change were taken in 2019:

- An analysis of risks and opportunities relevant to climate change was conducted following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a working group associated with the Financial Stability Fund. We examined future scenarios in the countries where we operate, identified material risks and opportunities and assessed resilience, taking into account four main areas: governance, strategy, risk management and metrics and objectives
- For the first time, Sacyr took part in the Carbon Disclosure Project (CDP), publicly disclosing information on its management and performance in the area of climate change. The CDP runs the global disclosure system for investors, companies, cities, states and regions to manage their impact on the environment, and represents over 500 investors.
- In December, Sacyr joined the Business Ambition for 1.5°C initiative promoted by the United Nations, whereby it commits to setting and validating science-based targets through the Science Based Targets Initiative (SBTi), a joint project of the CDP, the United Nations Global Compact, the World Resources Institute and the WWF.



Traditional fauna of the Department of Antioquia, Colombia

The Group is currently in the final phase of designing its Climate Change Strategy, which it has been working on throughout 2019. This is a roadmap that establishes a common framework on carbon footprint management:

1. A vision on climate change and its impact on the organisation, considering identified risks and opportunities.
2. Management guidelines and lines of action.

3. Targets focus on three horizons: short (2020-2025), medium (2025-2035) and long term (2035-2050).

4. Action packages derived from targets.

These actions demonstrate Sacyr's gradual adaptation and determination in the fight against climate change.

## SACYR SUPPORTS THE CARBON DISCLOSURE PROJECT (CDP)

For the first time, Sacyr took part in the **Carbon Disclosure Project (CDP)**, publicly disclosing information on its management **and performance in the area of climate change**.

The CDP runs the global disclosure system for investors, companies, cities, states and regions to manage their impact on the environment, and represents over 500 investors with more than \$106 trillion in assets.

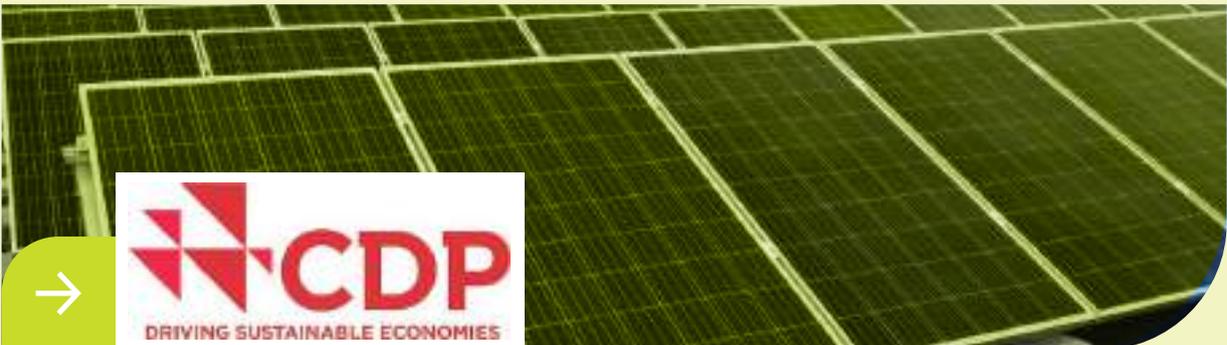
The following aspects are mainly evaluated:

- the roles and responsibilities of the company's bodies in overseeing climate-related issues;
- the risks and opportunities arising from climate change;

- the calculation of greenhouse gas emissions resulting from activities and their subsequent evolution;
- setting targets and plans to reduce emissions;
- signing commitments and initiatives that promote sustainable development.

Besides attracting new investors, involvement in the CDP brings many **benefits**:

- anticipation of future regulations;
- enhanced transparency in carbon management;
- guidance on new trends in climate management;
- and high visibility and awareness among stakeholders.



Specific actions are implemented to increase energy savings and boost energy efficiency at the companies making up the Sacyr Group within the framework of the main principles governing its environmental policy. A raft of measures were taken in 2019, among which the following:

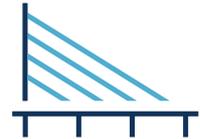
- Energy saving and efficiency measures such as the replacement of equipment and facilities with more efficient systems, optimisation analysis of maintenance processes for equipment involving significant energy use (e.g., replacement of conventional lighting with LEDs, power generation using renewable sources (solar generation) instead of fossil fuels, and preventive maintenance of equipment with a high impact on energy consumption).
- Raising awareness by disseminating environmental best practices in order to promote attitudes that contribute to reducing energy consumption, in addition to improving energy use, training in more efficient driving techniques and participation in forums and work groups related to climate change.
- Replacement of the fleet of vehicles, establishing efficiency criteria for purchases, renting or leasing, considering vehicles with the most efficient technology and alternative propulsion systems, such as electricity and compressed natural gas.
- In construction work studies at the tendering stage, Sacyr makes proposals to clients such as study of areas for the location of materials in locations close to their use, reduction of speed limits in the transport of materials, optimisation of routes for transport of goods and trips to the landfill, and movements of machinery on site, so as to reduce consumption of fossil fuels and emissions into the atmosphere.
- Extension of the implementation and certification of the energy management system according to ISO 50001 to Sacyr Maintenance, to enhance its performance and energy efficiency and reduce greenhouse gas emission rates and thus contribute to climate protection.
- Contribution to the conservation of natural carbon sinks, preventing unnecessary tree-felling, and, when strictly necessary, carrying out transplants to other areas and preserving and protecting flora and fauna and their habitats.
- Optimisation of business trips and implementation of technologies to minimise travel.
- Provisions of Energy Services (ESC) offering customers the most technologically advanced solutions, adapting to their needs, and guarantees both energy supply and cost savings, and environmental improvement and protection.<sup>1</sup>

<sup>1</sup> At all Sacyr Group companies, the quality criteria under the contracts are maintained.



EMMASA solar panels,  
Tenerife, Spain

Desalination  
plant overhaul  
and expansion  
project



## WE IMPLEMENT ENERGY SAVING MEASURES AT EMMASA

Sacyr is actively involved in the fight against climate change, promoting actions such as those carried out by our investee EMMASA (Empresa Mixta de Aguas de Santa Cruz de Tenerife) as part of its Desalination Plant Overhaul and Expansion Project, which aims to increase production from 21,000 m<sup>3</sup>/day to 28,800 m<sup>3</sup>/day.

Desalination is an energy-intensive process. In recent years, great progress has been achieved in reducing the ratio of energy consumed per cubic metre of water from 9 kWh/m<sup>3</sup> in the old distillation plants to the current levels of around 3 kWh/m<sup>3</sup>.

At EMMASA, the brine energy recovery turbines, with an efficiency of 80%, were replaced with a battery of recuperators with an efficiency of 98%. Implementation of this measure could mean an estimated potential saving of up to 20% of the total

consumption of the desalination plant, avoiding atmospheric emissions of about 2,252 t CO<sub>2</sub> per year.

In addition, EMMASA promoted energy efficiency measures such as the installation of frequency variators in desalination plant equipment for pumping to the Fumero and Cueva Roja tanks, implementation of maintenance applications that increase the energy efficiency of its facilities through predictive and preventive maintenance, and remodelling and change of panels and equipment in the waste water purification plant.

EMMASA retains its ISO 50001 certification, an international standard aimed at efficiency in energy consumption management. Certification ensures continuous improvement in the organisation's energy management and identification, analysis and implementation of measures to optimise energy consumption. (SASB\_IF-EN-410a.2.)

Conference  
on sustainable  
mobility in Seville



## We promote community initiatives to foster sustainable urban mobility

Within the framework of the Parks and Gardens Maintenance Service contract for the northern sector of the city of Seville, Valoriza Medioambiente, in partnership with the Parks and Gardens Department of the City Council, hosted a conference in the Parque Rojo on Sustainable Mobility aimed at pupils at a nursery and primary school located in the Northern District, in order to:

- Raise awareness of the problems involved in recent decades in the supremacy of the private vehicle over non-mechanised modes of transport, the social changes this has brought about and the direct consequences on the psychosocial and physical development of our children.
- Propose sustainable transport alternatives so that together we can adopt and promote healthy habits and positive attitudes towards sustainable child mobility.
- Publicise Seville's extensive network of cycle lanes, encouraging students to travel to school using sustainable and alternative modes of mobility other than the private vehicle, such as walking or cycling.
- Promote among young people respect for public spaces, meeting places, specifically for the parks and gardens of Seville.

Three different activities were scheduled, as follows:

### TALKS ON SUSTAINABLE MOBILITY: THE MOBILITY GAME

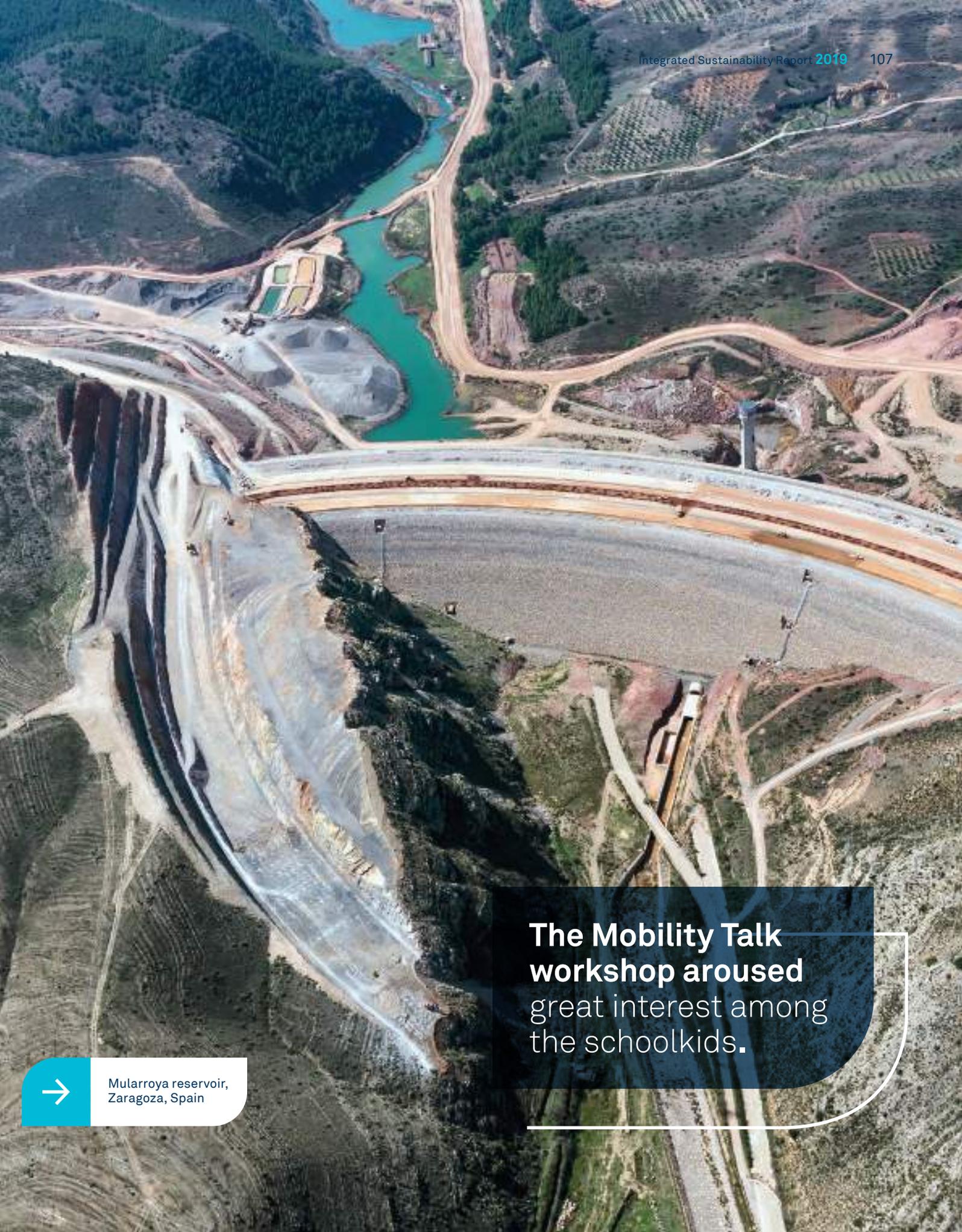
A short talk introduced schoolchildren to the concepts of sustainable mobility, pollution, global warming, climate change, alternative means of transport, Seville's network of cycle lanes, etc., comparing different forms of transport, their advantages and disadvantages and involving them with examples from their own experience. To wrap up, they played the Mobility Game, an adaptation of "snakes and ladders" with means of transport, to reinforce their learning of the concepts.

### BASIC BICYCLE REPAIR WORKSHOP

At this small workshop session schoolchildren were introduced to the parts of a bike with the help of a worksheet to be filled in. Then they were shown how to do small repairs: a puncture, changing an inner tube of a wheel, adjusting brakes and gears, etc.

### BICYCLE GAME

Four bicycle games were designed: tortoise race, bike basketball, bike cricket and obstacle course.



**The Mobility Talk workshop aroused great interest among the schoolkids.**



Mularroya reservoir,  
Zaragoza, Spain

In addition, one of Sacyr's activities is the generation of renewable energy in Spain by means of the recovery of biomass, a fuel that is not only renewable, but that also comes from the olive industry, using materials that were traditionally burned in the fields and caused emissions of particles from uncontrolled burning, not to mention energy waste.

These actions make clear Sacyr's drive to make rational use of energy resources in its activities and facilities; with the purpose of optimising the consumption of these resources, reducing greenhouse gas emissions and contributing to the transition to a low-carbon model.

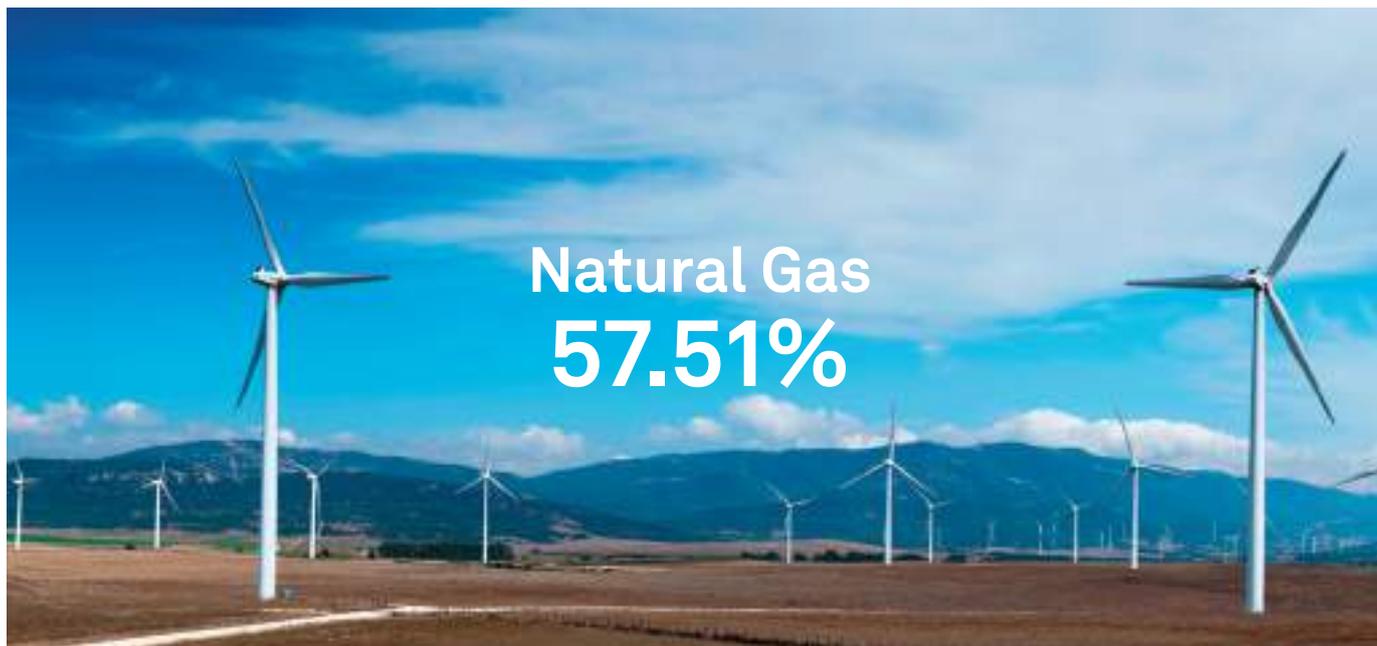
Internal energy consumption over the last two years is shown in the following table.

(302-1)

#### INTERNAL ENERGY CONSUMPTION (GJ)

	2018	2019
CONSTRUCTION	482,888.55	1,214,923.71
SERVICES	880,410.88	930,520.21
INDUSTRIAL	9,931,356.26	8,720,476.44
CONCESSIONS	136,732.42	112,622.22
<b>TOTAL SACYR</b>	<b>11,431,388.11</b>	<b>10,978,542.58</b>

Internal energy consumption over the last year **fell by 3.96 percentage points**, which is **extremely positive** given the increase in activity.



EVOLUTION OF INTERNAL ENERGY CONSUMPTION

2018

11,431,388.11

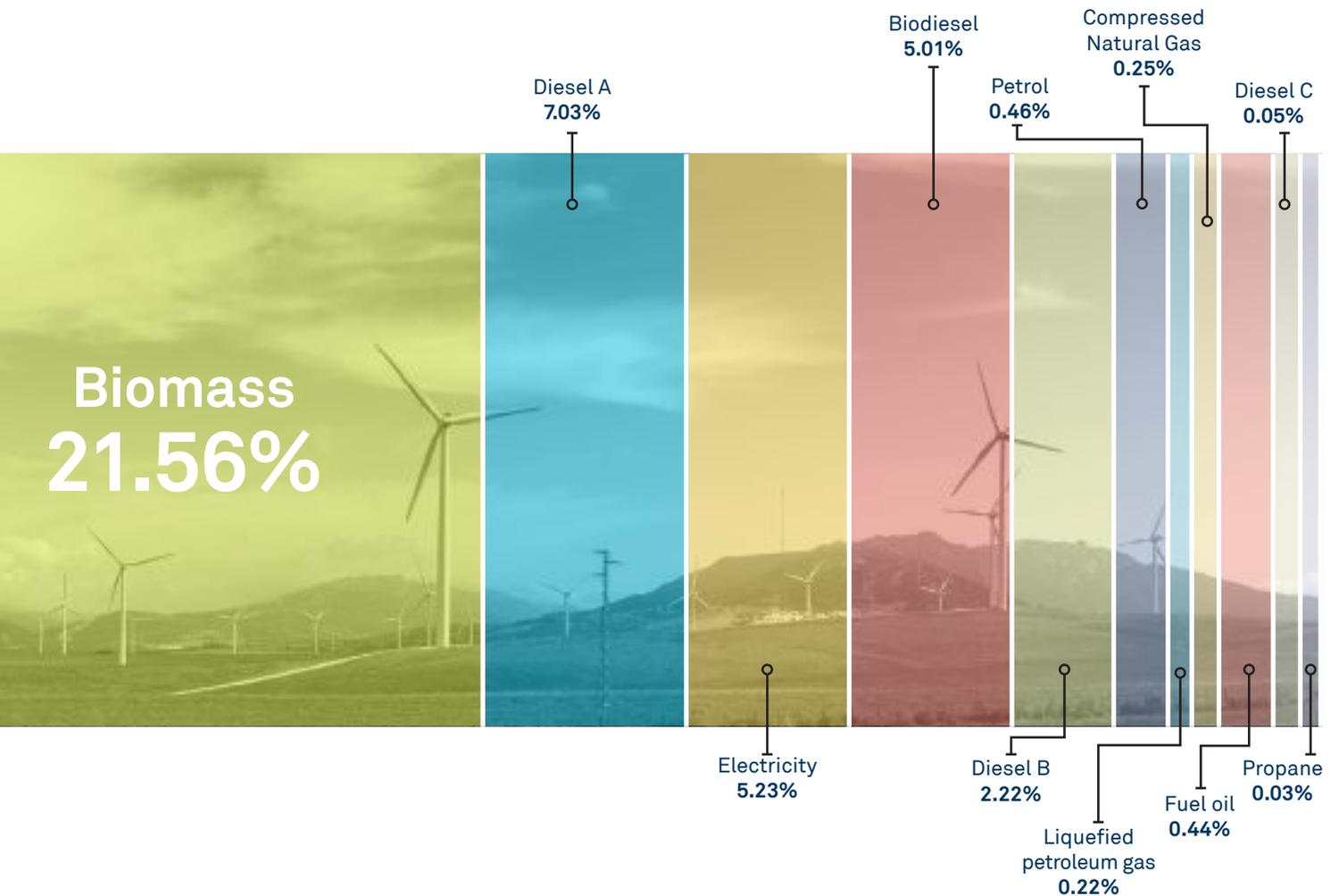
Energy consumption  
internal (GJ)



2019

10,978,542.58

Energy consumption  
internal (GJ)



Sacyr uses a renewable fuel such as biomass to generate electricity, accounting for 21.56% (22.00% in 2018) of total internal energy consumption. This electricity that is consumed comes from a renewable energy source and in the form of a biofuel, certified as coming from a sustainable origin. This provides a double commitment to sustainable development, both in terms of the circular economy and the fight against climate change.

Energy consumption outside the organisation comes exclusively from business travel and increased by 12.08% over the past year. (302-2)

External energy consumption over the last two years is shown in the following table.

**EXTERNAL ENERGY CONSUMPTION (GJ)**

(302-2)

**EXTERNAL ENERGY CONSUMPTION (G) SACYR**

	2018	2019
CONSTRUCTION	33,304.22	41,400.42
SERVICES	10,603.96	10,938.36
INDUSTRIAL	16,995.73	15,167.02
CONCESSIONS	7,491.95	9,155.71
<b>TOTAL SACYR</b>	<b>68,395.86</b>	<b>76,661.50</b>

Energy intensity is calculated from Sacyr's total energy consumption and its revenue. The trend in energy intensity is shown in the following table:

(302-3)

**SACYR ENERGY INTENSITY**

	2018	2019
Total energy consumption (GJ)	11,499,783.98	11,055,204.09
Revenue (€ thousand)	3,795,717.00	4,169,467.00
Energy intensity	3.03	2.65





### COP25—"Sacyr's involvement".

In the context of the COP25 Climate Summit, Sacyr participated in the green zone as a model of a company strongly committed to sustainability.

Sacyr Chile and Valoriza Servicios Medioambientales participated in the meeting organized by the Ministry of Chile "Resilience in public works and water for climate change", in the blue zone.

The event was attended by professionals specializing in innovation in ecological solutions for public infrastructure, at which Sacyr shared its experience with RARx, its additive with tire dust and its technical and environmental benefits.

Specifically, Sacyr Agua took part in the forum on water circularity hosted by the Spanish Chamber of Commerce. The seminar emphasised non-conventional resources for mitigating the effects of climate change, such as desalination and reuse.



COP25  
CHILE  
MADRID 2019

### COP25 – Parallel measures

Alongside the actions celebrated in the official spaces of the COP25, at its central headquarters, Sacyr organised different symposiums regarding in-house initiatives that contribute to the fight against climate change.

Following is a brief summary of the themes addressed:

1. Sacyr's climate change strategy: highlight the importance of Sacyr's carbon management milestones.
2. RARx, sustainability on the road: manufacturing solution made with a bituminous mix with pre-treated rubber powder as an alternative to the classical solutions.
3. The transformation of waste into secondary raw materials or energy: presentation of projects arising from the synergy between Valoriza Medioambiente with Enagás and Repsol.
4. Circular Park, efficient and sustainable: different measures on the use of renewable energy sources and fleet management to lengthen their useful life carried out in the Circular Park.
5. Sacyr in urban services: procedures with a commitment to fight against climate change (transition to green fleet, efficient driving, climate projects, etc.)
6. Sustainable desalination: impacts of desalination, reduction of energy consumption and the presentation of sustainable experiences.
7. Environmental corporate volunteering: projects carried out in the regions in which the company has business.

The energy, water and GHG emission intensity of the construction business in the last two years is shown in the table below.

**CONSTRUCTION**

(CRE1) (CRE2) (CRE3)

	2018	2019
Energy intensity (kWh/m <sup>2</sup> )	41.07	33.77
Water intensity (m <sup>3</sup> /m <sup>2</sup> )	0.149	0.17
Intensity of GHG emissions kg CO <sub>2</sub> /m <sup>2</sup>	13.51	10.11

The intensity of GHG emissions for new buildings and redevelopment was 8.92 t CO<sub>2</sub>/€ million (5.75 in 2018).

(CRE4)

In 2019, energy savings of 63,961.22 GJ were quantified at Sacyr (9,837.54 GJ in 2018), thus saving the emission of 3,847.171 t CO<sub>2</sub> into the atmosphere (618.482 t CO<sub>2</sub> in 2018). These savings are the result of actions linked to lighting, the use of low-voltage steam, the installation of energy recovery systems, the generation of electricity from renewable sources instead of fossil fuels, the replacement of vehicles by acquiring a more efficient latest technology fleet and implementation of the value recovery model. (scope 1, scope 2 and scope 3).

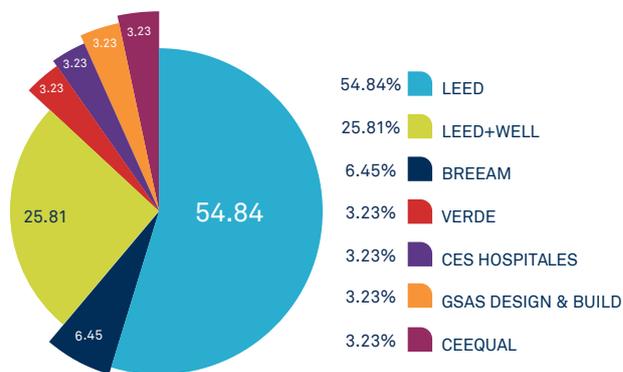
(302-4) (302-5) (305-5)

In its commitment to sustainability in construction, Sacyr has worked for years on construction projects with LEED, BREEAM, GREEN, CES HOSPITALS and GSAS DESIGN & BUILD certification requirements. In 2019 we added the CEEQUAL certification for the "A6 - Dungiven To Drumahoe Dualling" works in Ireland and the WELL certification for the "Manoteras overhaul" project in Spain and "Remodelação do Edifício Monumental" in Portugal, both also LEED-certified. Construction under these requirements brings environmental, economic and social benefits for all people involved in the life of a building.

(CRE8)

## Over 8,740,000m<sup>2</sup> with sustainable certification

**SUSTAINABILITY-CERTIFIED CONSTRUCTION PROJECTS**



Currently, five works hold LEED certification: the "Tlahuac Hospital" in Mexico, the "New Lodge Expansion" and "Manoteras and Méndez Alvaro Rehabilitation" works in Spain and "Remodelação do Edifício Monumental" in Portugal. Under BREEAM requirements, the following projects are being carried out in Spain: "Torre Australis", "252 Kronos Badalona homes", "Airbus Getafe prevention centre", "Estepona homes", "Amara Homes" and "Quabit 63 San Feliu homes" - the latter already completed - and the "University of Ulster" in Northern Ireland. In Chile, the project "Hospital Biprovincial Quillota Petorca" has the CES HOSPITALES certification and the "Ras Bufontas Special Economic Zone" in Qatar has the GSAS DESIGN & BUILD certification. (SASB\_IF-EN-410a.1.)

**SUSTAINABILITY-CERTIFIED CONSTRUCTION PROJECTS IN 2019**

LEED	BREEAM	LEED Y WELL	CES HOSPITALES	GSAS DESIGN & BUILD	CEEQUAL
3	7	2	1	1	1

## SACYR GROUP EMISSIONS

(103-1) (103-2) (103-3) (305-1) (305-2) (305-3)

For years, Sacyr has measured the greenhouse gas emissions caused by its activities. Sacyr prepares its emissions inventory following the GHG Protocol and submits to an independent review in accordance with the ISAE 3410 standard "Assurance Engagements on greenhouse gas statements".

The consolidation of Sacyr's greenhouse gas emissions is carried out with a focus on operational control, in other words, on those activities and contracts where it has the authority to implement its operating policies.

Sacyr's environmental targets include reducing emissions in scope 1, 2 and 3 by 2020.

Direct emissions in Sacyr come from its various centres of operations and are associated with:

- Fuel combustion from mobile sources: emissions from fuel consumption associated with travel and machinery.
- Fuel combustion from fixed sources: emissions from fuel consumption associated with stationary or fixed equipment and fixed facilities.
- Leaks emissions: emissions from leaks of cooling gases from air conditioning equipment.



Sacyr prepares its emissions inventory following the **GHG Protocol** and submits to an independent review in accordance with the **ISAE 3410 standard** "Assurance Engagements on greenhouse gas statements"

The following table shows the evolution of Sacyr's direct emissions over the past two years.

#### DIRECT GREENHOUSE GAS EMISSIONS T CO<sub>2</sub> (SCOPE 1) SACYR

(305-1)

	2018	2019
CONSTRUCTION	27,273.71	44,829.25
SERVICES	34,490.24	33,026.59
INDUSTRIAL	415,999.16	356,302.9
CONCESSIONS	3,988.22	3,276.48
<b>TOTAL SACYR</b>	<b>481,751.33</b>	<b>437,435.22</b>

In 2019, Sacyr's **direct emissions** dropped by **9.2%** with respect to the previous year, **a substantial feat** considering the surge in activity

Indirect emissions in Sacyr come from its various centres of operations and are associated with the electricity consumption of the facilities in these centres. Sacyr's Scope 2 indirect emissions increased by 5.5% compared to the previous year. This figure is considered positive since Sacyr's turnover increased by 9.8%, a much higher figure than that for the increase in emissions. (305-2)

The following table shows the evolution of Sacyr's indirect scope 2 emissions over the past two years.

#### INDIRECT GREENHOUSE GAS EMISSIONS T CO<sub>2</sub> (SCOPE 2) SACYR

(305-2)

	2018	2019
CONSTRUCTION	1,556.04	2,058.36
SERVICES	33,346.04	39,012.66
INDUSTRIAL	4,527.92	2,616.51
CONCESSIONS	7,188.45	5,497.05
<b>TOTAL SACYR</b>	<b>46,618.45</b>	<b>49,184.59</b>

Within Scope 3, emissions from the use of goods and services, specifically those associated with materials consumption, water consumption and waste management, were calculated for the first time in 2019. Furthermore, as we have been doing for years, it also includes emissions associated with business travel, i.e. emissions from staff travel by air and rail. Scope 3 indirect emissions in 2019 increased with respect to the previous year due to the widened scope. (305-3)

The trend in scope 3 indirect emissions is shown in the following table.

#### OTHER INDIRECT GREENHOUSE GAS EMISSIONS T CO<sub>2</sub> (SCOPE 3) SACYR

(305-3)

	2018	2019*
CONSTRUCTION	2,589.03	1,183,169.47
SERVICES	834	24,695.24
INDUSTRIAL	1,322.53	10,566.82
CONCESSIONS	581.44	993.21
<b>TOTAL SACYR</b>	<b>5,327.01</b>	<b>1,219,424.74</b>

(\*)The increase over 2018 has been due to the extension of the scope



## Business Ambition for 1.5°C

Sacyr complied with the **Business Ambition Initiative for 1.5°C**, whereby it undertakes to define and validate **objectives based on science** through the Science Based Targets Initiative (SBTi) organisation, a joint CDP project, the United Nations Global Compact, the World Resources Institute and the WWF.

Through this initiative, it is aligned with the **United Nations** objective to limit to 1.5°C the rise in the global temperature to levels of the preindustrial era.

These science-based objectives will be aimed at **reducing the carbon footprint** corresponding to the different operations performed by the Group. Among the multiple **benefits** of setting this series of objectives were:

- going into depth in the management of carbon;
- promoting innovation;
- anticipating legal requirements;
- strengthening investor confidence;
- and improving profitability and the competitive positioning.

The intensity of CO<sub>2</sub> emissions is calculated from Sacyr's total emissions and its revenue. The trend in Sacyr's greenhouse gas emission intensity is shown in the following table

### SACYR'S GREENHOUSE GAS EMISSIONS INTENSITY

(305-4)

	2018	2019
Total Emissions (Gj)	528,369.78	486,619.80
Revenue (€ thousand)	3,795,717.00	4,169,467.00
GHG emissions intensity	0.14	0.12

At Sacyr's facilities the substances that affect the ozone layer are found in the air conditioning units, which are maintained in accordance with existing legislation. In addition, the working of this equipment is closely controlled, with the aim of minimising the chances of leaks.

In 2019, Sacyr emitted 0 tonnes of CFC11-2018 (trichlorofluoromethane) equivalent (as in 2018), as no R-22 gas leaks were recorded for the air conditioning units, with this being the only gas present in the company's equipment that has the potential to harm the ozone layer.

(305-6)

Sacyr's emissions of sulphur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) are caused by electricity consumption and increased by 439.35% in 2019 compared to the previous year. The trend in these emissions is shown in the following table:

### SACYR'S NO<sub>x</sub> AND SO<sub>x</sub> EMISSIONS\*

(305-7)

	electricity (tSO <sub>2</sub> )		electricity (tNO <sub>x</sub> )	
	2018	2019*	2018	2019*
CONSTRUCTION	1.82	14.34	1.3	9.32
SERVICES	39.01	230.08	27.82	149.62
INDUSTRIAL	4.37	19.86	3.11	12.92
CONCESSIONS	7.48	30.66	5.33	19.94
<b>TOTAL SACYR</b>	<b>52.68</b>	<b>294.94</b>	<b>37.57</b>	<b>191.80</b>

(\* ) The very significant rise in NO<sub>x</sub> and SO<sub>x</sub> emissions in 2019 with respect to 2018 is due to a change in the emission source associated with these pollutants.



## We obtained the “I REDUCE” stamp from the Ministry for Ecological Transition.

Sacyr renewed the registration of its carbon footprint for the fourth consecutive year at the Spanish Climate Change Office and we obtained the **I REDUCE** stamp for the first time.

This stamp aims to distinguish between these organisations that calculate their carbon footprint and are on the path to reducing their emissions and those that already reduce, as is our case.

In the activity that we carry on in Spain, in the 2016-2018 triennium CO<sub>2</sub> emissions fell by 7.34% on the emission intensity average with respect to the 2015-2017 triennium for scopes 1, 2 and 3, which caused us to receive this new acknowledgement.

Royal Decree 163/2014 created the Carbon Footprint, Compensation and Carbon Dioxide Absorption Projects Register.

Participation in the Register is completely voluntary.

## Noise pollution



Some activities carried on by Sacyr generate noise in the natural environment and also in the urban environment. In all these cases noise measurements are carried out in order to ascertain whether it is necessary to adopt mitigatory measures, in which case the most appropriate courses of action are established in each contract, and any legislation or regulations applicable are adhered to at all times.

Noise mitigation measures are also applied in areas in close proximity to nesting zones or areas inhabited by birds on project sites, mainly construction sites, as stipulated in environmental impact statements, in coordination with the environmental bodies concerned, and periodic monitoring is carried out to ascertain that the measures have been properly applied.



A common Titirijí, in Montes de María, Colombia



## Security for marine mammals during the performance of submarine demolitions.

In the construction project for the extension of the Langosteira A2-A3 dock and the improvement of the decalage at the new port facilities of Punta Langosteira (A Coruña), executed by UTE Muelle Langosteira, procedures were conducted to protect marine life during the demolition of submarines carried out during the performance of the work.

To minimise the impact on mammals, an action procedure has been defined, in accordance with that stipulated in the “Mammal Observer Manual for Off-Shore operations generating noise in Spanish waters (MAGRAMA 2014)”.

The protocol followed to execute the demolition of submarines was as follows:

1. Coastal monitoring for the sighting of cetaceans on a frequent basis during the first phases of execution and regardless of whether the commencement of the demolitions was subsequent.
2. The observations were made by qualified employees, a Marine Mammal Observer (MMO)
3. The exclusion radius was determined based on the submarine noise studies carried out previously.
4. Prior to the demolition, the MMO performs a visual inspection within the exclusion zone in search of cetaceans.

5. During the whole period of operations, cetaceans and turtles continue to be observed and, if they are sighted, activity is detained if danger is detected for the species.

Cetaceans are animals that use noises both to communicate among the members of a species or a herd and to eco-locate prey from which they feed or from the orographic characteristics that serve as orientation and to swim safely. For this reason, cetaceans are highly sensitive to the effects of artificial noise.

The demolitions prevented the period of birthing and rearing. This period varied depending on the species, although for most, and, in, particular, for the bottlenose dolphin, which was the species with the greatest possibility of being present in the area, it was deemed to be springtime and the beginning of the summer. Furthermore, a minimum exclusion zone was established to guarantee that the marine mammals were not affected.

During the explosions an on-site detection of mammals was conducted, together with the measurement of noise in the marine environment to determine the level of noise caused by the submarine demolition campaign. Furthermore, starting mechanisms were used with little energy to increase noise slowly and allow the animals to flee.

## Light pollution



In contracts with a light pollution impact on the surroundings, mitigatory measures are established for the proper maintenance of lighting units, with checks to ensure they are working properly, and lighting is applied with lower intensity and directed to the work place (instead of towards the sky). Whenever possible, measures are also established to reduce or turn off lighting.

Legislation concerning light pollution is also observed at all times.



Monitoring and control station on the ventilation systems of the Avenida de América's transportation hub. Madrid

## We joined the celebration of World Environment Day

On 5 June, at Sacyr, we joined the celebration of World Environment Day, devoted to the fight against atmospheric pollution.

To commemorate that day, we organised different acts in Mexico, Chile, Portugal, Peru, Colombia and Spain. The objective is to commit the whole organisation to the fight against climate change and to raise awareness regarding the importance of also adopting sustainable habits in our day-to-day lives.

In Spain, a symposium took place explaining the initiatives being implemented by Sacyr in different areas to reduce CO<sub>2</sub> emissions in the atmosphere. Sacyr's president ended the act with a speech that highlighted the commitment of our company in environmental matters.



Forestry plantation in Union del Sur, Rumichaca-Pasto, Colombia

Sacyr Peru carried out a campaign to plant trees known as “Plant a tree, give life”. It included the planting of 40 trees, 20 of the “Molle” variety outside the Villa María del Triunfo Sports Complex, headquarters of the 2019 Pan-American and Parapan-American Games, built by Sacyr Engineering and Infrastructures, and 10 of the “Ficus” variety at each of the Menocucho and Ciudad de Dios toll booths on Tranche 2 of the Carretera Longitudinal de la Sierra, a concession awarded to Sacyr Concessions.

The objective of this procedure was to increase biodiversity in the areas involved by planting vegetable species, located on the outskirts of the sites run by Sacyr, integrating them into the habitat's landscape. As part of this initiative, Sacyr contributes to the attainment of Goal 15 of the UN's

Sustainable Development Goals (SDG), adopting measures to reduce and mitigate the impact on natural habitats.

Mexico, Chile, Portugal and Colombia also celebrated this day with different events.

In many of them, plants were delivered, as in Spain, and bags of materials, as in Chile, with the slogan “Sacyr - We are committed to sustainable progress”.

We can enjoy a planet free from pollution and, therefore, a more healthy planet, since at Sacyr we are committed to taking care of the environment, improving waste management, water management, promoting the circular economy, combating climate change and protecting biodiversity.

## 5.2. Water

Water, a present asset that constitutes the strategy of the future

The cross-cutting nature of water makes it a fundamental resource for sustainable development at the economic, social and environmental levels.

For Sacyr, water is a scarce, irreplaceable and indispensable resource for life and for the performance of our activities. Water is affected by climate change. Hence, Sacyr's water management strategy takes into account the availability of the resource, its quality, and the balance of the ecosystems in which Sacyr operates, so as to adopt sustainable consumption practices for this limited natural resource.

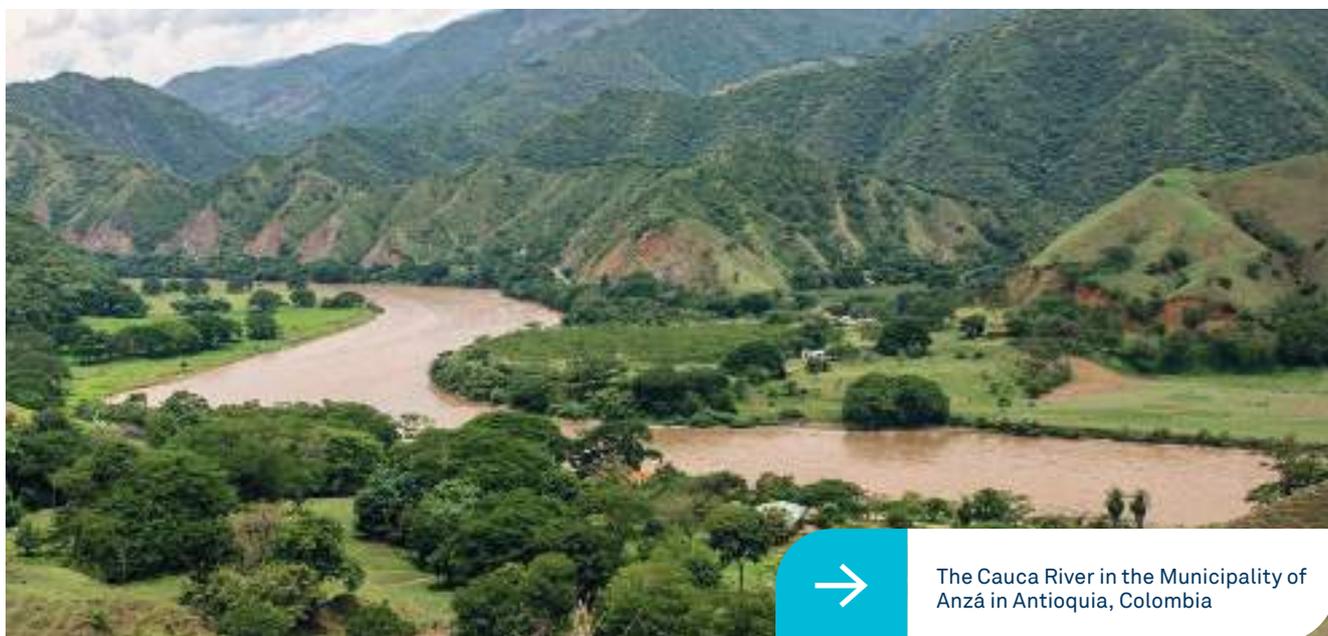
(103-1) (103-2) (103-3) (303-1) (303-3)

In addition, all Sacyr Agua facilities support efficient energy consumption and the use of renewable energy for water production, thus reducing the CO<sub>2</sub> footprint of related activities.

Care for and conservation of this resource cannot be imposed from outside, but must emerge from within the company's human resources.

**Efficiently managing water resources**, prioritising the **reduction** in consumption and the use of **reused** and **recycled** water in the performance of activities guarantees the future **availability** of this resource

Sacyr's water consumption by source and business area, in the last two years, is shown below:



The Cauca River in the Municipality of Anzá in Antioquia, Colombia

**WATER USE BY SOURCE AND BUSINESS**

(303-1)

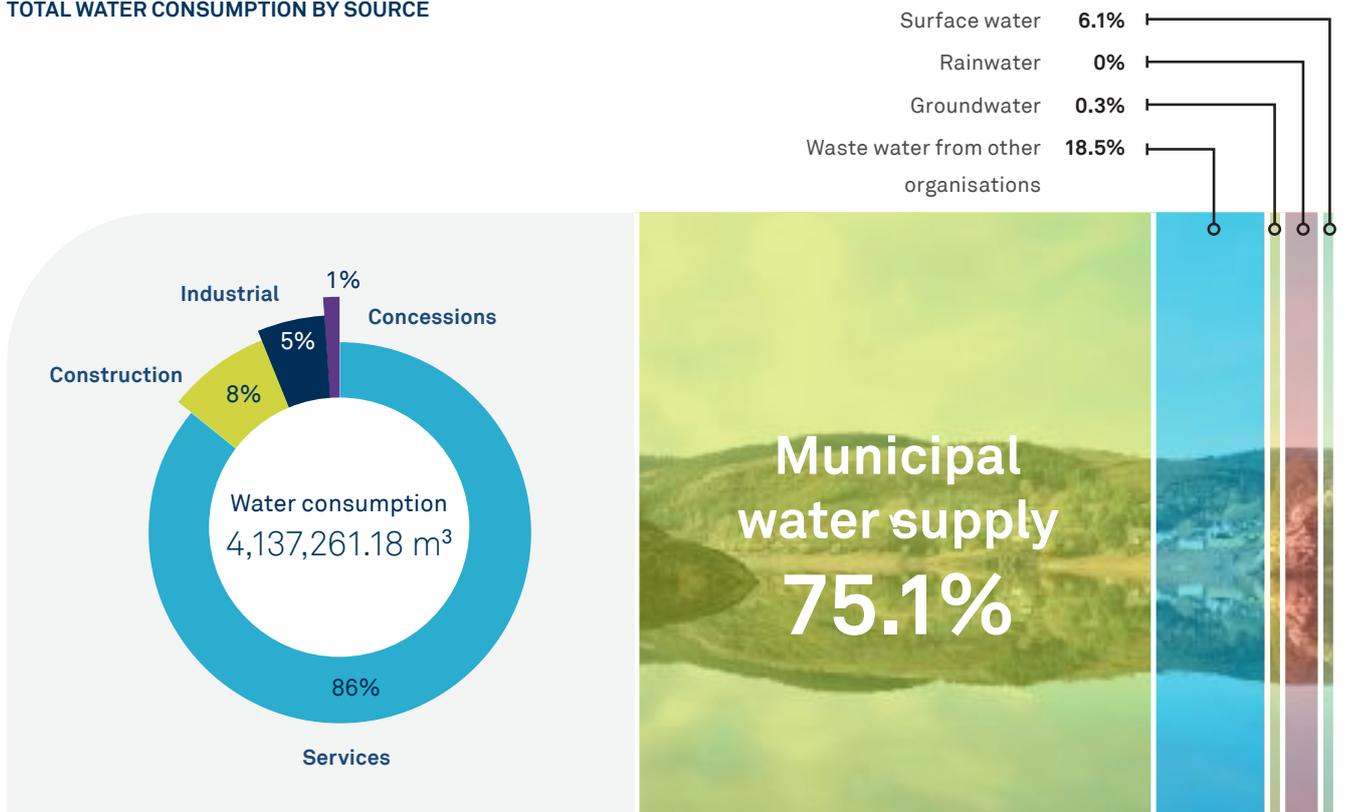
<b>WATER USE BY SOURCE TYPE</b>		
	<b>2018</b>	<b>2019</b>
Surface water	232,448.68	254,035.93
Municipal water supply	2,471,773.05	3,106,275.53
Groundwater	83,050.50	10,552.18
Waste water from other organisations	743,140.95	766,397.54
<b>TOTAL SACYR</b>	<b>3,530,413.17</b>	<b>4,137,261.18</b>

<b>TOTAL WATER CONSUMPTION (m<sup>3</sup>)</b>		
	<b>2018</b>	<b>2019</b>
CONSTRUCTION	262,658.71	313,751.87
SERVICES	2,999,826.31	3,580,102.26
INDUSTRIAL	211,976.46	199,698.66
CONCESSIONS	55,951.70	43,708.38
<b>TOTAL</b>	<b>3,530,413.17</b>	<b>4,137,261.18</b>

NOTE: data exclude intakes from water treatment plants operated by Sacyr Agua.

**TOTAL WATER CONSUMPTION BY SOURCE**



Sacyr continues to increase the use of reused and recycled water in its processes, thereby reducing the impact of water withdrawal on the environment. In 2019, the volume of recycled and reused water consumed was 766,397.54 m<sup>3</sup> (743,140.95 m<sup>3</sup> in 2018), representing 18.52% of total consumption, 17.18% more than the previous year.

(303-3)

In addition, Sacyr Water treated 45 million m<sup>3</sup>/day at its treatment plants in 2019.

In 2019 we avoided the consumption of **766,397m<sup>3</sup>** of **drinking water**, prioritising the use of **recycled water**.



## We all participate in the water saving challenge

Coinciding with World Water Day on 22 March, at Sacyr we implemented awareness-raising and sensitisation initiatives regarding the rational responsible use of this scant natural resource, essential for life and to carry out the immense majority of economic activities.

In the Puerta de Hierro – Palmar de Varela and Carreto Cruz del Viso project in Colombia a sensitisation activity was implemented through stickers with messages regarding the care and saving of water, in visible places in which the water resource is used, to be able to transmit a message of responsibility regarding this limited resource for a prolonged period of time and on a very specific basis. This message focused on the consumption at offices and rooms of the camp.

This same initiative was performed at Sacyr's different offices.

Sacyr does not carry out water withdrawals that affect water sources, because, before doing so, it requests permission from the relevant bodies in each country, which establish and authorise the permitted volumes, thus ensuring that it does not affect either the water resources and related habitats, or the needs of the local population. In addition, the bodies that grant this authorisation undertake monitoring and control to ensure compliance with the conditions set.

(306-5)

Most of Sacyr's activities generate liquid effluents, and disposal quality is guaranteed because it has water quality measurement systems at its treatment plants to ensure that water is returned to nature in the proper conditions, meeting the requirements of environmental legislation at all times and reducing the risk of pollution in disposal through preventive control tools.

Sacyr also has emergency plans and protocols available to provide a suitable and rapid response in case of a discharge or spill which has a negative impact on the external environment:

- Transparency of information and close collaboration with the relevant bodies until the incident is resolved.
- Subsequent analysis of the reason for the discharge or spill.
- Adoption of the appropriate preventive measures to reduce the chances of a reoccurrence.

Sacyr implements its technology of water treatment, purification and desalination in all parts of the globe, and in that way contributes to the sustainable development of the water sector.

In 2019, the total volume of Sacyr's discharges was 23,341,082.15 m<sup>3</sup> (11,423,084.84 m<sup>3</sup> in 2018). Of this volume, slightly more than 98.89% corresponds to brine from the seawater desalination process (23,082,173.05 m<sup>3</sup>, in total 11,213,884.00 m<sup>3</sup> in 2018) from the desalination plants. (306-1)

Brines from desalination plants are discharged in accordance with the project's environmental impact statements, which generally include prior dilution, discharge through diffusers for rapid mixing and rigorous environmental tracking to ensure there are no significant impacts on the marine environment.

**Preventing water pollution,** minimising the alteration of its quality and reducing discharges ensure **environmental conservation** and biodiversity.

**EFFLUENTS\***

(306-1)

	2018	2019
Effluents (m <sup>3</sup> )	11,423,084.84	23,341,082.15

(\*) The significant rise in discharges in 2019 with respect to 2018 is due to the entry into operation of the desalination plant in Oman.

No incidents involving liquid effluents generated by the organisation causing significant damage to water bodies and related habitats were recorded at Sacyr in 2019 (none in 2018).

(306-5)

Desalination and the reuse of water are already **essential** to supply water to the population and for other uses such as agriculture and industry, since it is an increasingly **scarce resource**.

**Sacyr Water is aimed at this reality, providing latest generation engineering applied to the treatment and management of water**



Sewage treatment plant in Navia, Asturias. Spain



Sohar desalination plant. Oman

## Sacyr is among the largest ten companies in the world in desalination

Sacyr Water is among the **ten largest companies in the world** by capacity of desalted water contracted, per the IDA ranking. It has designed and built over 100 facilities with a total daily output of 2.15 million m<sup>3</sup>; with our desalters there is a storage capacity for 14 million people a day.

Sacyr Water's leadership is based on solid experience, in line with progressive sustainable growth from small projects to the largest ones and a "know-how" boosted by innovation.

### THE HEART OF INNOVATION

The heart of Sacyr Water's innovation can be found in Murcia, where its carries out its water innovation projects and various pilot plants are developed to demonstrate its progress. Its offers include innovative solutions that it submits to the approval of its customers, as a prior step to their implementation on a real scale.

In short, innovation is a differentiating element of the whole of the Sacyr Group and acquires special significance at Sacyr Water, where each new project always provides a certain item from the R&D&i team.

Some of the most significant innovative projects are those related with brine, the recycling of membranes, the treatment of smells, the elimination of nitrogen, virtual and augmented reality projects as well as a submarine drone.

In collaboration with Universidad Politécnica de Cartagena, Universidad de Almería and with irrigation cooperatives, it is currently carrying out the Life Deseacrop project, which examines the benefits of desalted water for agriculture (productivity, quality, soil improvement, etc.). The project will compare the productivity and performance of tomato crops, the area's main product, using desalted water and different mixtures of it with water from wells. Furthermore, the conventional crop system will be compared with the hydroponic crop, which uses mineral solutions instead of agricultural land.



Vía Parque Isla de Salamanca National Park (Colombia)

## Water rehabilitation at the Vía Parque Isla de Salamanca National Park (Colombia)

Sacyr Construction at the head of the SES Puente Magdalena Consortium was the company in charge of executing the “CONSTRUCTION OF THE ROAD INFRASTRUCTURE WORKS FOR THE INTEGRAL SOLUTION OF THE CROSSING OVER THE MAGDALENA RIVER IN BARRANQUILLA”. In this project, it was necessary to implement a compensation plan, to rectify the impacts generated by the change in use of the land used in construction activities.

The compensation activities were executed at the Vía Parque Isla Salamanca - VIPIS National Park, which is characterised by having a mangrove swamp ecosystem with secondary vegetation in the process of ecological succession. This ecosystem is classified as being important to conserve fauna; however, it had a high degree of alteration as a result of the sedimentation of feeder spouts, which fulfilled the functions of taking fresh oxygenated water to the inside of these ecosystems, and it was causing land to be infertile in respect of the spreading of new seedlings as well as causing adult trees to die.

Accordingly, the main objective was that the compensation plan would focus on the water rehabilitation of these spouts, to recover the salinity parameters and, subsequently, sow seedlings to favour ecological restoration.

### WATER REHABILITATION

Seven spouts are being recovered, which presented a process of sedimentation on a manual basis, taking into account that, in this way, the impact in the areas involved was very low. Currently, the progress in recovering all of the spouts was 76%.

### PRODUCTION OF SEEDLINGS.

In order to produce seedlings that will be sown to aid ecological restoration, a provisional nursery was built, with a production capacity for 70,000 seedlings, and it currently has 50,000 seedlings in optimum conditions. It is expected that these seedlings will reach an ideal height to be sown in May, a month which coincides with the rainy season in the region.



### Our volunteers help to access drinking water in Huancavelica (Peru)

Through the Sacyr Foundation and together with the NGO Action Aid, Sacyr Peru participated in the international volunteer programme for the delivery of drinking water filters, which took place last summer.

Colleagues of Sacyr Peru worked together with other volunteers in the delivery of drinking water filters in the Department of Huancavelica (Perú), thereby helping populations in extreme poverty, where access to this resource fundamental to life is around 5%.

With this initiative we ensured that over 1,400 people could access over 2,000 litres of drinking water a day. To achieve this, our volunteers delivered 90 water filters to 50 families from the Chilcapite, Choclococha, Incapacchan, Cuicha, Ayahuasan, Pomacocho, Cusicancha Yanacocho, Huayllapampa and Huillhuecc communities in the district of Pomacocho, in the province of Acobamba.

The programme also offered informative practical workshops on the use, maintenance and responsibilities with the filters. Thanks to these, such families can purify 99.99% of any type of water that contains bacteria, protozoan or cysts, organic material or colour.

With this initiative, Sacyr contributes to Objective 6 of the UN's Sustainable Development Goals (ODS), Clean Water and Sanitation, conducting procedures that contribute to ensuring that drinking water is safe and accessible universally, one of whose main goals is to extend the supply of "clean water and sanitation" to everybody.

### The extension of the Santa Cruz de Tenerife desalination plant will enable water to be released for irrigation.

The works to extend the Santa Cruz de Tenerife Seawater Desalination Plant (EDAM) will enable around 1,800,000 cubic meters of the flow to be released from tunnels and wells to use it for agricultural irrigation, responding to one of the main demands of the sector on the island. The extension project is part of the agreement entered into between Santa Cruz de Tenerife Municipal Council and Sacyr, the main shareholder of Empresa Mixta de Aguas de Santa Cruz de Tenerife, S.A. (Emmasa).

With the extension of the desalination plant, 28,800 cubic meters can be desalted daily, an increase of 37% on water production arising from desalting, and the desalted water consumption of the capital of Tenerife will rise from 45% to 67%.

The pledge for desalted water production is one of the main lines of action with which Emmasa works, which has managed to free approximately 6,500,000 cubic meters of water from tunnels and wells in the last four years.

With this initiative, Emmasa will contribute to reducing the scarceness of water on the island and it also expects to improve efficiency in the use of resources, both of water which is captured from the sea and the energy required for production. ([SASB\\_IF-EN-410a.2.](#))



→ Santa Cruz de Tenerife seawater desalination plant

## 5.3. Biodiversity

The conservation and sustainable use of biodiversity are key elements at Sacyr to move towards a green economy model and secure the future of the planet.

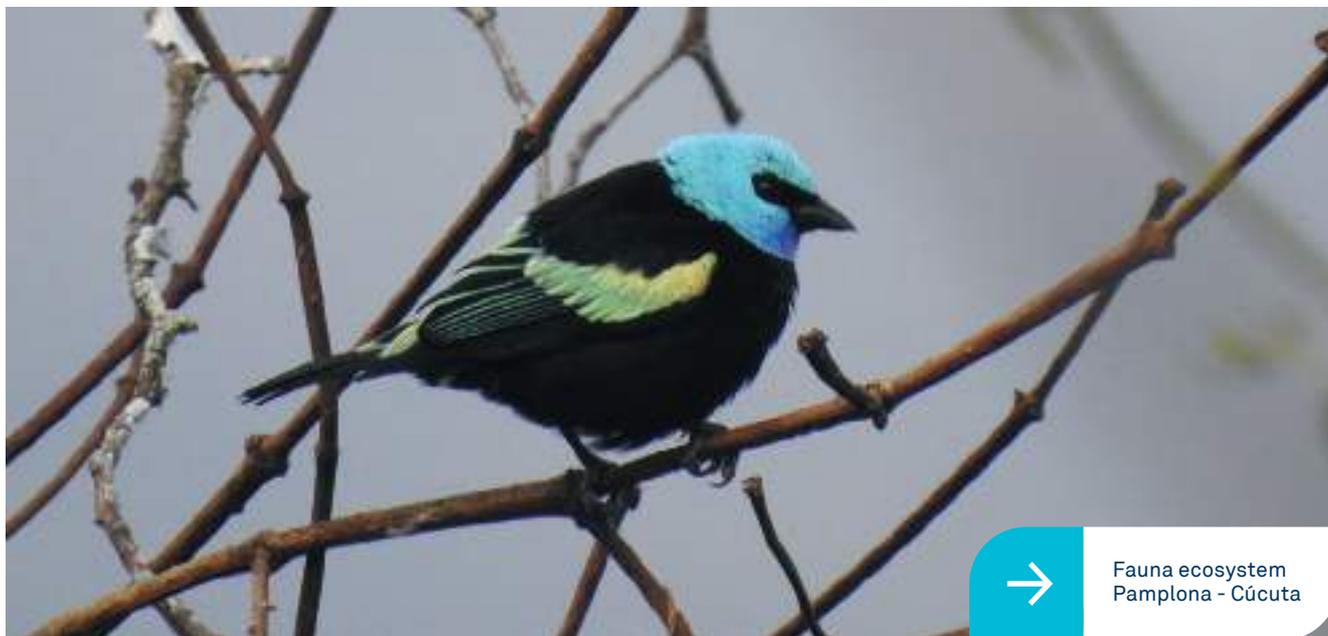
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Biodiversity is key to human existence and, used sustainably, is a limitless source of resources and services. For this reason, biodiversity conservation is a key element in Sacyr's decision-making process. We set targets that ensure responsible management of natural capital in the performance of our activities.

The protection of biodiversity is a responsibility that Sacyr approaches from a global perspective and with an integrative approach. Its principles of action are aimed at conserving and making sustainable use of biological diversity and natural capital, protecting plant life and wildlife and their habitat, carrying out initiatives to balance and restore natural heritage, while encouraging training in responsible practices with land ecosystems

and knowledge and awareness of biodiversity in order to conserve and protect it.

**Biodiversity** conservation and the maintenance and restoration of **ecosystems** are relevant in the fight against **climate change**



Fauna ecosystem  
Pamplona - Cúcuta

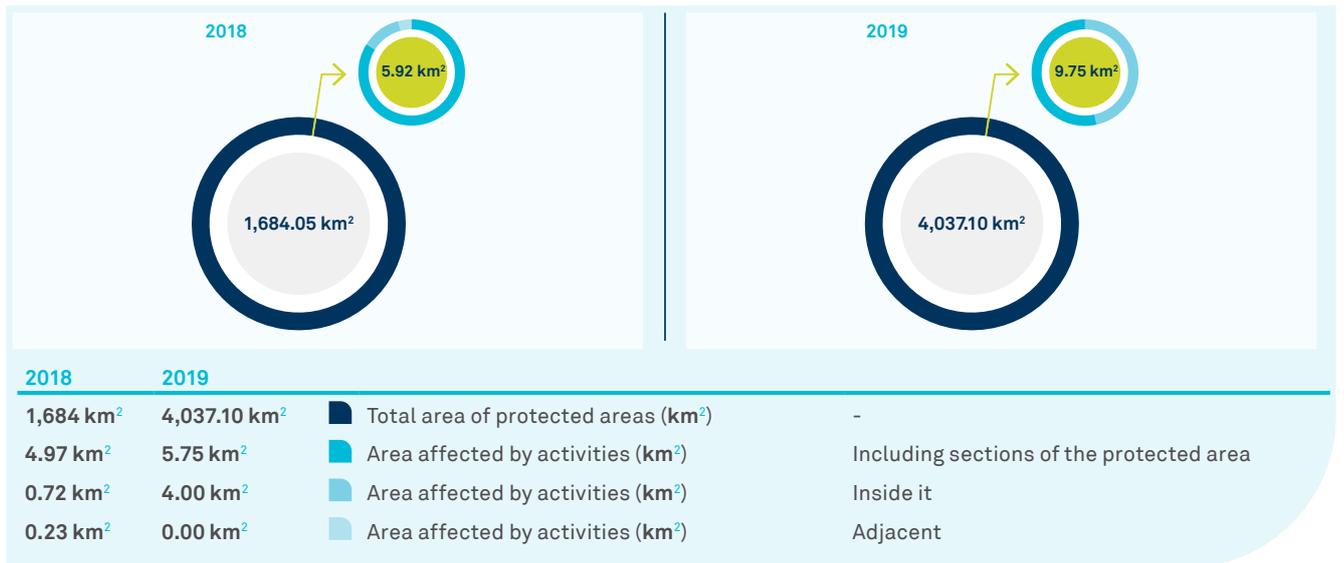
Sacyr's working framework is the mitigation hierarchy, which allows us to identify the impacts expected for projects from an environmental and social standpoint and help prevent them, avoid potential impacts, minimise those that cannot be avoided and, finally, carry out measures to restore and compensate for any effects caused.

The activities that Sacyr carries out require the use of land, either on a temporary or permanent basis. In addition, the occupation of this land may take place within a protected area, of high biodiversity value, in the area of influence of them, or outside such areas altogether. The breakdown of data for 2018 and 2019 is shown below:

		2018	2019
	Total surface of protected areas (km <sup>2</sup> )	1,684.05	4,037.10
Area affected by business activities (km <sup>2</sup> )	Interior	0.72	4.00
	Adjacent	0.23	0.00
	Including sections of the protected area	4.97	5.75
	<b>Total affected area</b>	<b>5.92</b>	<b>9.75</b>

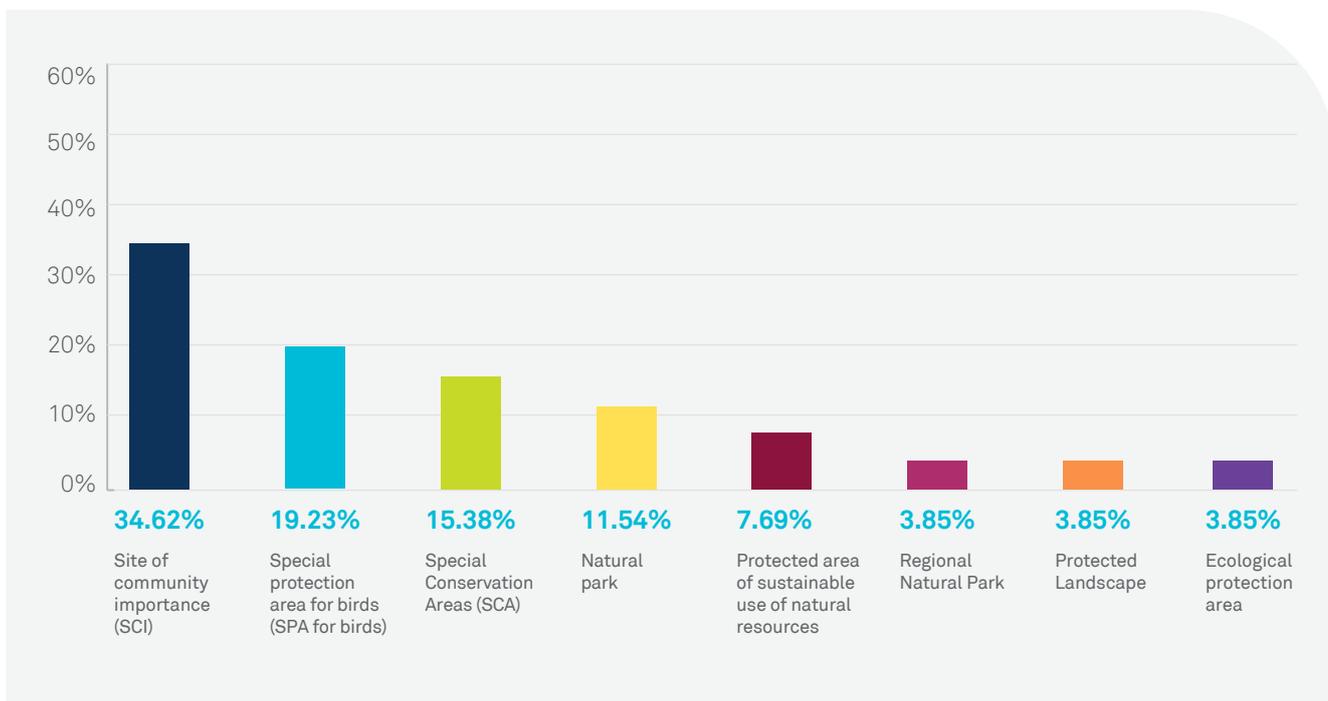
**OPERATIONAL CENTRES OWNED, LEASED OR MANAGED INSIDE OR NEXT TO PROTECTED AREAS OR AREAS OF CONSIDERABLE IMPORTANCE IN TERMS OF BIODIVERSITY OUTSIDE PROTECTED AREAS**

(304-1)



In 2019, Sacyr identified a total of 18 protected areas<sup>2</sup>, an increase from 13 the previous year, where it carried out activities at several locations (inside, adjacent to or including sections of the protected area). Of these areas, 9 are Sites of Community Interest (SCI) (7 in 2018), 5 are Special Protection Areas for Birds (SPA) (4 in 2018), 4 are Special Conservation Areas (SCA) (same as in 2018) and the rest are under other protection rules (Natural Park, Protected Area for the sustainable use of natural resources, Protected Landscape, Regional Natural Park and Ecological Protection Area). (304-1)

<sup>2</sup> One same protected area may be under more than one protection rule (SCI, SAC, SPA, etc.) A total of 18 protected areas were identified (13 in 2018) under 26 protection rules (19 in 2018).



The identified protected areas are in Spain (Isla de La Palma, Jaén, Valencia, Alicante, Asturias, Cantabria and Zaragoza) and in Colombia (Nariño, Bolívar and Antioquía). Most are land ecosystems, except in Jaén and Alicante, which are aquatic ecosystems. In these areas, construction, road conservation, integral water cycle management, maintenance and operation of water treatment plants and electricity generation activities were carried out.

The company has also carried out activities in areas containing some protected species (on international, national or regional lists). In total, in 2019, activities

were carried out in the habitat of 1,081 species<sup>3</sup> (394 in 2018), with the following degrees of protection: 6 critically endangered (7 in 2018), 28 endangered (25 in 2018), 49 vulnerable (53 in 2018), 21 near threatened (28 in 2018), 401 of minor concern (271 in 2018), 2 of Community interest (2 in 2018), 3 of special protection (2 in 2018), 564 closed (no data in 2018), 5 of special interest (4 in 2018) and 2 of interest to Canarian ecosystems (2 in 2018). Preventive measures were taken on all projects to minimise impacts on these species.

(304-4)

<sup>3</sup> Some species may be classified with a different level of protection, depending on the location of their habitat.

**SPECIES ON THE IUCN RED LIST AND ON NATIONAL CONSERVATION LISTS WHOSE HABITATS ARE LOCATED IN AREAS AFFECTED BY OPERATIONS**

(304-4)

Degree of protection	N° OF SPECIES			Location
	IUCN Red List	National lists	Regional lists	
<b>YEAR</b>				<b>2019</b>
Critically endangered (CR)	3	2	1	Colombia: Barranquilla, Bolívar, Spain: Huesca, La Palma Island, Jaén
Endangered (EN)	7	18	3	Colombia: Antioquía, Barranquilla, Bolívar, Chile: Copiapó. Spain: Asturias, Huesca, La Palma Island, Jaén, Zaragoza
Vulnerable (VU)	17	21	11	Colombia: Antioquía, Barranquilla, Bolívar, Chile: Copiapó. Spain: Asturias, Huesca, La Palma Island, Jaén, Lugo, Zaragoza
Near threatened (NT)	19	2	-	Colombia: Antioquía, Barranquilla, Bolívar, Chile: Copiapó. Spain: Asturias, Cantabria, Huesca, La Palma Island, Zaragoza
Least concern (LC)	397	3	1	Colombia: Atlántico, Bolívar, Nariño, Norte de Santander, Antioquía Chile: Copiapó United States: Florida North Ireland: Dungiven Spain: Alicante, Asturias, Cádiz, Huesca, Jaén, Lugo, Zaragoza
Special interest	-	3	2	Spain: Huesca, Lugo, Jaén
Community importance	-	2	-	Spain: Jaén
Veda	-	562	2	Colombia: Nariño, Norte de Santander, Amazonas, Antioquía
Special protection	-	-	3	Spain: Cádiz, La Palma Island
Of interest to the Canary Island ecosystems	-	-	2	Spain: La Palma Island



Species conservation and recovery plans are a priority in all our projects. They aim to conserve existing flora and fauna and improve the populations of species and their habitats, while compensating for environmental disturbances caused by activities.

Actions carried out within these plans include:

- Transplantation and replanting of plant life
- Improving the connectivity of local communities using ecological corridors
- Tracking reports on the status of species
- Signing of partnership agreements with relevant bodies for conservation of species and implementation of pilot captive-breeding plans
- Environmental education workshops aimed at raising awareness of the need to preserve wildlife and flora
- Restoration
- Compilation of inventories of affected species and areas of distribution.
- Research on areas likely to host new populations and relocations.
- Detection, rescue and relocation of wildlife.



Wildlife Survey  
Pamplona, Colombia



## HANDLING OF WILDLIFE FAUNA – Pamplona Cúcuta project, Colombia

Sacyr Construcción Colombia SAS developed a construction project for the second carriageway between Pamplona and Cúcuta (Norte de Santander), the building of two tunnels (one bidirectional in the FU1 and another unidirectional in the FU-3) and its evacuation tunnels and the maintenance of the existing road. The project has a functional unit, which will be reenabled and five functional units where the Pamplona - Cúcuta dual carriageway will be built, for which the project has an environmental licence granted by the National Environmental Licence Authority – ANLA.

As a measure to minimise the effects on wildlife associated with ecosystems of the project's catchment area, beforehand, during the forestry exploitation and the construction activity, the

procedure for the banishing, rescue, transfer and relocation of wildlife was executed.

The banishing of fauna generates alerts, leading to the displacement by their own means, of those wild animals that may have taken refuge or are in transit through the area to be intervened. These alerts may be: auditive, mechanical, olfactory and visual. 166 days of banishing were executed in FU1 and 161 days in FU2.

The recovery of wild fauna includes recovery via live capture, rescuing individuals from those species that still persist on-site following the execution of banishing techniques. The rescued species are relocated and freed as quickly as possible, into strategic conservation areas, where they can continue their life cycles normally.



Orchids on the Pamplona-Cúcuta route, Colombia

## “RESCUE, TRANSFER AND RELOCATION OF PROTECTED PLANT SPECIES” – Pamplona Cúcuta Project, Colombia

The “Pamplona – Cúcuta” concession project develops the construction of a double carriageway in the Norte de Santander department and notifies the municipalities of Pamplona and Cúcuta. It is found in an area with protected vegetable species, with a significant ecological importance.

To execute these works, the presence of national protected species such as epiphytical plants (bromeliad and orchids) was identified, together with individual walnut trees (*Juglans neotropica*). Furthermore, on being forestry species of a native ecological importance or with a certain degree of threat, they have the capacity to serve as food, refuge and/or protection to a wide variety of animals. Likewise, approximately 10% of the total plant diversity existing in the world is represented.

2384 individual natural protected species or species with some category of threat were rescued, transferred and relocated in Functional Units 1, 2 and 6, as follows: at FU1 998 individual species belonging to the bromeliad and orchid family were rescued, transferred and relocated, together with 3 individual species in a sapling state of *Juglans neotropica* and 8 individual species of *Oreopanax garganta*, which is endemic in the area. For FU2, 1323 individual species of orchids and bromeliad were rescued and for the FU6 52 bromeliad species were rescued.

All individual species were relocated in areas with life characteristics similar to those that were rescued to guarantee their establishment and survival. Furthermore, frequent maintenance, irrigation, pruning and fertilising activities are performed to ensure the adaptation and life of these species.

The performance of our contracts may impact biodiversity as a result of occupying, altering and fragmenting the habitat. Sacyr always takes all preventive, mitigatory and corrective measures necessary to reduce any possible impacts. In 2019, the most significant effects were the alteration/destruction of habitats, effects on wildlife and flora, and loss of plant cover. Measures adopted included maintenance of wildlife crossings, reforestation of felled species and circulation of vehicles at moderate speeds (as in 2018). (304-2)

**SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY**

(304-2)

Impacts	Protective measures
<ul style="list-style-type: none"> <li>Wildlife smashes due to the use of transport infrastructure</li> <li>Habitat destruction by creation of the dam basin</li> <li>Habitat alteration and reproductive disorders</li> <li>Impact on wildlife through habitat fragmentation</li> <li>Impact on wildlife due to loss of plant cover</li> <li>Population decline</li> <li>Wildlife conservation through construction of wildlife passages</li> </ul>	<ul style="list-style-type: none"> <li>Vehicles moving at a moderate speed</li> <li>Monitoring of fauna populations, specific surveys of use of territory.</li> <li>Maintenance of routes used by fauna.</li> <li>Wild fauna found within the area of influence of company activities scared off, rescued and relocated.</li> <li>Protection of areas in proximity to activities in order to prevent any alteration of vegetation.</li> <li>Transplanting of flora species to nurseries to be reused for project integration.</li> <li>Transfer of flora species to adjoining areas unaffected by work.</li> <li>Reforestation of felled species.</li> <li>Monitoring plan for relocated flora and forest management plan.</li> <li>Collection of seeds, experimental sowing and monitoring of germination/propagation rate etc. for sowing on completion of the project.</li> </ul>

Activities generating impacts took place in an area of 99.998 km<sup>2</sup> (28.316 km<sup>2</sup> in 2018), where individuals belonging to 1,020 different species are present (332 in 2018). The majority of impacts are direct and reversible. Moreover, their duration is associated with the activity itself, and is in no way significant.

(304-2)

In 2019, protection measures were implemented for 1,020 species

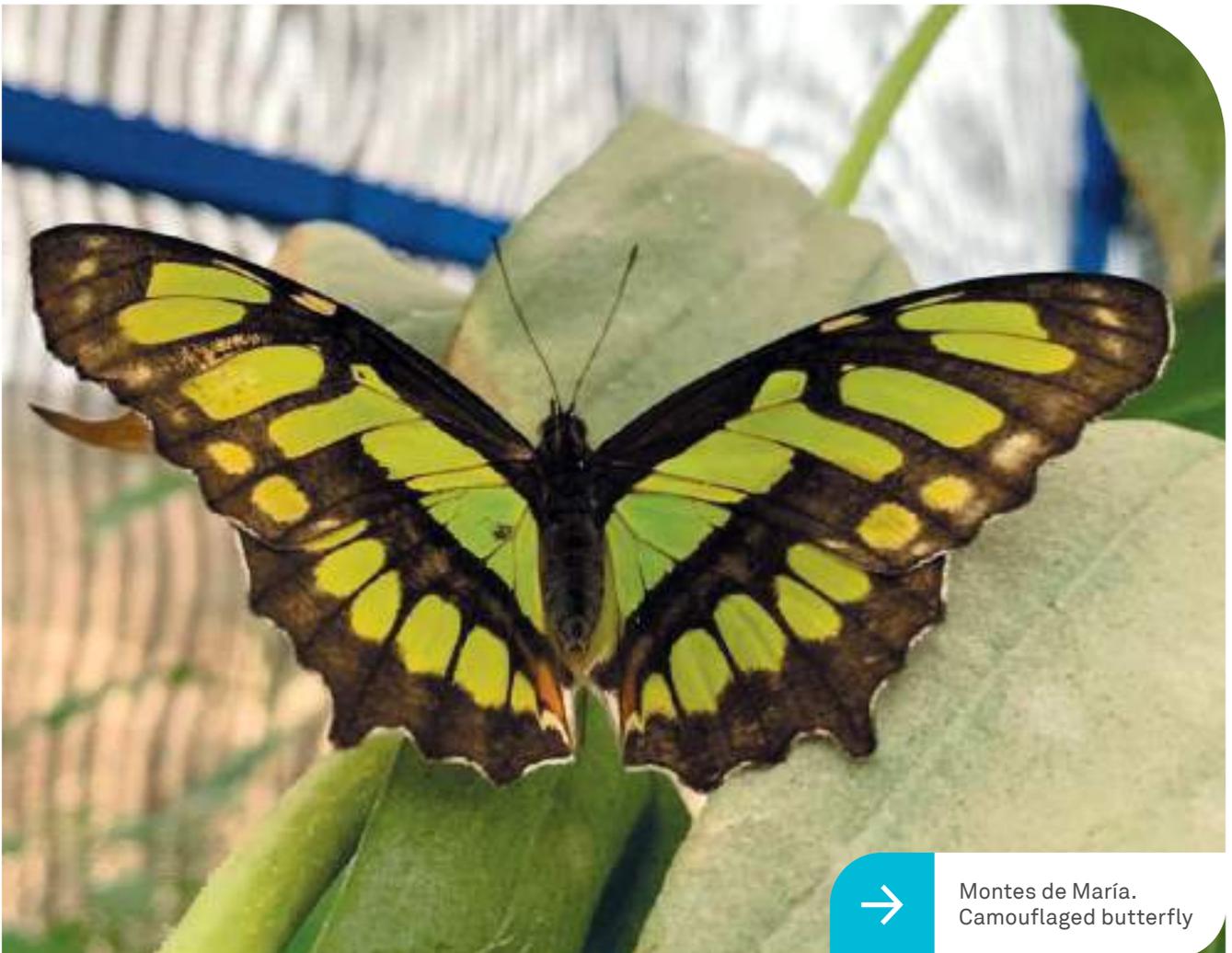
At Sacyr we promote ecological restoration actions to mitigate the impacts of our contract performance. If there is a definite restoration project, the guidelines set for it are followed; where no such project exists, the specific restoration actions that have the most

potential for success under the contract are studied and developed.

In both cases, the measures compensate for the environmental impact the activities could have caused. These actions typically involve environmental restoration, with the aim of integrating the structure with the landscape, restoring vegetation cover, restoring temporarily occupied areas, etc.

In 2019, a total of 129.83 hectares (0.704 were protected in 2018) of the total area affected by our activities in Colombia and Qatar were restored. 15.38% of the restoration actions were verified by independent external professionals. In all cases, the results of the restoration measures were considered satisfactory.

(304-3)



Montes de María.  
Camouflaged butterfly

### “Maria Paola” butterfly house in the Puerta de Hierro project, Colombia

At the facilities of the construction company, the “Maria Paola” butterfly house was inaugurated, which aims to present and illustrate the diversity of butterfly species in the area to the project's employees, from species such as Anteos, Morpho peleides to Caligo memnon.

After several months of work, the butterfly house opened to the public, led by the project's environmental area, at which 120 butterflies can be observed from over 10 typical species in the region. Hence, visitors can learn of the stages of the evolution of the species, beginning in a pupa or bud until its transformation into a beautiful butterfly and differentiating the type of butterfly from each pupa.

Aside from observing the metamorphosis of these insects, the butterfly house is a space to enjoy nature in times of leisure.

This initiative evidences the involvement of all the project's collaborators to emphasise the ecological importance of these nature pollinators on our climate and on our ecosystem.

The Puerta de Hierro project has a space to appreciate the natural beauty of the Colombian Caribbean and to enjoy the region's biodiversity.

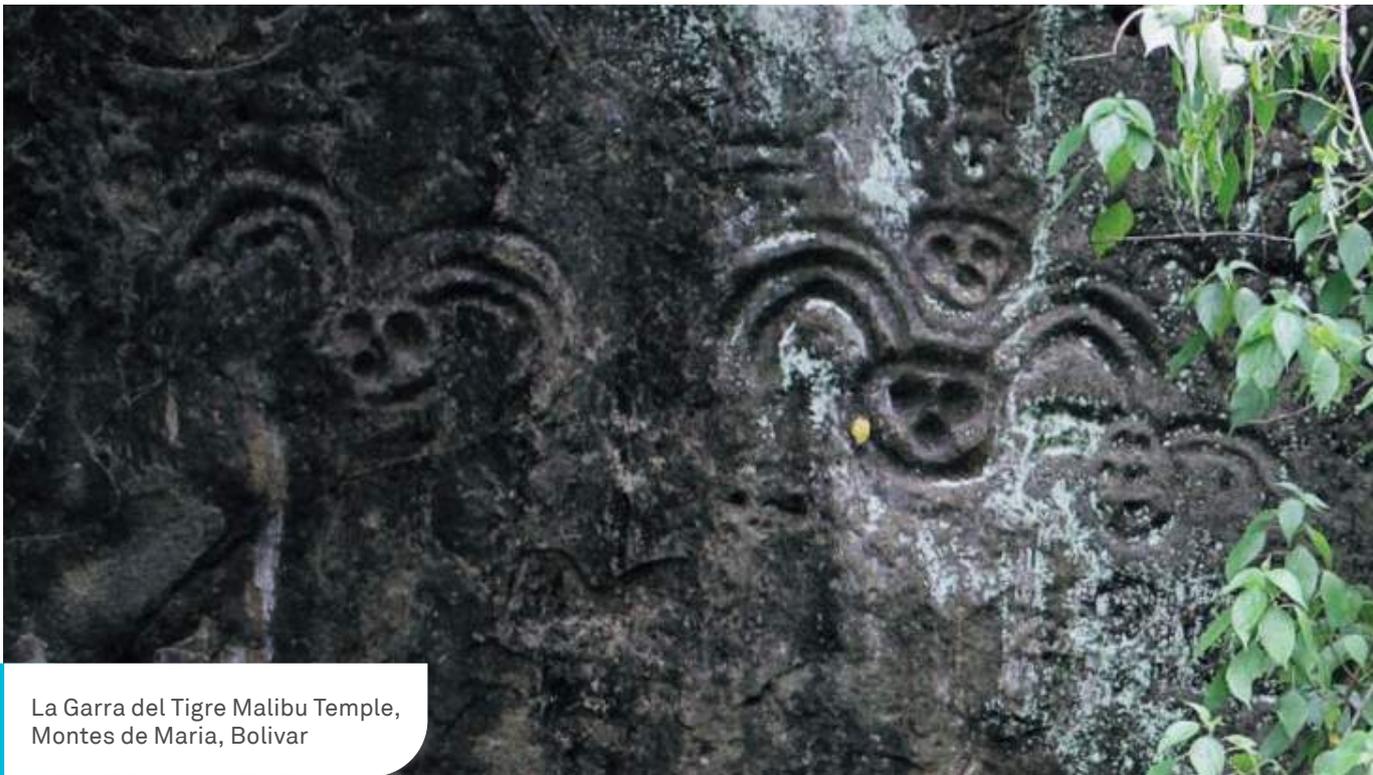
## Initiatives to promote the conservation of the tropical dry forest ecosystem in the catchment area of the Puerta de Hierro - Palmar de Varela y Carreto - Cruz de Viso project

Since 2015, Concesionaria Vial Montes de María S.A.S, a company forming part of Sacyr Concessions, has been working on the “Puerta de Hierro - Palmar de Varela y Carreto - Cruz de Viso” project, whose objective is to improve, operate and maintain the Puerta de Hierro-Palmar de Varela y Carreto - Cruz de Viso highway corridor. The Concessionaire is committed to conserving ecosystems; accordingly, it advances a series of actions aimed at preserving the tropical dry forest and the wildlife species that form part of the habitat.

### ECOLOGICAL REHABILITATION AT THE EL SONGÓ ESTATE

In accordance with the requirements set forth in each resolution issued by the Forest, Biodiversity and Ecosystem Services Department of the Environment and Sustainable Development Ministry and in order to generate habitats for the colonisation of non-vascular epiphytes, a rehabilitation programme

was implemented at the El Songo estate, in an area of 4 ha, through the plantation of native species of ecological importance in run-down areas. Assisted natural regeneration (ANR) techniques were implemented, a restoration method whereby run-down land was converted into more productive forests. This technique sought to accelerate the natural regeneration process, minimising the barriers that prevented succession, such as soil degradation and competence with other species. The activities that include ANR implementation are the selection of species of ecological interest present in the area and, once the individuals have been identified, the surrounding vegetation is eliminated. Subsequently, nucleuses are established comprising three individual species of ephemeral helophytes and 1 individual species of evergreen helophytes for a total of 50 nucleuses per hectare and 685 individual species recovered on-site.



La Garra del Tigre Malibu Temple,  
Montes de María, Bolívar

#### RESCUE AND TRANSFER OF EPIPHYTE FLORA

As a measure to guarantee the survival of these species, the project's environmental management plan includes rescue and relocation measures for vascular epiphytes, such as orchids and bromeliads, established in the phorophyte trees that will be subject to forest exploitation.

To date, 4,963 epiphytes have been rescued: 3,182 individual species in FU 1 and 375 individual species in FU 2 and 3. For relocation, places were chosen with similar characteristics to the place of origin of the rescued flora to guarantee the adaptation and survival of individual species.

#### PROTECTION OF FAUNA.

The relocation need arises from the risk of collision throughout the corridor. At the construction work

site, for example, a species of sloth (*Choloepus Hoffmanni*) was found. As complementary measures in favour of animal protection, road safety campaigns are implemented for road users regarding the importance of wildlife species and their conservation, mainly in themes related with high death rates, collision rates and the illegal trafficking of wildlife. As agents of change also with regard to biodiversity in the region, these campaigns also invite road users to reduce their consumption of resources, especially plastic, as a measure of great importance to protect the native wildlife of tropical dry forests. Two wildlife crossings are located in the surroundings of the PNN Los Colorados, whose objective is to prevent that animals that cross frequently make use of the road.



## Initiatives to promote the conservation of the tropical dry forest ecosystem in the catchment area of the Puerta de Hierro - Palmar de Varela y Carreto - Cruz de Viso project

### FOREST OFFSETS

In line with the Colombian legislation regarding forest exploitation, in 2019, Concesionaria Vial Montes de María brought forward forest compensation activities to comply with the resolutions issued by the environmental authorities. It planted 146,725 native tropical dry forest plants to offset the forest exploitation required and inherent to the building and improvement of the road corridor. This figure represents 90% of progress for this activity.

### ECOLOGICAL CONNECTIVITY

Within the framework of its environmental commitment, Concesionaria Vial Montes de María is linked to the ecological connectivity project executed by the Los Colorados Wildlife Sanctuary, in the company of the Titi Project Foundation and the Caribbean Environmental Inheritance Foundation. This project seeks the sustainable management of production systems and the preservation of protected areas, through the restoration of ecological corridors in the tropical dry forest, habitat of species such as the titi whitehead monkey and the Colorado monkey.

### ACTIVITY OF ENVIRONMENTAL PARTNER

The “Links for life” ecological connectivity forum was set up, whose main objective is to be an academic debate area regarding ecosystemic services and ecological connectivity projects in the region. This took place at the Suan headquarters of Universidad del Atlántico and had the participation of 182 people, among them, experts, investigators, companies from various sectors, universities, educational institutions, regional environmental corporations and other organisations belonging to the civil law partnership, located in the road project's catchment area.



Puerta de Hierro project - Palmar de Varela y Carreto - Cruz de Viso



Landfill reconverted into a beach. Ras Bufontas, Qatar

## The reversion of a landfill into a beach. Ras Bufontas, Qatar

As part of the Ras Bufontas project, which Sacyr carried out in the city of Qatar, the entire surface area of the beach adjacent to the Project was restored.

The concept of “beach” or “coastal area” in Qatar is changing with its opening up to western culture. This area virtually abandoned previously as the city's rubble landfill, is intended to be reconverted into a promenade.

Until the execution of this project, which is now in the Tender phase, the first step was taken, of restoring the beach, so that companies and people that perform their professional activities at the Ras Bufontas complex enjoy the landscape in harmony with their environment, clean and conserving the native wildlife.

In coordination with its client Manateq and Free Zone, Sacyr-UCC JV installed a crushing plant in the perimeter area of the beaches, mobilising an excavator, a loading blade, a bulldozer and six lorries to execute the operation with its own means.

An area of approximately 217,369.60 m<sup>2</sup> was cleaned, using around 223,200 m<sup>3</sup> of materials. All of this material was fully re-used, that is, all items withdrawn from the beach were treated to be employed once again. Material was not imported for restoration.

The restoration procedure was as follows:

1. Identification of native vegetation for preservation purposes. Protection of such vegetation using a perimeter fence.
2. Excavation of rubble material found on the beach with a thickness of around 1 m.
3. Withdrawal of this material from the grinding plant for processing.
4. Excavation of sand for sifting and cleaning with a thickness of around 30-50 cm.
5. Separation of the waste (plastic, metal, etc.) found in materials (rubble and sand) and treatment by an authorised manager.
6. Stockpiling of clean materials, sieving (sand) and crushing (rubble).
7. Transportation of the stockpile to the beach to fill the crushed rubble.
8. Transportation of the stockpile to the beach to extend and level off the layer of clean sand.

The project has been a success and we have been congratulated by the Environment Ministry itself, which has even attended the site during the performance of the works to understand the procedure. The effectiveness of our system, a great triumph, has taken the Ministry to consider cleaning the whole of the Qatar coast.



Example of *Rosmarinus eriocalyx*

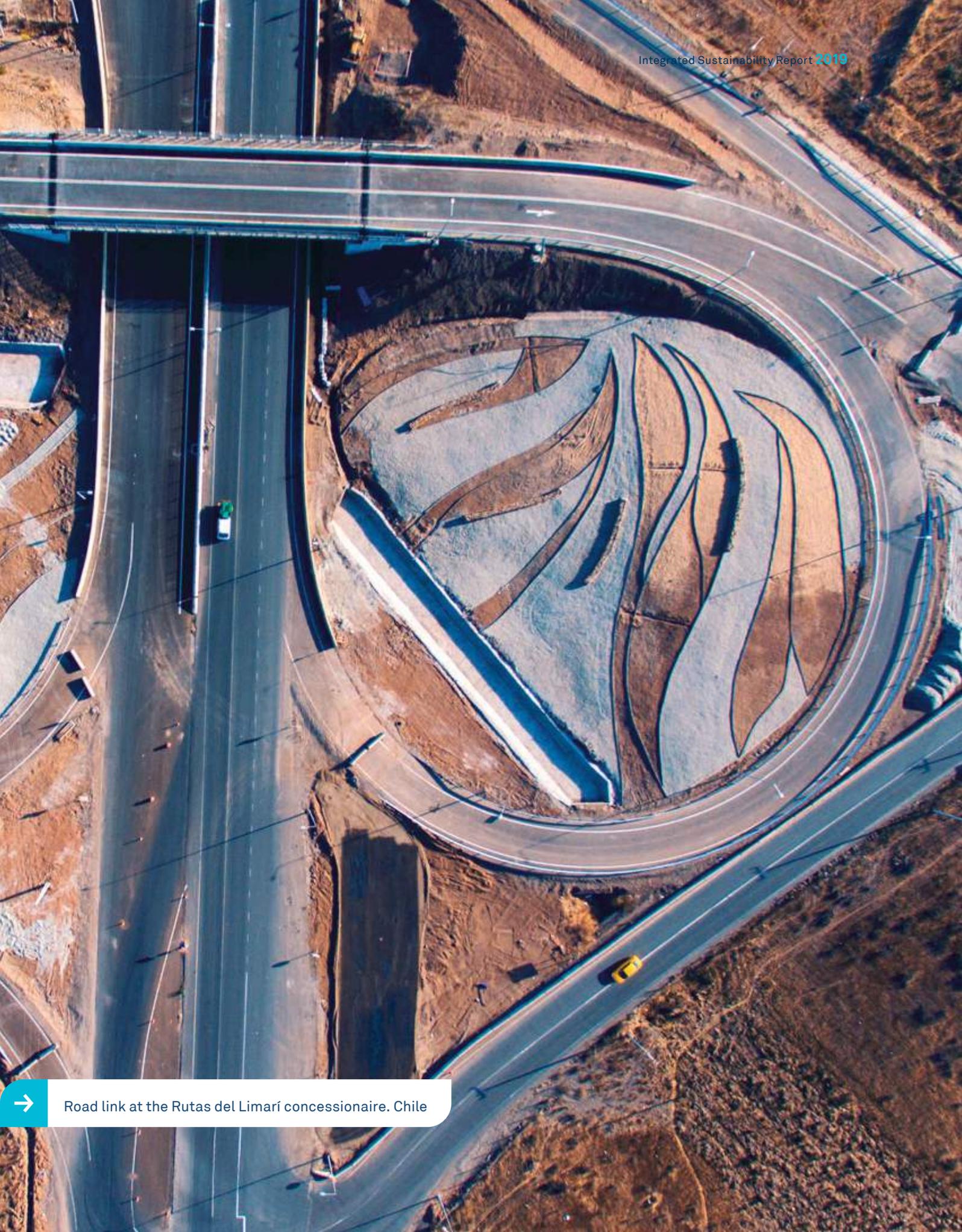
## Protection of priority habitats during the construction work for the Los Arejos-Níjar Ave (Spanish high speed train line)

In the works to execute the Murcia-Almería High Speed Mediterranean Corridor Platform Construction Project. Los Arejos-Níjar tranche, in the province of Almería, by Sacyr Infrastructures, the effect was mapped on various habitats deemed to be priority by the Declaration of Habitats of the European Union. Specifically:

- Habitat 1520 Mediterranean gypsic vegetation
- Habitat 5220 Arborescent scrubland with ziziphus (yuyubo or arto blanco)
- Habitat 6220 Sub-septic grass and annual areas of Thero-Brachypodietea

In the prospecting carried out in the slot to be occupied by the works, specimens of the *Linaria nigricans* and *Rosmarinus eriocalyx* species were found, both with an “Endangered” level of threat, in accordance with the Red List of the International Union for Conservation of Nature (UICN) of the *Androcymbium gramineum* and *Teucrium turredanum* species, both characterised as Vulnerable by the UICN.

To protect these species, various steps were taken to shift species through the preparation of land in the welcome area, the manual execution of holes with hoes and picks, start-up, transfer, plantation and maintenance irrigation.



Road link at the Rutas del Limarí concessionaire. Chile

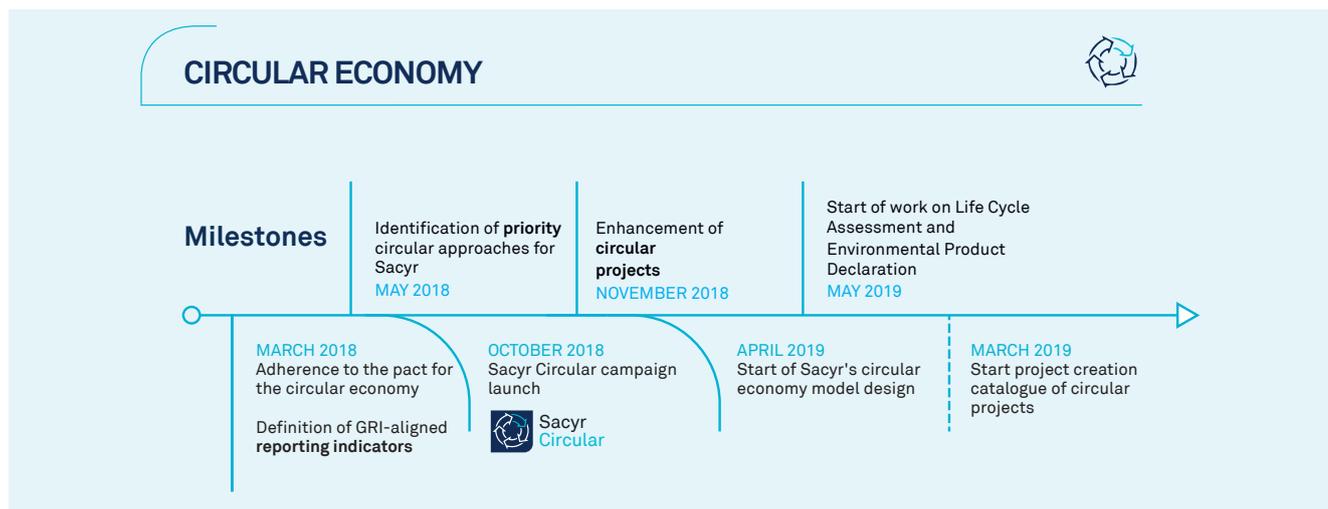
## 5.4. Circular economy, use of materials and waste prevention and management

At Sacyr we see the circular economy as a model of production and sustainable growth, which uses and optimises stocks and flows of materials, energy and waste to attain maximum efficiency in the use of our resources. This is a transversal concept which has been a feature of projects in all our areas of business for a long time: we work to integrate sustainability as a central concept of our activities through the application of the principles of a circular economy and a focus on innovation.

(103)

In line with the key vectors of the Circular Economy Pact, Sacyr's management approaches to the circular economy are:

- The optimisation of production and consumption processes (energy, water...) through the improvement of our efficiency.
- The recovery of resources by reusing and recycling materials for new uses, reducing the extraction of new materials.
- Extending the useful life of materials and assets.
- A value chain based on local and sustainable trade networks.
- Project ecodesign.



## Disused tyres are included on roads, reducing waste and decreasing the environmental footprint of the firms that contain them

Sacyr makes the concept of circular economy reality, providing technical solutions for asphaltic mixtures based on the use of products obtained from tyres at the end of their useful life (rubber powder), together with other products, supplying bitumen-rubber and RARx additive, to produce asphaltic mixtures using the most superior and economically sustainable features and reducing disused tyre waste (NFVU).

In order to measure the RARx Environmental Footprint, Cirtec performed a Life Cycle Analysis (LCA) as well as an Environmental Product Self-Declaration (EPSD), which can be consulted on its webpage: [www.cirtec.es](http://www.cirtec.es)

RARx is a high technology product manufactured from disused tyre dust (60% of its breakdown), pre-treated with bitumen and other mineral additives.

It is used as an additive, mixing it together with aggregates and bitumen in the manufacture of high viscosity asphaltic mixtures, improving its technical features (it increases the durability and workability of the mixture and reduces its density, as well as its sound impact).

The RARx's LCA objectively, methodologically, systematically and scientifically analyses the environmental impact arising during its life cycle from its origin to the factory gate: production of raw materials, transportation to the factory and production process of the additive.

In this regard, the LCA of the tyre dust (manufactured at the Chiloeches plant, which operates VSM) was also carried out, which is the greater component in the manufacture of the RARx.

Furthermore, the impact generated by different asphaltic mixtures with and without RARx was compared; hence, the three signature analysis was also included, extending the LCA to include RARx on the road.

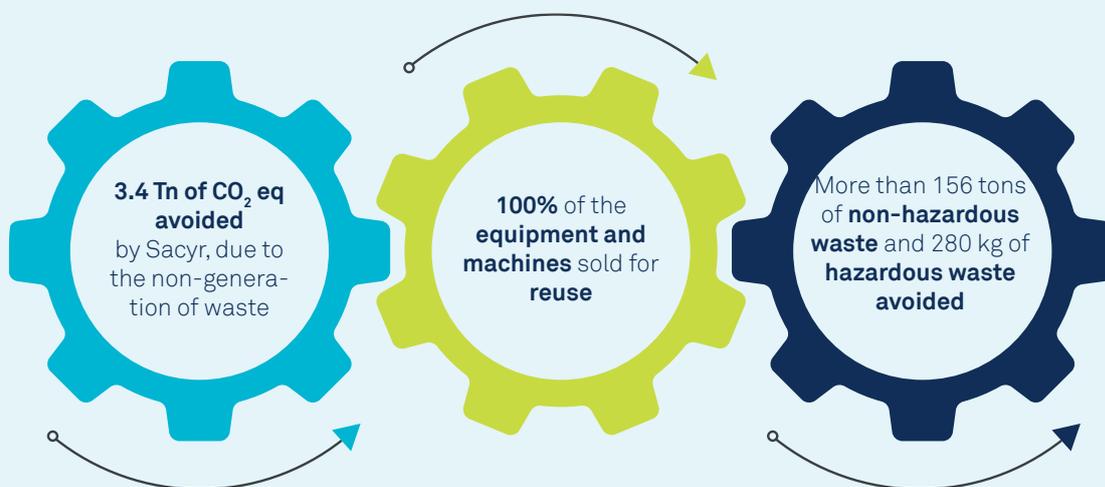
The Environmental Footprint, which involves building 1 km of road 10 m wide with a conventional mixture is almost double that obtained on building it using the mixture with RARx.

### DECREASE OF THE ENVIRONMENTAL FOOTPRINT OF MIXTURES + REDUCTION OF DISUSED TYRE WASTE

In short, we have managed to obtain a product that considerably reduces the environmental footprint of asphaltic mixtures, also taking advantage of 60% of the material forming the tyres at the end of their useful life, that is, the rubber used in the manufacturing of the RARx.

**Sacyr's Circular Economy** model optimises the use of resources, contributes value added to businesses, is sustainable with the environment and **strengthens** communities

## Sacyr promotes the circular economy at its machinery park in Spain



°In 2019, Phase I of the project was implemented, which intends to convert Sacyr Construction's Machinery Park into an efficient, innovative and sustainable **Circular Park**.

The main targets set for this project were:

- Zero waste, with the sale of disused assets to:
  - Re-use equipment and machinery in good condition.
  - Reuse of components as spare parts for similar machines.
  - Parts recycling.
  - Energy recovery of parts.
- Implement an efficient process of classification of assets by purpose.

- Avoid the manufacture of new equipment and machinery, giving a 2nd life to existing assets.
- Reduce Sacyr's CO<sub>2</sub> emissions on avoiding waste generation and management.
- Maximise return on the sale of disused assets.

All these **objectives** are deemed to have been **complied with** in the first phase of this project, with the following results:

The second phase started at the end of 2019 and the results will be obtained in 2020.

The second phase started at the end of 2019 and the results will be obtained in 2020.

Aside from this project, the machinery park has continued to invest in the Aurora Project, an autonomous solar energy generation mobile unit, which led to a reduction in the use of gasoil in the generation of electricity for the park (163.31 GJ), which avoided the emission of 11.14 Tn CO<sub>2</sub> eq.

## Materials

One of the Sacyr Group's commitments in each activity it undertakes is to guarantee sustainable consumption and production models. In a bid to integrate all the supply chain initiatives in relation to selection, acquisition and supervision, in 2018 Sacyr embarked upon the process to define a global Group procurement policy that is expected to be approved in the course of 2020. To this end, the lines of action pursued by the Group are encouragement of the use of recycled

materials, selection of the most environment-friendly products, processes and suppliers, reutilisation and upgrading of by-products, efficient use of materials, promotion of local procurement, and a sustainable relationship between projects and their environment.

The variety of Sacyr's activities involves the use of a wide range of materials, the most significant of which were consumed by each business area in the last two years being detailed below.

### MATERIALS USED BY WEIGHT OR VOLUME

(301-1)

	MEASURE	2018	2019
<b>ENGINEERING AND INFRASTRUCTURES</b>			
Steel	Tn	80,453.96	69,790.82
Cement	Tn	77,776.69	82,375.40
Concrete	Tn	1,562,149.41	1,254,828.81
Asphaltic materials	Tn	299,809.62	550,196.83
Acids	Tn	1,428,787.86	2,534,064.28
Soil/ Cement Reused	Tn	553,380.22	5,814,669.30
Paper	Tn	45.21	64.45
<b>CONCESSIONS</b>			
Acids	Tn	290.41	71.00
Soil/ Cement Reused	Tn	3,520.79	972.37
Paper	Tn	10.24	7.39
<b>INDUSTRIAL</b>			
Concrete	Tn	18,970.60	26,434.10
Hexane	Tn	31.30	32.09
Hydrochloric acid	Tn	13.43	12.59
Hypochlorite	Tn	22.52	23.47
Acids	Tn	18,841.72	65,021.23
Oil	Tn	Not included	25.76
Soil/Cement Reused	Tn	0.00	165,316.59
Steel	Tn	1,270.88	2,205.35
Paper	Tn	11.77	7.99

SERVICES				
Soil/Cement Reused	Tn	2,202.65		80,453.96
Compost and fertilisers	Tn	9.20		0.92
Oils	Tn	146.26		154.15
Sulphuric acid	Tn	24.45		20.33
AdBlue and/or engine additives	Tn	108.66		139.51
Carbonic anhydride	Tn	65.86		840.93
Iron cyanide	Tn	276.86		369.99
Coagulant	Tn	1,257.47		987.47
Calcium hydroxide	Tn	140.80		2,002.38
Sodium hypochlorite	Tn	448.12		947.22
Paints	Tn	68.73		398.79
Cleaning products	Tn	319.13		492.22
Polyelectrolyte	Tn	72.50		35.80
Pesticides	Tn	18.05		2.55
Fluxes	Tn	12,642.02		5,212.23
Caustic soda	Tn	76.89		105.56
Asphaltic materials	Tn	Not included		1,131.62
Paper	Tn	23.87		30.70

In relation to the sustainable value chain, Sacyr pledges extensively for the use of recycled material. In 2019, Sacyr used 10.58 million tonnes of materials in its activities, in comparison with the 4.06 million tonnes used in the previous year. 57.09% of such material was recycled, up 273.37% on the previous year.

(301-1) (301-2)

In order to increase efficiency in the use of raw materials, Sacyr pledges for innovation, developing and working on several R&D&i projects to enable it to use materials that perform better and involve recycled raw materials.

Measures have also been established to reduce the consumption of materials. For example, the REPARA 2.0 project was implemented to develop new sustainable road surface repair techniques.

**57.09%** of the **material consumed** in **2019** from **recycled materials**.



→ Box of recyclable materials in Peru.



### Cooperation agreement SOS Peru

Sacyr Peru signed a cooperation agreement with the NGO SOS Children's Villages Peru, a social development organisation that shelters children that have lost their family carers or that are at risk of losing them, under which used paper becomes food. In 2019, Sacyr Peru's central office recycled 1,180 kg of used paper.

In this programme, in which Sacyr Peru participates in alliance with Children's Villages, for all paper collected, Kimberly-Clark Peru makes a donation in order to finance the full eating requirements of children from 120 family homes and 72 community homes of the NGO, distributed in Lima, Callao, Arequipa, Cajamarca, Lambayeque, Junín, Cusco, Puno, Ayacucho and Huancayo.

### We minimise food waste

With respect to food waste, Cafestore is a member of the Catering Brands' Board of Directors, and from that association it forms part of the working group of Quality directors that will submit the amendment proposals to the future bill regulating food waste.

From an operating standpoint, the cost of unknown shrinkages was reduced by 3 decimals (preventive management of food waste) on the services market, due to the arrangements for the new back office system implemented.

With regard to the reactive management of food waste, Cafestore signed an agreement with the company Too good to go to enable operators to be put into contact with customers to sell leftovers from daily production at discounted prices.

## We reduce the consumption of single use plastic



An example of Sacyr's commitment to reduce single-use plastic products was the delivery of glass bottles

to its customers, coinciding with the changes at several of its headquarters in 2019.

In line with reduced purchases of plastic items, to meet the legislative limits set, Cafestore has begun to offer disposable items of a vegetable source and compostable plastics to corporate catering businesses, while also providing incentives, through discounts or promotions, by launching communication campaigns to increase the use of running tap water instead of plastic bottles.

## Waste prevention and management

Sacyr continues to work to include new waste solutions in its activities, enabling it to progress in its transition towards a more sustainable system. Committed to the concept of circular economy, for a while the Company has been including in its processes, through its management system, systematics, awareness-raising campaigns and initiatives that promote the sound practices that contribute to the minimisation and recovery of waste generated, prioritising the reuse or recycling of materials over other management options.

(103-1) (103-2) (103-3)

Waste is managed in line with the regulations of each country. Accordingly, the projects and facilities operated by Sacyr provide the corresponding notifications as waste generators and ensure compliance with the requirements established with regard to their registration, temporary storage, delivery for transportation and correct processing, always using authorised management companies in this regard.

**Optimizing the use of natural resources, reusing waste as raw materials, prioritizing recycling and including eco-design criteria are the main elements of the new economic model of Sacyr's **Circular Economy.****



Fauna Unión del sur. Rumichaca  
Pasto Project, Colombia

## Awareness campaigns crucial to minimise waste

Becoming aware of the importance of minimising waste that we generate and of prioritising the reuse or recycling of materials over other management options is increasingly necessary to protect the planet.

At its work centres, Sacyr organises awareness-raising campaigns with regard to sustainable resources and waste management, aimed at different interested parties (public authorities, private entities, civil law partnerships, educational institutions, etc.). The idea is that we all act to ensure the present and the future in a clean and healthy environment.

### CLEAN AREA CAPITAL DISTRICT

Different informative symposiums, meeting and activities have been held with entities, to extend a teaching - learning process to a new waste collection system under a containerisation system and the adequate handling thereof. These symposiums are mainly aimed at learning and going into depth on:

- The separation and use of waste at source, providing significant information that generates a change in behaviour associated with reuse, recovery and recycling.
- Waste collection system based on containerisation.
- The importance of recycling and taking advantage of waste as a recycling alternative.
- Environmental consequences arising from an incorrect segregation and subsequent management of waste.

Generating environmental awareness is the first step to reducing the amount of waste generated.



### CONCESSIONAIRE OF ROAD DEVELOPMENT

An Electric and Electronic Appliances Waste (RAES) campaign was conducted with the Community located in the Project's direct catchment area. This campaign was conducted in the municipalities of San Jerónimo and Santa fe de Antioquia, where different strategic environmental players participated such as the UMATA (Municipal Technical Assistance Units), firemen, educational institutions, the Planning Secretary and CORANTIOQUIA. This initiative was aimed at all inhabitants of the nearby Western region and included a total of 4,667 kilogrammes of this waste, whose entity in charge of the final provision was the company LITO in the city of Medellín.

The waste generated by Sacyr, in accordance with the treatment type and method for each business area in the last two years, is shown below:

(306-2)

**TOTAL WEIGHT OF WASTE (306-2)**

		CDW	NHW	HW	TOTAL
CONSTRUCTION	2018	586,912.33	6,582.83	125.39	<b>593,620.55</b>
	2019	1,620,559.00	30,344.58	274.35	<b>1,651,177.93</b>
CONCESSIONS	2018	0	1,232.53	298.72	<b>1,531.25</b>
	2019	0	799.72	61.64	<b>861.36</b>
INDUSTRIAL	2018	71.98	2,194.36	78.85	<b>2,345.19</b>
	2019	490.09	1,718.30	35.4	<b>2,243.80</b>
SERVICES	2018	0	53,284.46	467.71	<b>53,752.18</b>
	2019	0	56,192.21	580.92	<b>56,773.13</b>
<b>TOTAL</b>	2018	<b>586,984.31</b>	<b>63,294.19</b>	<b>970.67</b>	<b>651,249.17</b>
	2019	<b>1,621,049.09</b>	<b>89,054.82</b>	<b>952.3</b>	<b>1,711,056.21</b>

**TOTAL WEIGHT OF WASTE BY TREATMENT (Tn) SACYR**

TYPE OF TREATMENT		IN SITU STORAGE	COMPOSTING	INCINERATION Mass combustion	RECYCLING	REUTILISATION	LANDFILL
NON-HAZARDOUS WASTE	2018	606.11	5,312.70	295.04	11,675.09	874.74	44,530.49
	2019	444.88	5,794.74	0.91	20,316.38	984.05	61,513.85
HAZARDOUS WASTE	2018	46.97	0.31	23.10	527.82	4.16	368.32
	2019	17.23	1.58	10.57	671.68	21.31	229.94
CONSTRUCTION AND DEMOLITION WASTE	2018	813.26	1,952.06	1.80	64,144.89	22,395.17	497,677.14
	2019	1,559.62	6,108.40	0.00	133,833.80	134,799.29	1,344,747.98
<b>TOTAL</b>	2018	<b>1,466.34</b>	<b>7,265.07</b>	<b>319.94</b>	<b>76,347.81</b>	<b>23,274.07</b>	<b>542,575.95</b>
	2019	<b>2,021.73</b>	<b>11,904.72</b>	<b>11.48</b>	<b>154,821.86</b>	<b>135,804.65</b>	<b>1,406,491.78</b>

Note: The such significant change in the total weight of waste in 2019 with respect to the previous year is related with the following aspects: the completion of contracts, the commencement of new contracts, their characteristics, that is, their duration, type and the phase in which they are found in the year examined. These factors generate significant changes in the values obtained one year with respect to the previous year.

As in 2018, Sacyr does not transport, import, export or process hazardous waste.

(306-4)



Marine Cleaning  
Melilla, Spain

## Valoriza Medioambiente participates in the V Major International Clean-up of Ocean Beds

Valoriza Medioambiente participated in the V Major International Clean-up of Ocean Beds, helping to remove 3,500 kilos of waste from the Horcas Coloradas beach and ocean floor in Melilla (Spain).

A further commitment to attain the Sustainable Development Goals (SDG), the objective of which is to clean waste from our planet's beaches and oceans.

Our colleagues of Valoriza Medioambiente, together with other volunteers, divers and the Army have worked together to clean the Horcas Coloradas beach, which has a high environmental and ecological value.

Through their joint effort, it was possible to remove around 3,500 kilos of rubbish from the ground and from the sea floor. This amount is added to the almost 26,000 kilos, mainly plastic, glass and metal, that it was possible to remove in just one day in 40 enclaves of the world.

As well as removing waste, over several days the programme offered various awareness-raising talks at educational centres, associations and entities. Another of the objectives pursued was to be able to classify and study how waste is moved by the sea.

An awareness-raising procedure regarding the environmental problem generated by marine waste, in which Sacyr has participated in order to improve our planet.



## WE ACCEPT THE WASTE CHALLENGE #WasteChallenge

Between March and April, two communities of San Juan Nepomuceno and El Carmen de Bolívar promoted the #WasteChallenge, a global challenge that promotes the recovery of polluted public spaces. Sacyr Engineering and Infrastructures and Concesionaria Vial Montes de María joined the campaigns and helped to ensure that the Salvador and Alférez streams are more free from pollution.

The Salvador stream belongs to the Los Colorados Wildlife Sanctuary in the municipality of San Juan Nepomuceno, a reservation which is included in the National Scheme for Protected Areas and National Natural Parks.

In San Juan Nepomuceno and El Carmen de Bolívar, 3,774 kilogrammes of waste and 71 sacks were collected.



## Valoriza Medioambiente addresses waste management challenges

On 22 and 23 May, 75 colleagues of Valoriza Medioambiente participated in the III Waste Treatment Symposiums held at Puerto de Santa María (Cádiz), where the prospects and needs of urban waste management were analysed.

The CEO of Sacyr Services and the CEO of Valoriza Medioambiente commenced two days of team work, in which the participants also visited the Miramundo and Las Calandrias waste treatment plants in El Puerto de Santa María and Jerez de la Frontera, respectively, both managed by Valoriza.

These workshops represent Sacyr's values, as well as being an excellent opportunity to learn from the experiences of colleagues, get to know each other better and maximise the synergies between areas and projects. At these workshops, the Company also stressed the ability to export our waste business due to our high capacity that has brought us success in international bids.

The second day of the workshops focused on the measures of Valoriza Medioambiente. Heads of different areas of the company explained the procedures being performed to improve and optimise management of the plants, and they talked about the challenges of the circular economy and the new technologies offered by the market to ensure more efficient sustainable management.

The pledge for a circular economy was the common nexus for all the speakers, and the guests included various representatives of public and private bodies related with waste management.

## Spillages

In 2019, Sacyr was aware of 31 incidents involving accidental oil and fuel spillages in most cases, none of which had a significant impact on the environment. These incidents were dealt with in accordance with the action protocol established, thereby rectifying environmental pollution. The estimated total volume of hazardous substances spilt was 17.08 m<sup>3</sup> (1.064 m<sup>3</sup> in 2018).

306-3)

Sacyr has adequate systematics in place to identify, prevent and respond to possible incidents, accidents or potential emergencies that may have an impact on the environment. Consequently, these types of incidents arise infrequently and do not have serious consequences.

In 2019, there was no contamination of land in those areas in which we carried out our activities. Similarly, no activities were performed in areas with contaminated land and, therefore, no soil decontamination tasks needed to be performed.

(CRE-5)



Valoriza Servicios Medioambientales Plant for the Recycling of Urban Solid Waste



→ Recycling workshops at “Ntra. Sra. de Peñarroya” care home in la Solana and Hermano Pedro centre in Sta. Cruz de Tenerife.

## Sacyr Social committed to the environment

Sacyr Social, at the different residences and day centres that it manages, is involved in maintaining our planet. Accordingly, it conducts activities to save raw materials, through the recycling and reuse of various waste materials (paper, cardboard, plastic, metal, etc.), either to decorate certain areas or to develop manual skills and competences, thereby reinforcing attitudes, values and sensitivity linked to Nature.

At the “Ntra. Sra. de Peñarroya” care home in La Solana, various special activities were conducted to celebrate World Recycling Day, to raise the awareness of and sensibilise its residents with respect to recycling.

The activities also aimed at ensuring that residents were familiar with the different uses and management of waste and with the need to recycle in our daily lives. Flowerpot stands were made with tins of canned food from the centre's kitchen and posters with lids.

For the Hermano Pedro, de Sta. Cruz de Tenerife day centre for adults, recycling promotes the value of being responsible in Environmental protection and waste materials are used to decorate the centre and develop skills.



# 6

## Social Value

6.1. Corporate Social Responsibility	156
6.2. Health, Safety and Welfare	168
6.3. Sacyr Maintenance	174
6.4. Local communities	178
6.5. Sacyr Facilities	184
6.6. Human Capital	188

## 6.1. Corporate Social Responsibility

Sacyr helps to generate sustainable value in the communities where it operates by carrying out its activities and promoting sustainable initiatives.

Through our **Corporate Social Responsibility Policy** (hereinafter, CSR policy) and our corporate social responsibility strategic plan (hereinafter, CSR plan) we assume a global commitment with the societies where we operate. This commitment is the basis of our business culture and the source of excellence-based management.

### CSR Policy

The CSR policy, approved by the Sacyr group Board at the end of 2017, is aligned with Sacyr's Code of Conduct, which establishes the principles and guidelines of behaviour in accordance with the Group's values and is the central pillar of successive corporate social responsibility strategic plans.

These principles include the following:

- **Compliance with legislation.** The business and professional activities of the Sacyr Group shall be carried out in strict compliance with the laws in force in each of the countries and territories where they are carried out.
- **Integrity.** Maintaining irreproachable conduct, in accordance with ethics, honesty and integrity, avoiding all forms of corruption and respecting all parties involved in the Group's activities.
- **Transparency.** Disclose adequate and reliable management information; which is clear, truthful and verifiable.
- **Safety.** Provide optimal health and safety conditions in the workplace.
- **Respect for Human Rights.** All action taken by the Group and its employees must respect the human rights and civil liberties set out in the Universal Declaration of Human Rights.

During the preparation of this Report, we created the Sustainability and Corporate Governance Commission, and a Sustainability Committee that will be the backbone of the group's new strategy in this area.

Certification of our Ethical and socially responsible management system by the SGE21 standard



### 2020 Global company plan

To define the CSR plans of the Sacyr group, we have launched a dialogue process with our stakeholders regarding the most relevant topics that must inspire our strategies and decisions. This has helped us to attain a clearer idea of the role we wish to play as social and economic actors.

As a result of this dialogue, we have been able to identify the goals and commitments that make up the basis of our CSR policy; also, we have determined the courses of action that represent the structure of our sustainability strategy, which we follow to respond to the challenges presented by the societies where we operate, and we do all this through our corporate social responsibility strategic plan. 2020 Global company plan.

Another great milestone reached was the creation in **Mexico of a Corporate Social Responsibility committee**, composed of members of the different areas and the four divisions of the Group, which developed the documentation of the efforts that were carried out to meet the standards it proposes the CEMEFI (Mexican Center for Philanthropy) with the purpose of obtaining the **Company Distinctive Socially Responsible**. the four business units during the preparation of this report, in February 2020).

## Objectives and commitments of action:

### 1. Dialogue and accountability:

“We want to become the leading management example in the sector by ensuring constant dialogue with our stakeholders and upholding a basic principle of transparency with all such stakeholders”.

- **Solvency and the long term:** we are and want to keep being a solvent business Group where financial prudence and long-term vision are defining characteristics in the eyes of our shareholders and investors.
- **Listening:** we are always aware of our surroundings; we establish communication channels that are always open, and transparency is the basis of our links to our stakeholders.
- **Ethics:** zero tolerance to unethical behaviour.

### 3. Company:

“We want to be closer to the societies where we operate”.

- **Social value:** with each project, we look for options that add more value to the society we are serving.
- **Diversity:** we promote diversity inside and outside the company.

### 2. People:

“We want to place people at the heart of our activities and become the first choice for the sector’s professionals”.

- **Safety:** our constant ambition is to achieve zero accidents
- **Development:** we strive to offer the best professional development conditions.
- **Rights:** we respect and protect the rights of who works with us – partners, contractors and suppliers.

### 4. Environment:

“We want to provide the most efficient solutions”.

- **Efficiency:** we commit to developing the most efficient option.
- **Impact:** we always propose solutions with the least impact on the environment.

<b>4</b>	<b>10</b>	<b>28</b>	<b>105</b>
Objectives	Material issues	Lines of action	Projects

In 2019, the Sacyr Group established collaboration agreements with third sector entities, a commitment that was reflected in contributions of over € 320,000 (270,000 euros in 2018).

The Sacyr Group also collaborates with organizations in the field of sports and with professional athletes through sponsorships, for an amount in excess of € 152,000 (€130,000 in 2018).

At Sacyr we also contribute to the development and welfare of the communities where we work through our Foundation. The Sacyr Foundation implements a wide range of social initiatives, which can be divided into two categories: promoting innovation and social action.

Also, the 17 UN Sustainable Development Goals (SDGs) work in addition to the CSR strategy to focus the efforts of the Sacyr group on striving to offer better development for our communities.

**Monitoring system** for CSR practices with stakeholders:

- The CRS policy of the Sacyr group is developed and implemented through the Corporate Responsibility area that is part of the Communication Department.
- All CSR initiatives are promoted by the **Corporate Responsibility Committee**, composed of one or several representatives of each business area and one representative of each of the corporate departments most directly involved in guaranteeing the company's responsible management.
- Sacyr performs an annual follow-up on the **CSR plan** and the risks associated with the initiatives derived from this plan and, subsequently, reports the results by writing the Annual Integrated Report. This document is drawn up as per internationally accepted standards and it is checked externally by an independent organisation in accordance with international standards on assurance commitments. This report is made available to shareholders on the corporate website at the time of the General Shareholders' Meeting.

## Stakeholder Relationship

(102-40) (102-42)

At Sacyr, we base our management on excellence, responding to the needs of our stakeholders, contributing value to society and seeking economic and environmental sustainability.

At Sacyr, we consider stakeholders to be any social group that is or may be affected by the Company's activity, now or in the future, and/or that legitimately affects or may affect the Company's activity and, therefore, our results.

- Employees
- Analysts and investors
- Shareholders
- Media
- Customers
- Local communities
- Public authorities
- NGOs and other members of civil society
- Suppliers and contractors

Transparency and dialogue with stakeholders are fundamental for the progress and development of our strategic plan as well as for our CSR plan.

## SUSTAINABLE DEVELOPMENT GOALS



## Shareholders, Analysts and Investors

**Personal assistance:** Sacyr's Investor Relations Department provides minority shareholders, financial analysts and investors with a number of direct and personalised contact channels:

- Telephone - shareholder hotline and investor hotline: 902 196 360
- Website: [www.sacyr.com](http://www.sacyr.com)
- E-mail: [ir@sacyr.com](mailto:ir@sacyr.com) - [accionistas@sacyr.com](mailto:accionistas@sacyr.com)

**Personal meetings, conference calls, Roadshows and conferences:** with more than 230 interactions during 2019 highlighting 210 meetings or conference calls, 18 road shows and 6 conferences, the staff of the Investor Relations Department personally attends to both minority shareholders like the rest of the investors and analysts, while also maintaining contact with different stakeholders in the financial field. It is important to highlight the geographical diversity of investor's interest on Sacyr, with presence in countries such as the USA, United Kingdom, France, Italy, Switzerland, Portugal, Italy, Germany or Spain, among many others.

**General Shareholders' Meeting:** This is an excellent forum for exchanging information between the Company's directors and shareholders. At these meetings, directors report on the progress of the company, its profits, and the main milestones



Event for shareholders, analysts and investors in Madrid Spain

reached and planned, while shareholders can request information and clarification and make any comments they deem appropriate.

**Financial information:** In accordance with prevailing legislation, the Sacyr group prepares the annual report, half-yearly and quarterly financial results and the annual corporate governance report on a regular basis and the Annual Directors' Remuneration Report. These reports may be viewed on the CNMV's website, [www.cnmv.es](http://www.cnmv.es), and on Sacyr's website. [www.sacyr.com](http://www.sacyr.com)



Sacyr group has launched a new app to connect with their stakeholders all around the world. The app, Sacyr Life, opens a window on your mobile phone and tablet to everything that happens in the construction, infrastructures and services multinational. With this app, Sacyr strengthens its communication channels at a time of expansion all around the world.

The app is principally aimed at the more than 42,000 employees that work in one of Sacyr group's companies, but it is open to anyone who is interested

in the firm, who wants to download it and discover the latest about the Group.

In Sacyr Life, the user can navigate using a menu which groups together the main areas of the app: Sustainability, People, Wellbeing at Work, News and Innovation.

We are also present in the main social networks to maintain contact with our public.

Facebook, LinkedIn, Youtube, Twitter, Instagram and Innovation blog.



**Sacyr website:** [www.sacyr.com](http://www.sacyr.com) contains all relevant corporate and financial information regarding the Company's performance, and all information made public through various financial and economic reports and communications (annual report, quarterly results, etc.).

## Collaborations with reference entities (R+D+i)

(102-13)

Innovation is not about physical barriers or sectors of activity. Therefore, we are firmly committed to promoting and bringing innovation to all areas and markets where we are present, collaborating and exchanging synergies with the innovation community.

- **Spanish Construction Technology Platform (PTEC):** this Platform, of which the Group is a member, aims to unite all agents in the construction sector for Identifying the challenges of innovation in construction, developing the strategies and plans needed to meet these challenges and implementing the results that are achieved.
- **Mobility City:** a pioneering initiative, supported by the Ministries of Industry and Ecological Transition to publicise and promote the mobility of the future. The project, in which more than 30 leading companies and institutions are participating, aims to promote innovation in the automotive industry and sustainable mobility worldwide.
- Sacyr is on the board of trustees of the **PTEC Foundation**, and sits on the Permanent Commission and the Strategy Council. Within the PTEC Foundation, Sacyr heads the Strategic Transport Networks taskforce and participates in the "Sustainable Construction" and "Materials" taskforces.
- **Spanish Technological Environmental Technologies Platform:** responsible for defining and supporting the implementation of the R+D+i strategic agenda in the field of environmental technologies
- **Building Research Establishment Environmental Assessment Methodology (Breeam) Spain Advisory Board:** The world's leading and most technically advanced method of building sustainability assessment and certification.
- **Participation in the Spanish Road Technology Platform:** Forum for all agents in the sciencetechnology-business system which play a major role in fostering employment, competitiveness, and growth in the road infrastructure sector in Spain.
- **SEOPAN R&D committee:** Sacyr actively participates in this committee of the Spanish Association of Construction Companies (SEOPAN) through its Head of Innovation.
- **Disruptive Innovators Network:** network of innovation managers from major corporations that are very active in terms of innovation and open (with start-up entrepreneurs and other market agents).
- **Know-How and Innovation Executive Club:** Sacyr belongs to this private initiative that promotes and stimulates improved productivity and competitiveness through the management of intellectual capital, know-how and innovation.
- **R+D+i Committee of the Spanish employers' confederation ("CEOE"):** this committee reaches out to government authorities and ministries responsible for R+D+i and groups into sectors to strengthen and expedite R+D+i projects.
- **South Summit:** is the leading innovation platform connecting the most disruptive startups with investors and global corporations seeking to improve their global competitiveness through innovation. We have actively participated in South Summit for the past 6 years through conferences, round tables, presenting our own stand, etc. In addition, for the last two years we have also participated in South Summit Colombia.

Moreover, to support each other in the development and implementation of R+D+i activities, we have established collaboration agreements with universities, research centres and other bodies:

Image that represented Sacyr at the 2019 South Summit



**Universities:**

- Madrid Polytechnic University
- Valencia Polytechnic University
- Alfonso X el Sabio University
- University of Granada
- Polytechnic University of Catalonia
- University of Huelva
- University of Almería
- University of Cordoba
- University of Cantabria
- Madrid Complutense University
- University of Salamanca
- University of Alicante
- Catholic University of Chile
- University of Extremadura
- Carlos III University of Madrid
- University of Vigo
- University of Castilla La Mancha
- Polytechnic University of Cartagena

**Public Research Centres and Foundations:**

- University of Western Australia
- Centre for Public Works Research and Innovation (CEDEX)
- Spanish National Research Council (CSIC)
- Gómez Pardo Foundation
- Eduardo Torroja Institute
- NCDA (National Centre of Excellence in Desalination Australia)
- CIEMAT - Almería Solar Platform
- CIDAUT (Foundation for Transport and Energy Research and Development)
- IMDEA AGUA (Madrid Institute of Advanced Water Studies)
- Centre for Development, Research and Application of New Technologies (CEDIANTE)
- Advanced Mining Technology Centre (part of the University of Chile)
- Energy and Environment Technology Centre (Cetenma)
- INSIA (University Institute for Automotive Research)
- ITAINNOVA (Technological Institute of Aragon)

**FUNDACIÓN**  
 **Sacyr in the Community**

Sacyr Foundation, set up in 2008, enables the Group to maximise the impact of the company’s social initiatives for its beneficiaries and contribute more effectively to the well-being and development of the communities in which the Group conducts its activities.

(more information in [www.sacyr.com](http://www.sacyr.com))

In 2019 the Sacyr group assisted various community projects, which can be broken down into 2 different categories: Promoting innovation and social action.

Some of these projects are channelled through the Sacyr Foundation, which establishes objective criteria to be used as reference points for the selection of projects:

- The project must be aligned with the aims of the Sacyr Foundation set out in its bylaws.
- Social return on investment: assessment of the need for and urgency of aid, and of the number of potential beneficiaries.
- Regional balance: the Group seeks to prioritise projects in the areas in which it is active and to avoid distortions in the geographical distribution of aid.
- Funding balance: the Group aims to avoid excessive concentrations of aid in any one of its specific remits.
- Technical and financial solidity of the partner or beneficiary organisation.

The following are highlights of the **agreements and collaborations** closed during the year:

**SACYR Innovation Awards 9th edition**



**Collaboration with the Department of Social Policies and Family of the Community of Madrid**

**SACYR awards for innovation in Chile**







Aladina Foundation



Fundación Aladina

Caminos Foundation



SaludMadrid Hospital Universitario Infanta Elena

Infanta Cristina University Hospital (Parla): Camino de Santiago - breast cancer awareness



Madrid Down Syndrome Foundation



Down Madrid

St. Raphael Hospital - Donation of recycled IT terminals



Aldeas Infantiles SOS Peru (Pachacamac)



Prodis Foundation



## Volunteering Club

Created by the Sacyr Foundation in 2019, we have a Volunteering Club involved in projects for the community with more than 600 volunteers from all over the world.

At Sacyr we want to support the volunteer activities of the employees of the Group by helping them to develop a greater sensitivity and involvement with the world around them, an increase in personal motivation and creating a link with the company that goes beyond work and its financial reward. This Volunteer Club has its own page on the group's intranet and a platform (HelpUp) that serves as the main communication channel between the Foundation and the volunteers.



Agreement with the Foundation  
Juan XXIII Roncalli, Madrid, Spain



## Volunteering Plan

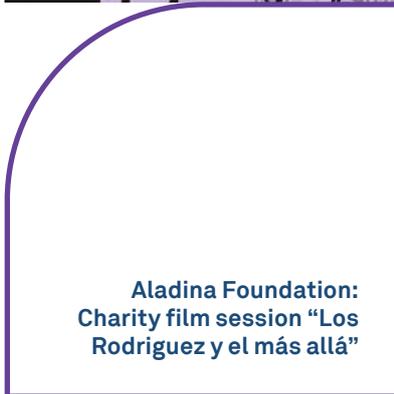
+ 600 volunteers  
+100,000 beneficiaries



Juan XXIII Roncalli Foundation: IDEA Project and Sports Gymkana



Acción contra el hambre: Charity concert "Lucha de Gigantes"



Aladina Foundation: Charity film session "Los Rodriguez y el más allá"



Bocalán Foundation. Assistance or therapy dogs - socialization



Sustainable Life Foundation: beach cleaning (Sitges) - Sacyr Without Plastics Campaign and Clean Beaches 2030 Project



**Reforesta: planting trees and cleaning the river bank**



**Down Madrid Foundation: socialization through climbing and horseback riding**



**Food Bank: Operation Kilo**



**Toda Ayuda Foundation: Tree of Dreams Toy Drive**



**Ayuda en Acción: Volunteering in Peru with Water Purification Filters**



**Integra Foundation: training for labour integration of people in social exclusion and people with disabilities**

## 6.2. Health, Safety and Welfare

At Sacyr we are committed to the concept of Integrated Safety and, to this end, we have an Occupational Health and Safety Policy which aims to promote improved working conditions and the level of protection, safety and health of our employees.

(103)

We consider it a priority objective to guarantee that activities are carried out maintaining the maximum level of security for all workers, reducing possible risks related to the security of workers, such as physical insecurity of personnel or non-compliance with S&H regulations, in each of the positions company's work force; preventing accidents and general

health problems through a constant training and systematization of work processes.

And we are taking one step further, integrating security, health and wellbeing into our business strategy. We are not content with having safe and protected workers: we want to include the promotion of health in the workplace to ensure our workers are happy at a healthy company with which they can identify.

In this way, we aspire to build a differential preventive culture, which allows us to achieve the highest safety standards, through the involvement of the entire organization, our suppliers and contractors and collaborating companies, in all our activities and in all the countries where we operate.



Chilean office' sports club at Sollipulli Volcano.



In line with prevailing occupational health and safety regulations, preventative initiatives at the Group are carried out both through own resources and those arranged with an external risk prevention service.

- Health and Safety Department
- Support Structure
- External Prevention Service

The internal requirements as part of the Management System for safety go beyond the legal requirements in the countries in which the company operates. Therefore, during 2019, we have performed an inspection on the System once again, adapting it to the new needs of the Group in each country, transforming it into an international standard operation procedure. As a result of this work, we have successfully passed legal audits and ISO 45001 compliance audits on the occupational health and safety management system implemented at the work centres of Sacyr group companies.

To guarantee and reinforce its preventive culture, Sacyr periodically imparts training courses that include education and awareness raising for employees on aspects of health and safety. In 2019, the Health and Safety Department's training division handled a total of 38,765 hours of training.

In addition to these hours of training, the training imparted by the team of prevention experts at the Health and Safety Department in Spain is worth particular mention, taking the total number of training hours imparted in 2019 to 49,482.5. The investment in training in 2019 came to €146,524.65, of which €114,360.43 was subsidised.

## Certified Occupational Health and Safety Management System

In addition to fully complying with all legal requirements, all Sacyr companies are implementing occupational health and safety management systems certified under ISO 45.001, the principal international benchmark for occupational health and safety.

(403-3)

The system has been implemented in 197 subsidiaries of the Group worldwide (81 in 2018), 34 of which also hold the ISO 45001 certification (11 more than in 2018), which represents over 60% of the Group's workers internationally (72.61% in 2018) and 71.44% of workers in Spain (95.33% in 2018).

(103-1) (103-2) (103-3) (CRE-6)

Of all Sacyr group employees in Spain, 56.6%<sup>1</sup> are represented on health and safety committees (68.3% in 2018). Furthermore, there are formal agreements with the workers unions, in which health and safety clauses are contemplated. In these agreements, articles, chapters and specific titles are listed for issues related to risk prevention, giving participation to 742 prevention delegates (800 in 2018) in those

countries where the Group has a significant number of employees.

(403-1) (403-4)

This OHS management system helps to correctly identify, review, manage and improve monitoring of the occupational risks to which Group employees are exposed and to comply with prevailing legislation and the continuous improvement of the system itself.

<sup>1</sup> During the past year, information was reported on a number limited number of companies (82) and countries (11). This year, information on 100% of the workforce is included, including all the countries (25) in which Sacyr has presence and all the companies, some of which The number of employees is very large and there are no laws protecting the the right of worker representation, which offers a significantly lower figure, compared to last year. However, the SACYR Health and Safety Management System provides for the participation and consultation of workers when there are no mechanisms in the country to cover this representation.



Torneo futbolito en Tarapacá, Chile

## Objectives met

Obtention of ISO 45.001 certification in the companies previously mentioned.

Development of the SMART computing app as a tool of prevention management, developing new functionalities and adapting the application to new SGSST.

Implementation of an external subcontractor-validation system at Sacyr Water and Valoriza Servicios Medioambientales.

Implementation of a system of approval and prior assessment of contractors.

Including wellness programs within the company and the Sustainable Sacyr Program covers different areas such as sports, food and health.

- Sport Club
- Physiotherapy and Back School Service
- Medical Service
- Education in healthy life style.
- Health Campaigns in Local Communities.
- Anti-tobacco Campaigns.

KPIs GRI and SDG reportability

## Future challenges

### Short term:

- Reduce the Group's overall frequency index to 4.9.
- Continue to maintain and expand the Prevention Departments in all the countries where we have a presence.
- Expansion of the scope of ISO 45001 and ISO 39001 certifications in both the number of certified activities and the number of companies.
- Migrate the PRESYV computer application to another programming language that allows a multisite and multilanguage environment to be used in all parts of the world.
- Digitalization of tools that allow automatic reportability
- Stress management training.
- Implement an APP for passenger safety information, alerts, risks and threats.

### Medium term:

- Implementation of an external validation system for subcontractors in the rest of the Group companies.
- Achieve certification as a healthy company
- Incorporation of people with disabilities as Security Monitors
- Creation of internal PRL awards

### Long term:

- Being leaders in sustainability, health and wellness policies for our employees and collaborators.

## Results of ORP management

The Sacyr group's endeavours in the field of occupational health and safety have significantly raised workplace quality, as measured by an internal scoring system that assesses each work centre in relation to the fulfilment of prevention obligations.

Thanks to the involvement and dedication of Senior Management, employees, suppliers, contractors and partner companies, the Sacyr group has made progress

towards forging the desired safety culture. Evidence of this can be seen in the downturn in accident rates in recent years, demonstrating that the measures adopted are taking us in the right direction.

(403-2)

In terms of accidents involving subcontractors, forty-eight serious accidents and two very serious accidents were recorded worldwide in 2019. The Prevention Service carried out the usual investigation for these cases, analysed the causes and took the necessary measures to prevent any reoccurrences.

In terms of types of accidents, the most significant accidents in recent years were those indicated in the table above.

## Contractors and occupational risks

The Sacyr group takes the necessary measures to ensure that employees, contractors, suppliers and associates constitute an active part of its Health and Safety Policy.

(102-9)

For this reason, Sacyr has a specific procedure on "Procurement and Contractor Management", the priority objectives of which are

- Evaluate the contractors and suppliers in the pre-contracting phases so that they comply with the standards established by the Health and Safety Department.
- To ensure that subcontracted workers are fully informed about the risks to which they are exposed in their respective jobs and about the protective and preventive measures they must apply.
- To ensure that subcontractors effectively undertake their responsibilities, taking all necessary measures and providing their employees with the appropriate means to ensure their safety.
- In 2019, Sacyr complied with construction industry subcontracting regulations, limiting the number of levels in the subcontracting chain by using subcontracting records and requiring subcontractors to produce evidence of compliance.

## Circulation of the prevention policy.

Management at the Sacyr group believes knowledge of its Health and Safety Policy at all levels is essential, as a fundamental step in terms of the performance of all activities at the company. To this end, the Sacyr group encourages all staff to discover the guidelines on which the Health and Safety Policy is based and include them in their approach to work; this Policy represents a pillar of the Management System, establishing the following standard operating procedures, in addition to others:

- Analyse the procedures, technical processes, techniques, means and raw materials in order to eliminate, reduce or control the different types of existing occupational risks.
- Guarantee that workers themselves, suppliers, contracts and partner companies receive enough and appropriate occupational health and safety training to correctly perform their duties.
- Ensure the human and material resources required to perform preventive activities.

Both the Occupational Health and Safety Manual and the General Procedures are available to all employees through the Sacyr Portal in the Health and Safety channel. Employees can also use the Sacyr Portal to pick up technical guides, prevention documentation and technical notes relating to occupational risk prevention.

## Awards

Sacyr Nervión - REPSOL recognition for results obtained in H&S

Sacyr Construction USA, LLC - Sunshine State Safety Recognition Award



Day of the Sacyr sports club with Mario Mola and Carolina Routi

## Sacyr Sports Club

The main objectives of this initiative are the promotion and practice of physical and sports activity in teams and individually, depending on the disciplines, and the human and sports training of its members and of the participants in the activities that the Club organise.

More than 900 employees have incorporated the activities of Club Deportivo Sacyr into more than 60 activities, with colleagues from 15 countries.

The essence of what is intended is to make sports practice a habit for the largest number of Sacyr employees, in order to ensure that their health is the best possible, in addition to promoting treatment between employees in activities outside the work environment favouring the creation of corporate culture and increasing pride of belonging.

The Sacyr Sports Club was born with the great objective of being a meeting point for many Sacyr employees who see their quality of life and their relationship with other colleagues favoured.

In addition, this project achieves a real link between the elite athletes that Sacyr sponsors and the company's employees, during the meeting days and trainings that are organized each season.

This project has many points in common with the culture of sport: sacrifice, effort, teamwork, union and improvement; and this culture is one of the best ways for Sacyr to convey its concern for health and well-being internally and externally.

For more information visit the Club's website:

<http://clubdeportivo.sacyr.com>

# +900

participants

# +60

activities

# 15

countries

The goals of the Club are the promotion and practice of physical and sports activity, both in teams and individually



Training of the Sports Club team in Campo de las Naciones with Mario Mola, in Madrid

### 6.3. Sacyr Maintenance

Sacyr Maintenance is the company of the Sacyr Group responsible for the maintenance of all types of infrastructures

In its maintenance function, the main operations that it carries out are maintaining all infrastructure components in perfect operating condition, carrying out conservation, operation and maintenance of roads, ports, airports, dams and canals.

In order to provide full-service maintenance, we have the latest materials and machinery

- Winter Maintenance Simulator
- 7 brushcutter tractors
- Loader, backhoe and dumper simulator
- 8 ambulances
- 6 drones for infrastructure inspection and 1 drone simulator for training and evaluation
- 17 pile-driving machines
- 3 motor graders
- 12 automatic horizontal signalling machines
- 106 winter maintenance trucks
- 4 Biocrushers
- 4 wheel loaders
- 3 telescopic handlers
- 61 trucks for conservation operations
- 2 Snow cutters
- 33 backhoes
- 1 Compacting roller
- 38 truck cranes
- 1 acrylic marking truck
- 12 mini-excavators
- 1 hot recycling equipment
- 8 sweeper trucks
- 1 joint sealer

**+1,700**

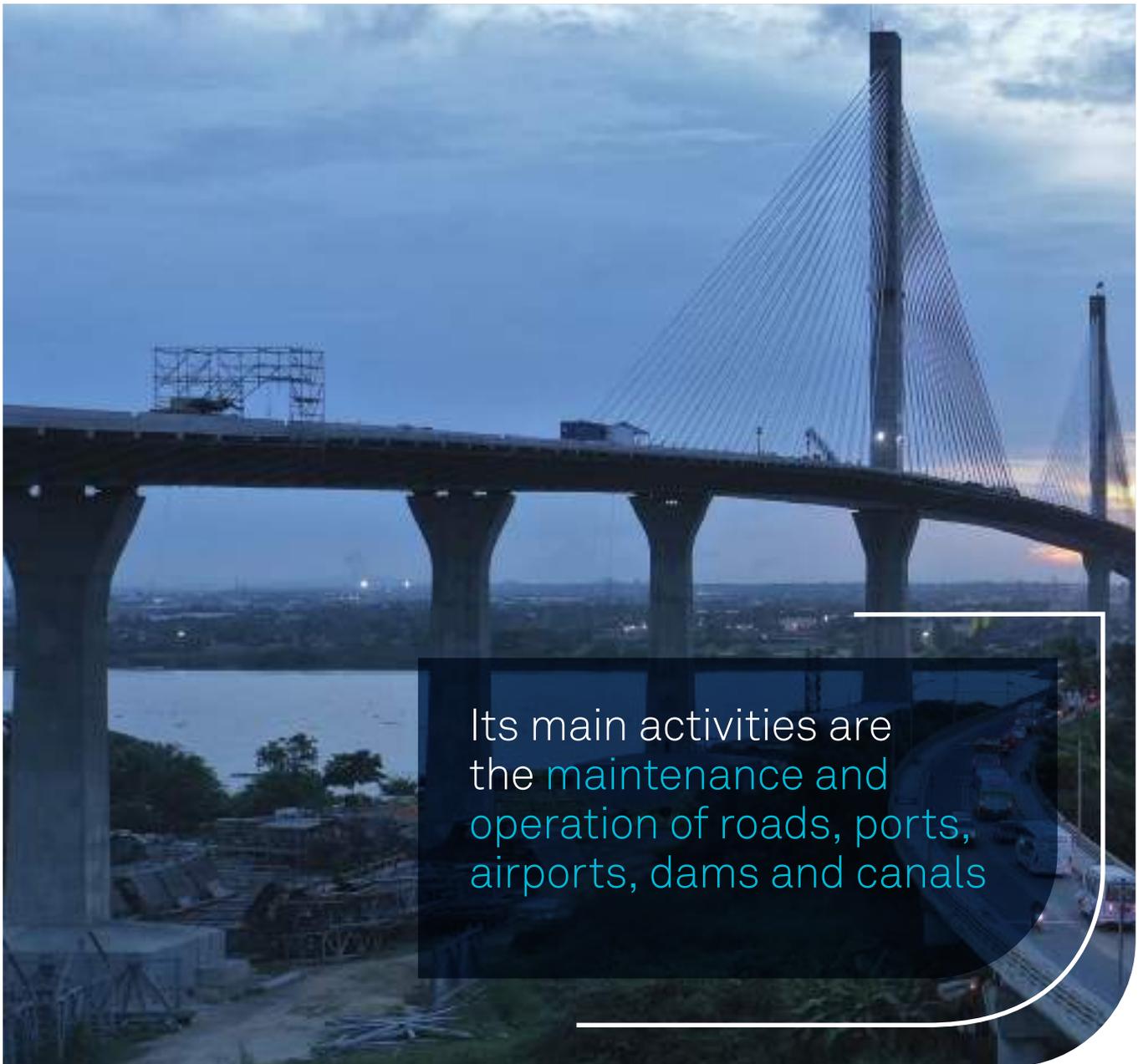
Employees

**+13,500**

km of roads

**+116**

km of irrigation channels



Its main activities are the maintenance and operation of roads, ports, airports, dams and canals

**+140**

km of irrigation channels

**5**

dams

**Port**

of Bilbao

**12**

Airports

## 13 years innovating



Sacyr Maintenance’s R & D & i management system is certified by AENOR according to the **UNE 166002** standard.



### 5 lines of action:

Infrastructure safety	Road Safety	Winter Maintenance	Tunnels	Improvement of processes and information systems
<ul style="list-style-type: none"> <li>➤ 30 lines of research in 24 projects and 2 registered patents.</li> <li>➤ 15.7 M€ of financing.</li> <li>➤ Optimization of the integral cycle of management of and its interaction with users, providing an essential technological leap towards Vision 0 (0 deaths, 0 injuries, 0 retentions and 0 emissions).</li> </ul> <p>Through 2 projects.</p> <ul style="list-style-type: none"> <li>• Development of monitoring equipment for low cost for condition analysis in continuous and predictive maintenance.</li> <li>• Weather analysis systems for the determination of contamination episodes and early planning of traffic restrictions.</li> </ul> <ul style="list-style-type: none"> <li>➤ Creation of the first start-up for training and evaluation of drivers of winter maintenance. Snowplough truck simulator of high performance.</li> <li>➤ Development and commissioning of a system anti-trapping to improve the conditions of during conservation operations.</li> <li>➤ Development and commissioning of the first “serious game” for the training of workers of the infrastructure conservation sector.</li> <li>➤ Participation in the first innovative public purchase of the Ministry of Public Works.</li> <li>➤ Development and commissioning of the first system of the world for the thawing of vials based on the</li> </ul>			<p>use of inert gases as a vector fluid in geothermal installations.</p> <ul style="list-style-type: none"> <li>➤ Development and commissioning of a system capable of predicting the life span of large structures (bridges, viaducts and slopes) through evolution of its vibrations by its own atmospheric variables (without artificial excitation).</li> </ul>	

### Noteworthy wins:

#### Internationally:

Setting up the operator “RUTAS DEL ESTE”, for the operation and maintenance of route 2 and 7.

Extension, until the end of the concession, of the conservation and service contract for the “Valles del Desierto” Highway, in Chile. For a term of 4 years.

Management and conservation of a 436 km long road corridor, linking the departments of Ayacucho, Huancavelica and Junín, in Peru. For an amount of 10 million euros and 3 years for the concession.

Management and conservation of a 324 km long road corridor linking the cities of Cusco and Echarate, also in Peru. For an amount of 8 million euros and a term of 3 years.

**Nationally:**

Comprehensive conservation of the roads of the Tudela and Tafalla Conservation Centers (Navarra). For an amount of 15 million euros and a term of 4 years for the concession.

Execution of various conservation and exploitation operations in the ZA-04 sector, Zamora. For an amount of 13 million euros and a term of 3 years for the concession.

Works to improve and repair the road surface of the A-42, A-4, and TO-23, in Toledo. For 1.3 million euro and a one-month completion period.

Execution of conservation operations in the sector of Jaén West. For an amount of 5 million euros and an execution period of 4 years.

Comprehensive conservation of sector 51-VA-0307, Valladolid. For an amount of 7 million euros and a term of 2 years for the concession.

Execution of the action plan against ice and snow at the Adolfo Suarez Madrid-Barajas Airport. For an amount of 6 million euros and a term of 3 years for the concession.

Conservation of the urban agglomeration of "Granada - Sierra Nevada". For an amount of 5 million euros and a term of 4 years for the concession.

## How do we create value in the communities where we are present?

In all Conservation contracts, all personnel must reside in the vicinity of the conservation bases, so the hiring of personnel is all from the area, the IAE is also paid in the municipalities where we have the bases, normally the Local companies are the ones that do minor jobs that we subcontract.

## Future Challenges

We remain committed to improving our activities and services so that the company is a leader in the sector and has sustainable growth over time.

**Short Term:**

- Increase in our presence in the international area.
- Consolidate ourselves as the fourth national company in conservation.
- Increased commercial presence nationwide.
- Consolidate the market in Peru.

**Medium Term:**

- Creation of a structure in Paraguay.
- Consolidate conservation in airports and ports.
- Creation of new branches in Spain.

**Long Term:**

- Opening of new lines of business.

## How do we face these challenges?

- Through Sacyr Concessions and in the countries where they are established, take advantage of synergies to open new markets.
- Increase business figures by diversifying jobs and opening business lines in which we have opportunities to grow.
- Increase contracts nationwide with increased commercial action (Director of business development).
- Consolidate our position in the countries where we already operate and open new markets, mainly in LATAM.

## 6.4. Local communities

 We are proud of the role we play in the economy of countries and continue to explore new ways to support their development and generate sustainable value

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.

### SUSTAINABLE DEVELOPMENT GOALS



### 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

## Respect for Human Rights

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.

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.

(102-9) (103-1) (103-2) (103-3) (408-1) (409-1) (411-1)

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.

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.

## Modern Slavery Statement

(409-1)

Sacyr is committed to taking all appropriate steps to combat slavery and human trafficking. We are proud of the steps already taken and continually seek to improve our practices to combat slavery and human trafficking.

Among the principles that are the guideline and basis of Sacyr's Code of Conduct are those referred to Human Rights and Labor, and we respect them wherever we carry out our activities, being applicable to all subsidiaries or majority-owned companies with respect to which, in an indirect way, effective control is exercised by Sacyr, SA.

## Sacyr's Commitment to Combatting Slavery and Human Trafficking

Sacyr develops its activities in a way that rigorously respects Human and Social Rights in the different supply chains and complies with the most demanding environmental and health and safety standards, all this based on transparency and continuous dialogue with the Stakeholders of the Company (customers, suppliers, employees, shareholders, investors, etc.).

Sacyr also participates in many international initiatives such as the Tripartite Declaration (International Labour Organisation), OECD Guidelines and United Nations Universal Declaration of Human Rights.

In 2007, the Sacyr Group became a signatory of the Global Compact, promoted by the UN, and undertook to support and implement the ten ethical principles underpinning the initiative, ratifying its commitment to those principles every year.

The following Sacyr documents (available on Sacyr's website) determine our commitment to combatting slavery and human trafficking:

- ➔ Code of Conduct
- ➔ Corporate Social Responsibility Policy
- ➔ Modern Slavery Statement

The above policies apply to all the Sacyr Group companies.

## Supply Chain

The Inquiry and Claim Line is the access mechanism to remedy or complaint channel that is expected to address all issues related to the Code of Conduct and, in general, to the Compliance Program, as well as to report infraction or risk situations in relation to the guidelines and behaviors regulated in the Code of Conduct or in the Compliance Program.

Sacyr has an extensive supply chain and to ensure those in its supply chain comply with Sacyr's commitment to sustainability and corporate social responsibility practices (including combatting slavery and human trafficking), we regularly review our due diligence processes to ensure that appropriate supervision is carried out on our subcontractors.



Sacyr is part of a global socioeconomic ecosystem and we recognize that we depend on strong relationships with all our stakeholders

## Training

All actions of the Group and its employees must observe scrupulous respect for the Human Rights and Public Liberties included in the Universal Declaration of Human Rights.

Sacyr has developed a training program on the code of conduct where issues related to forced labor are specifically detailed, underlining a zero-tolerance attitude to situations which are against Sacyr values and policies. All employees are aware that a confidential Inquiry and Claim Line is available to report any incidents or concerns, therefore Sacyr does not accept any form of modern slavery in Sacyr nor in the supply chain.

(102-15)

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 activities.

### Social Impact

**Sacyr is part of a global socioeconomic ecosystem and we know that we depend on strong relationships with all our stakeholders**

## Social Cashflow

The economic value generated has enabled the distribution of wealth among our main stakeholders. The economic value distributed in 2019 in these communities was 3,241 million euros.

<b>SACYR GROUP (MILLION EUROS)</b>	<b>2019</b>	<b>2018</b>
Operating cash flows	510	405
Disposals	318	48
Cash flows from dividends	120	115
Cash flows from financial assets	1,916	2,404
<b>Economic value generated</b>	<b>2,864</b>	<b>2,972</b>
Economic value retained		
Payments for investments	1,339	1,148
Financial payments	1,880	1,891
Payment of dividends	22	59
<b>Economic value distributed</b>	<b>3,241</b>	<b>3,098</b>

## Sacyr in the Communities

The Sacyr group establishes various communication initiatives with its stakeholders and especially with the users of the infrastructures and communities in the projects' area of influence:

### Challenges:

1. 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.
2. To identify, prioritise and characterise the following groups: authorities, employees, suppliers and associations.
3. 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.

Sacyr in **Mexico** is committed to developing sustainable projects that contribute to the communities where we work, in the medium and long term, in order to restore the social wellbeing and contribute to the country's development. Some of the projects carried out in this country were:

- Project with the **ATREA Foundation**, an institution that assists children with Autism, which consisted of two days of volunteer work in which we improved the facilities of the Foundation, painting the interior of the house, planting vegetation in the outdoor facilities and also donated children's games that were assembled by all participants and collaborators of the project of the road Pyramids - Tulancingo - Pachuca.
- **Reforestation Project with the Municipality of Nopaltepec**, where we organized a day for employees of the Pirámides - Tulancingo - Pachuca road project to join together to reforest a high school in the municipality of Nopaltepec, Hidalgo. 250 trees were planted in an area of 7,000 m2. It is worth mentioning that the monitoring of the survival of the planted trees will be carried out by the same municipality, through school activities of the Escuela Telesecundaria Niños Héroeos.
- Through **Sacyr' Sport Club in Mexico**, we sponsored a race promoting water care. More than 50 collaborators participated in the race, who also encouraged their families to participate in sports activities. Throughout the year, two races were held, ranging from 5km to 12km, with more than 80 participants.

We are more than 3,000 employees in Peru, contributing to create value to the country's economic development and to the quality of life of its inhabitants through our projects and collaborations for the community:

- **Promoting sports activities** development in the district of Villa María del Triunfo, Lima.

With the construction of 18 additional sports works in the "Andres Avelino Caceres" Sports Complex in Villa Maria del Triunfo in Lima, which we built in its entirety for the Pan American Games Lima 2019. These works are the social legacy to add also to the development of traditional sports such as football, volleyball, basketball, swimming, tennis and athletics in the whole district of Villa Maria del Triunfo. These sports complex also comprises 11 multi-sports courts, 2 recreational swimming pools, 2 tennis courts, 1 athletic track, 1 bicycle path and 1 roofing for the Basque pelota and trinquete fields.

Video 

- **Promotion of inter-district sport** in the province of Mariscal Nieto.

Support to the development of the women's soccer tournament "Copa Quellaveco", organized

by the mining company Anglo American, our client for the Quellaveco project, donating, in addition, sportswear to the winning teams.

- **Promotion of sport** in the district of Mollendo.

We collaborated with the youth team of the Soccer School "Talents" of the district of Mollendo, department of Arequipa, to pay the transfer and lodging expenses of the 28 members of the delegation, during their participation in the international tournament in the city of La Paz, Bolivia.

Video 

- **Improvement of basic health services** in the Mejía district of Mollendo province in Arequipa.

Donation of medical equipment to improve the pathological and dental services of the Mejía Health Post, preventing patients in the district from being transferred to the city's largest hospitals. In addition, a dental device for vertical x-rays and an ultrasound machine for oral cleaning were donated.

Video 

- **Christmas celebration with children** from the areas of influence with the greatest need.

Carrying out Christmas celebrations in the places of greatest need in each area of influence of our projects in the districts of Alto Inclán, Tumán, Lacramarca, Lancones, Cutervo, Ollantaytambo, Huayopata and San Cristóbal - Calacoa

- **To strengthen knowledge of road safety and environmental protection among schoolchildren** in the areas of influence of the Sierra Longitudinal Highway Concession, Section 2.

Training in road safety and environmental care for school children in the province of Cutervo, department of Cajamarca, which belong to the areas of influence of the Concession of the Longitudinal de la Sierra Highway, Section 2 of the region of Cajamarca and Trujillo. The purpose of this is to be actors of diffusion in the care of the transit routes of the Concession.

## Relationship model with our stakeholders

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.

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.

## 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.

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.

## 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 2019 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 min 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.

## 6.5. Sacyr Facilities

→ Sacyr Facilities is the company specialised in providing facilities services (facility management, facilities maintenance, cleaning, auxiliary services, energy services) and social services through **Sacyr Social**



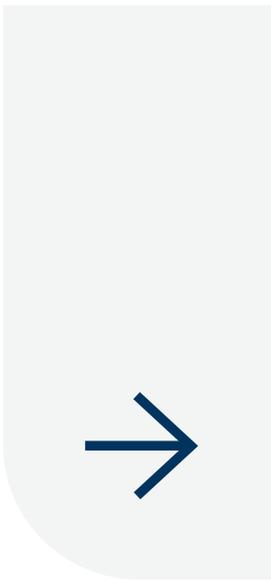
→ Exterior cleaning



**888**  
million euros  
in contracts  
(+170%)

Turnover:  
**+398**  
millions of € (+4%)

Revenue portfolio:  
**+1,571**  
millions of € (+39%)



Over the last few years, Sacyr Facilities has maintained a very high rate of growth, reaching the top 5 companies in its sector, while at the same time focusing on the search for new businesses that will enable us to offer our clients more comprehensive solutions. It is the leading integrated contracts operator of FM services in the hospital sector.

Similarly, Sacyr Social, which provides services to various groups in a situation of dependence (the elderly, minors, the physically and mentally disabled), has become one of the leading operators in Spain in just a few years, within the top 3 in its sector.

**Sacyr Social** provides home help services to more than 38,000 people in Spain with more than 10,000

employees. Its contracts include city councils as important as Madrid, Barcelona, Albacete, Burgos, Segovia, Zamora, etc., and regional councils such as Álava, Ávila, Burgos, Lugo and Valladolid. In addition, it manages 23 centres throughout Spain, including residential homes and day centres, where it provides care for more than 1,500 users.

## Relevant Issues

– In compliance with the objective of improving the company's operating results, during 2019 the development of actions continued in three different areas: Systems Improvement, Process Optimization and Loyalty and Training of People.

### THE MAIN CONTRACTS, AWARDED IN 2019, HAVE BEEN:

Internationally:	Millions of €
· Contract of complementary services to the medical attention services of the General Hospital of Tláhuac (Mexico City). <b>For a 23-year term for the concession.</b>	421
· Cleaning, waste management and landscaping services for "MallPlaza" Shopping Centres in Chile. <b>For a term of 4 years.</b>	16
· Cleaning services in various Shopping Centers, offices and corporate buildings for Parque Arauco, S.A., Chile, as well as the maintenance of the Arauco Coronel Shopping Center. <b>For a term of 3 years.</b>	15
Nationally:	Millions of €
· Cleaning of terminals 1 and 2 of the Josep Tarradellas Barcelona El Prat Airport, <b>with a term of 3 years</b>	58
· Cleaning of the Adolfo Suarez Madrid-Barajas Airport, phase IV, lot 1. <b>For a period of 3 years</b>	34
· Cleaning (DDD) and waste management of the Post and Telegraph work centres, Nexea Document Management and Express Post, in several national centers. <b>For a term of 2 years</b>	18
· Cleaning of Puerta del Mar Hospital, San Carlos Hospital and dependent centres, in the province of Cádiz. <b>For 2 years</b>	14
· Cleaning, disinfection, disinfection and rat extermination services of the Directorates General of Police and Civil Guard, Lot 9 (Extremadura, Andalusia, Canary Islands, Ceuta and Melilla) <b>for a period of 2 years.</b>	13
· Cleaning and maintenance of various office buildings and business parks for Merlin Properties. <b>For a term of 3 years</b>	9

· Cleaning of the primary care management in Zamora. <b>For a term of 2 years</b>	<b>7</b>
· Cleaning of buildings and premises of the Municipal Transport Company (EMT) of Madrid. <b>For a term of 2 years.</b>	<b>5</b>
· Comprehensive maintenance of the Reina Sofía National Museum in Madrid. <b>For a term of 3 years</b>	<b>4</b>
· Cleaning and DDD of the buildings and dependencies of the Autonomous University of Madrid. <b>For a term of 1 year</b>	<b>4</b>

**Sacyr Social**, leader in the management of Residences and Day Centers

<b>During this year, the following have been awarded, among others:</b>	<b>Millions of €</b>
· Extension of the Home Help Service of the Madrid City Council	<b>56</b>
· Extension of the Home Help Service of the Barcelona City Council	<b>14</b>
· Extension of the Home Help Service of the Provincial Deputation of Ávila. <b>For a term of 2 years</b>	<b>12</b>
· Management of the municipal service of the Residence, Day Center and restoration in Fort Pienc (Barcelona). <b>For a term of 2 years</b>	<b>7</b>
· Home Help Service for the City of Albacete. <b>For a term of 3 years</b>	<b>6</b>
· Extension of the Home Help Service contract, North and South Lot of the Community of Madrid. <b>For a period of one year</b>	<b>6</b>
· Home Help Service for the City of Burgos. <b>For a term of 1 year.</b>	<b>4</b>

## Future Challenges

The priority objectives that we set for 2020 are the following:

- Improvement of the company's operating results, through the triple axis of action: Systems, Processes and People.
- Sanitation plan or abandonment of unprofitable contracts.
- Maintain the level of recruitment in the national public sector and increase commercial action in the private sector.
- Keep collaborating with Sacyr Concessions in international competitions, especially in the United States.
- Continue to expand our business in Chile and Mexico and initiate entry into other countries: United States, Canada, Portugal and Colombia.
- The commissioning of the Tláhuac Hospital in Mexico.
- "Zero accidents in 2020" objective, increasing the involvement of management in improving the health and safety of all our employees, by strengthening leadership actions visible.
- Progress towards achieving the "zero" objective emissions and zero waste", reducing the impact of all our services.



# valoriza

## Special Employment Center



Committed to  
**social inclusion**

A key center for the labor integration of people with disabilities, Valoriza Special Employment Center is a multi-service company of the Sacyr group that has employed people with disabilities since 2016 and currently has more than 270 workers, 96%, with some type of disability.

The special employment centers, companies whose workforce is made up of more than 75 % of people with disabilities, work to unite jobs and people, attending to the needs of both and with the maxim that “every person with disabilities is suitable to work”



At Sacyr we are a team in which thousands of people contribute their talent, rigor and passion for a job well done, **with the will to develop our skills and promote diversity**



## 6.6. Human Capital

At the Sacyr Group we directly employ more than 40,000 employees worldwide through our work centers, Engineering and Infrastructure works, concessions, industrial and our extensive network of services.

Our employees are the base of the Sacyr Group. The key to the success of our activities and projects is to attract, develop and maintain the most talented professionals.

Our staff is made up of people with a high degree of commitment to a job well done. The diversity and excellence of our work teams are the source of the development of the best services and constructions, and this is applying their knowledge and transmitting the values of the organization through the development of their work.

These differences help us better connect with the needs of our projects in all the countries where we are present.

### Staff Description:

Our success is based on the dedication and technical experience of our employees. We do everything we can to attract and retain the best. To do this, we offer them secure and attractive jobs, opportunities for development and comprehensive training, and a long-term-oriented human resources policy. We also have

a variety of measures to allow employees to reconcile work and private life.

(103-1) (103-2) (103-3)

In 2019 Sacyr's average workforce has reached 43,467 workers (37,730 consolidated average workforce in 2018). This represents an increase of 15.2% compared to the previous year. Of this total of workers, 22,609 are men (26,213 in 2018) and 20,858 are women (23,515 in 2018).

(102-8) (405-1)

66.06% of the workforce carries out its activity in Spain; The Group also has an important representation of workers in Chile, Colombia, Peru, Italy, Portugal and Mexico, among others.

As of December 31, 2019, Sacyr's staff closed at the figure of 49,727 active workers. Of this total of workers, 26,213 are men and 23,514 are women.

(102-8) (405-1)

### Talent Acquisition:

We invest in attracting and training talent on an ongoing basis. This allows us to secure our human resource needs in a volatile environment.

The Sacyr Group Global Package comprises a series of measures ranging from vocational training

to high potential programs for managers. In this sense, Performance Evaluations were carried out on 3,710 employees, of whom 67% were men and 33% women. According to the professional categories, this distribution was 0.2% senior management, 2.5% management, 23.5% middle managers and 73.7% technical personnel.

(404-3)

Talent acquisition at Sacyr is carried out through transparent, confidential and rigorous processes, which guarantee respect for the principles of equality and non-discrimination. Under a shared and global methodology and model for the Group.

These processes are articulated through objective tests, aimed at exclusively evaluating the candidate's merits, qualifications and competency profile, seeking the optimal person-position adaptation.

The Sacyr group's Talent acquisition processes are governed by the Smart Recruiting Model (SmartRec). SmartRec is a talent attraction, recruitment and evaluation methodology developed by Sacyr during 2017.

This methodology aims to:

- Homogenize, provide rigor and objectivity and optimize the efficiency of the selection processes at the global level (all businesses and all countries).
- Establish the basic operating principles regarding diversity and equality in the field of talent acquisition.
- Provide managers who need to incorporate personnel with the necessary tools for an adequate choice of the people on their team.

## Training

(103-1) (103-2) (103-3) (404-1) (404-2)

Through our training model we want to guarantee the permanent development of collaborators, globally, aligning training with the needs generated by business strategies, within the framework of a business culture of innovation, integrity and excellence. All this focused on our employees developing a training curriculum in an agile and accessible way, through the online training tool "My virtual point", in all educational programs for the training of professionals in the areas of action of the

units of business and management of the Sacyr Group, in all the countries where we are present.

Training at Sacyr is conceived as a strategic tool for managing talent, supporting change and reinforcing the corporate mission. It is therefore a key part of the company's operations.

For this reason, the Sacyr Group is firmly committed to implementing different strategies which, thanks to the increase in training hours, make it possible to improve the skills and abilities of its employees, optimising their results and increasing their level of competitiveness.

At Sacyr, training is carried out under a homogeneous model and decentralized management in the business areas that make up the Group. This allows us to achieve our main objective more successfully, which is to add value to the company through the professional development of people. The total hours of training given in 2019 was 284,302 hours, compared to 201,216 hours in 2018, an increase of 41.29%.

(404-1)

### AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

(404-1)

Training hours per genre	2019	2018	%19/18
Men	186,717	142,533	30.99%
Women	97,585	58,683	66.29%
<b>Total</b>	<b>284,302</b>	<b>201,216</b>	<b>41.29%</b>

### HOURS OF TRAINING BY STAFF CATEGORY

Staff Category (new since 2019)	2019	2018	%19/18
High Management	3,808	4,547	-16.25%
Management	25,786	27,159	-5.05%
Technicians	93,097	81,942	13.61%
Support	161,611	87,568	84.55%
<b>Total</b>	<b>284,302</b>	<b>201,216</b>	<b>41.29%</b>



## TRAINING HOURS PER CONTENT AREA

Being our formative model structured in 5 big “Schools” or Content areas:

- **Skills Development Center (COM).** Training in Skills and Attitudes that translate into observable and measurable critical behaviors that lead to the success of the People who are part of Sacyr
- **Language School (IDI).** Sacyr, within its Strategic Plan, establishes growth, expansion and positioning at the international level as one of its priority objectives. To face this process with full guarantees, it is a critical element to have teams of professionals capable of communicating and carrying out their activities in different languages.
- **Functional Powers (FUN).** Training itineraries transversal to all the business lines in topics such as Finance, LOPD, Legal, Compliance, Office, Welcome, etc.
- **Technical Schools (TEC).** 4 Technical Schools: Engineering and Infrastructure, Concessions, Industrial and Valoriza. Specific training itineraries with a high technical component aimed at promoting the achievement of business results.
- **HSE School (PRL).** Face-to-face, on-line and distance training to provide the knowledge, skills and attitudes regarding HSE



COM

29,192

10%



IDI

40,362

14%



FUN

59,213

21%



TEC

84,529

30%



PRL

71,005

25%

In view of new technological advances in the field of our activities, as well as far-reaching changes in the labor market, the continuous training of our employees is increasingly important. Our training courses try to cover the existing needs in this field by promoting the individual strengths of our workers, and among them our managers.

For example, in the Management Plan are language courses, among others.

We develop both external and internal training (43% of training hours), the latter by the hand of our expert collaborators.

During 2019 we have addressed a series of training itineraries:



### 1. Competence program

During 2019 we have continued to develop our Competency Model, having developed several training itineraries to work on the following competencies.

#### Competence / Collective

Use of Email // Stress Management	Technicians
Work Happiness // Internal Communication	Support
Effective Meetings // Adapting to Change	Managers
Results orientation and criticism and rewards	Technicians

#### Blended methodology:

- On Line (6 hours)
- Face-to-face (2 hours at the School of Industrial Organization and the Chamber of Commerce of Madrid)



### 2. “Sacyr Build Future” Program

Sacyr Construye Futuro is an Employer branding and Young talent recruitment Program that we develop in

collaboration with the School of Roads, Channels and Ports of the Polytechnic University of Madrid.

The program is made up of a series of sessions through which the participants can get to know both our Group in great detail, as well as the global role of the ICCP in our Organization.

During 2019 we have carried out the third edition of this program, in which 32 students from the second year of the master’s degree have participated.

### 3. 2019 E-learning Language Training Program

Our e-Learning programs allow each collaborator to train from anywhere and at any time, at a pace that is fully adapted to their needs.

The language program, Learnlight, is made up of a study plan for each level, which includes between 20 and 40 units structured and aligned with the Common European Framework of Reference.

Students in turn have access to a weekly Magazine with fun and current content that gives them freedom and autonomy to learn with the topics they like the most.

It is a learning environment, awarded worldwide, and used by 50,000 students in more than 100 countries around the world.

#### 4. Open Programs

Through this project we allow our collaborators to self-enroll in those courses they are interested in, so they may design their training plan or training passport.

At different times of the year we have offered titles of different themes: office automation, working management, personal effectiveness, health and welfare at work, technical aspects, etc. And every user enrolls in those they need personalising his training.

### Promotion of personal and professional balance

At Sacyr we understand work-life balance as a set of elements and strategies that help to ensuring the quality of work and life of those who are part of our Company, so they are be able to grow in all areas of life, experience a high degree of job satisfaction, take care of family responsibilities and enjoy personal time.

(103-1) (103-2) (103-3)

At Sacyr, we have more than 90 measures to reconcile work and family life, which have enabled us to receive the Family Responsible Company (FRC) certificate from

the MásFamilia Foundation, supported by the Ministry of Health, Consumer Affairs and Social Welfare, and endorsed by AENOR. Among them are:

- Flex Working Corporate Policy:
 

It establishes a series of measures of flexibility at work in relation to working hours (general flex time and special flex time) and self-management of working time. As for space flexibility measures, it includes a pilot programme for out-of-office work and the right to digital disconnection.
- The training pill “Reconciliation in our company” which includes the most important measures in this issue within our Company.
- Guide to permits in reconciliation: a guide developed to ensure the knowledge on the kind of permits in terms of conciliation they are suited to request and what are the necessary steps to do so with the corresponding application and approval procedure.
- Extension of the holiday period: Sacyr encourages and promotes the enjoyment of holidays during the calendar year, but for exceptional reasons, the remaining days can be enjoyed until 31st January of the following year.



Young Talent program  
for Sacyr employees



(103)

## Sacyr Conciliate

A programme that promotes initiatives to reconcile the professional, personal and family lives of its employees within a framework of business competitiveness that requires the maintenance of excellence in the services provided. As they are:

### → Day Without School

On non-school days but on working days, activities are organized for the children of employees aged between 3 and 14 years, during 3 days without school but labor days. In 2019, more than 400 children have benefited from this initiative.

### → Facilitation of childcare options

There are agreements with various nurseries and educational centers.

### → Design / Modification of the Work Calendar according to the School



Día Sin Cole. Madrid. Spain



Chef 21, an event organized by Sacyr Servicios, aims to include people with Down syndrome in the world of work. Madrid

## Diversity and Inclusion

### Equal opportunities and non-discrimination

At Sacyr we consider the talent of the people who make up the organization to be our main asset and competitive advantage. Therefore, we wish to attract and retain the best professionals, offering them new learning experiences in order to boost their professional and personal development, and thus promoting the development of relations based on creating and fostering a diverse environment and inclusive workforce, which contributes to the achievement of our corporate objectives and a best business performance. In addition to driving measures and actions to achieve real equality of treatment and opportunities among all professionals and avoid situations of discrimination, both direct and indirect, associated with race, nationality, origin ethnicity, age, disability, religion, gender, orientation sexual, marital, or other physical or social status.

(103-1) (103-2) (103-3) (405-1)

Along these lines, at Sacyr we have signed other agreements to reinforce diversity management in the company:

- Agreement “Companies free of gender violence” with the commitment to spread awareness campaigns and prevention of gender violence of the Ministry of Equality.
- Adhesion agreement with the Integra Foundation that promotes the integration of people at risk of social exclusion.
- Agreement to join the Incorpora Program of the La Caixa Foundation to promote the hiring of people in situations of social exclusion.
- Sponsorship of the Training Center for employment of the Juan XXIII Foundation, which works for the social and labor inclusion of people with intellectual disabilities and / or mental illness.

In 2016, the Sacyr Group signed the **Inserta Agreement with the ONCE Foundation**, an agreement still in force today, with which we promote training, job integration and global accessibility for people with disabilities. In the same way, at Sacyr we assume, from the beginning of our activity, the commitment to non-discrimination and to the principles of equal opportunities, integration and respect for diversity. As of December 31, 2019, the number of employees with disabilities of the Sacyr Group in Spain is 1,026<sup>4</sup>.

(405-1)

In the corporate buildings of the Sacyr group, the universal accessibility of people is always taken into account, ensuring that all buildings are accessible to people with disabilities or the elderly.

Sacyr has a **Group Equality Plan** and a Protocol for the prevention and action against harassment and discriminatory acts. Within the Equality Commission, through follow-up meetings, initiatives are promoted in the different areas of action in this matter. In addition, we have Equality Plans in all the companies in the Construction and Services area.

Sacyr is aware of the importance of having a balanced participation of women and men in the governing bodies of the organization, and for this reason, the Board of Directors approved, in 2016, a policy for selecting candidates for directors, in which It has been

expressly included that efforts will be made to ensure that in 2020 the number of female directors represents at least 30% of the total members of the Board of Directors.

(103)

Likewise, in 2014 Sacyr signed with the Institute for Women of the Ministry of Equality the Master Plan “More women, better companies”, a collaboration agreement on the adoption of measures to increase the presence of women in managerial and managerial positions. In addition, Sacyr is attached to the EJE & CON Good Practices Agreement to contribute to the promotion of measures that facilitate women’s access to positions of Senior Management and Management Committees or the agreement reached with the Network of Women of Senior Management of Chile (MAD) to share good practices.

In addition, Sacyr has an ordered set of initiatives and actions in the different areas of **diversity** with the aim of developing policies and initiatives, cross-sectionally and in each of its areas, establishing agreements and alliances with the Administration, Foundations and Institutions , which offer us the opportunity to give visibility to our commitment and share good practices, as well as carry out awareness-raising and training actions for our employees. This commitment is reflected with the accession of Sacyr as a protective partner of the **Foundation for Diversity**, thus advancing its commitment acquired by being a signatory to the **Diversity Charter** or with initiatives such as the creation of the **Diversity and Conciliation channel**, as a space in the intranet where employees can access news, documents and other information of interest in these matters or the recognition of including Sacyr among the 30 Spanish companies most committed to diversity, according to Variable Report D’20 or the generation of the Generation & Talent Observatory.

The selection process for our workers begins with the completion, by the talent selection area, of a file with the profile requirements. The gender of the candidates is not admitted as a requirement in this document.

Before starting the selection process, the position is assigned a **salary range** that is defined by the role of the position. This salary range is maintained regardless of the gender of the finalist candidate to which it is offered. The guideline in all cases by the Corporate Talent Acquisition departments and the different

4 (902 in 2018) In the rest of the countries where the group has a presence, the reporting of data on employees with disabilities is not carried out as it is not considered material information for these governments

businesses and holding companies to interviewers from businesses is that, under equal conditions, it favors the hiring of the candidate of the least represented sex in the department, level of responsibility, etc.

(103-1) (103-2) (103-3)

The Company’s management, and in particular the Compensation and Benefits area, ensures compliance with confidentiality requirements and the setting of its remuneration policy with criteria of equity regardless of gender status.

The **Remuneration Policy** seeks to attract, retain and engage the best professionals, as well as to establish a stable and permanent bond between remuneration, results and the interests of shareholders, thereby achieving the objectives long term of the Company and incorporating the necessary precautions to avoid the excessive assumption of risks and the reward of unfavorable results.

Additionally, when designing the Remuneration Policy, the economic environment, the results of the Company, the strategy of the group led by Sacyr (the “Group”), the legal requirements applicable to capital companies have been taken into account. , the best market

practices and, to a large extent, the Good Corporate Governance Recommendations.

(103)

In relation to the global remuneration of Senior Management and the individualized breakdown of the remuneration accrued by the Board of Directors, at the end of the 2019 financial year, it can be found in note 36 of Sacyr’s consolidated annual accounts 2019 and in the 2019 Remuneration Report.

### Training and awareness on equality, conciliation and co-responsibility

Sacyr has developed and launched for all holding staff a compulsory and equal opportunities treatment itinerary between women and men with the following modules: Fundamentals of gender equality, normative framework of Equal Opportunities, strategies for promoting Equality (Equality Plan, harassment at work and gender-based violence.)

In addition, with the objective of raising awareness and communicating a culture of equal opportunities, the Company carries out various campaigns for the



→ Campaign against gender violence at Sacyr headquarters. Spain

International Women's Day, Day against gender-based violence or the Awareness Campaign on the occasion of the National Day of Reconciliation and co-responsibility in order to foster a co-responsible for further advancing a model of shared role society as a form of reduction of the inequalities between women and men in all the realms of life.

(205-2)

Sacyr declares its firm will that the principle of equal treatment at work is respected for all purposes in all Group companies. Likewise, those responsible for the talent acquisition processes have received specific training in equality.

Subsequently, and as part of the training program in the Sacyr Group Code of Conduct, a total of 554<sup>5</sup> students have been trained, for a total of 848 hours. This training includes sections related to equality and non-discrimination, having trained more than 4,500 people online in equality. In this way, Sacyr declares its firm will that the principle of equal treatment at work is respected for all purposes in all Group companies.

## Employee turnover, leave and absenteeism:

Sacyr considers the "turnover rate" to be the proportion of the personnel that the Company leaves in a given period (month and year), expressing, by means of this index, the percentage value of employees who circulate in the Group in relation to the average of its staff.

We consider the following causes of rotation:

- Voluntary withdrawal of the worker
- Leave of absence
- Termination for permanent disability
- Exhaustion of temporary disability
- Retirement
- Death

5 2,297 students, for a total of 4,948 hours in 2018.

Sacyr adapts to the conventional realities of the sectors in which it operates and for the purposes of the turnover rate, the following reasons are not considered "work leave": End of contract - Subrogations - Change of consecutive file. This information is calculated monthly by business units and reconstructed annually for detail according to gender, Autonomous Community, reasons and age.

The highest turnover rate is registered in the Services and Concessions Areas, which is due to the special circumstances that these business units meet, among others.

## Freedom of association and company-worker relations

Social dialogue plays a crucial role in achieving the ILO's objective of promoting equal opportunities between men and women to achieve productive and decent work, under conditions of freedom, security and dignity. From Sacyr, therefore, the rights of association, union representation and collective bargaining of all our employees are supported, in accordance with the regulations of each country.

(103-1) (103-2) (103-3)

Among these commitments, we make special mention of the application of ILO Conventions 87, 89 and 98, which focus on guaranteeing freedom of association and the right to collective bargaining for our workers. The scope of the aforementioned Agreement covers the Sacyr group, as well as all its subsidiaries, regardless of the country in which they carry out their activity, so that it applies to 100% of the Group's workforce.

The 295 Collective Agreements, from different sectors and provinces, include the working conditions of the Sacyr Group staff in Spain during 2019 (280 in 2018). 99.91% (99.88% in 2018) of the Group's employees<sup>6</sup> in Spain are covered by Collective Agreements, and in other more representative countries in terms of staff, it has been verified that there are no formal agreements with it. In any case, Sacyr undertakes to comply with applicable national legislation and / or conventions.

(102-41)

6 There are other countries that do have collective agreements with workers but whose representation of % of employees in relation to the total workforce is not significant and work is underway to collect detailed information for reporting in future years.

## Social Benefits

(401-2)

Sacyr currently has two policies contracted for employees who meet the following requirements: have an indefinite contract, not be subrogable personnel, have been in the company for more than a year, belong to a professional category of senior technician, being the following:

- Private medical insurance: The Group has contracted a private medical insurance policy, with “medical chart” coverage, for employees who meet the following requirements: Have an indefinite contract with a salary higher than the minimum of the applicable Agreement, not being subrogable personnel, have been in the company for more than a year and belong to a professional category equal to or greater than Technical or equivalent.
- Life insurance: The company offers life insurance for employees who meet the following requirements: Have an indefinite contract with a salary greater than the minimum of the applicable Agreement and not be subrogable personnel. The insured capital varies according to the following criteria:
  - Personnel included in the insurance prior to 12/31/2016: The highest of the following capitals, or 1.5 times the employee’s annual gross Fixed Salary or € 72,121.46.
  - New insurances registration from 01/01/2017: The capital will be 1.5 times the annual gross Fixed Salary.

## Tax Benefits

### Flexible Compensation Plan (Sacyr Flex)

Sacyr Flex is a program that allows you to modify, on a voluntary and individual basis, the structure of current remuneration, exchanging a part of it for certain goods and services for all company employees who meet the following requirements:

- Employees with a permanent contract
- Non-subrogable
- With tax residence in Spain
- Have an amount greater than € 500 in fixed remuneration with respect to the Agreement salary
- UTES employees who are 100% Sacyr may also belong to this group

### Income tax exemption for work done abroad

Currently, article 7p of the Personal Income Tax Law applies, which exempts from taxation the income received for work actually carried out abroad when certain requirements are met as long as services have been provided abroad for a minimum of 15 days at year.



A Sacyr Social worker during her working day attending to a patient





→ Agricultural water treatment plant in Adelaide, Australia

# 7

## Governance

7.1. General Meeting, Board and Committees	200
7.2. Good governance practices	204
7.3. Remuneration and incentives	208
7.4. Anti-corruption	210
7.5. Risks	212
7.6. Tax transparency	218

## 7.1. General Meeting, Board and Committees

### Governing bodies

(102-18) (102-19) (102-20) (102-22) (102-33) (405-1)

The Company's ultimate decision-making body is the General Meeting of Shareholders. It represents all Sacyr Group shareholders, and thus all of its share capital.

At the General Meeting, the shareholders make decisions on matters placed within their review either by law or the company bylaws, including, merely by way of example, the approval of the financial statements, the allocation of profit or loss and the approval of corporate management, as well as the appointment and removal of directors, amendments to the company bylaws, and approval of the director remuneration policy.

(102-26)

In all areas other than those reserved for shareholders at the General Meeting, the Board of Directors is the Company's main decision-making body. The main responsibilities thereof include the approval of the Company's general strategies and policies.

Sacyr's Board of Directors had thirteen members at 31 December 2019: one executive director, five proprietary directors, six independent directors and one non-executive director.

(102-27)

This composition ensures that the Board remains vigilant concerning profitability for all shareholders and monitors strict compliance with the company's strategy.

Executive directors include those that carry out management functions at the Company or its Group, whatever its legal relationship therewith may be. Nonetheless, directors that serve in positions of senior management or that are directors of companies belonging to the parent's Group shall be considered as proprietary directors at the latter.

Non-executive directors include all of the Company's remaining directors, which may be proprietary, independent or other non-executive:

- Proprietary directors are directors that have a shareholding greater than or equal to three percent of share capital, or that have been appointed due to their status as shareholders, even if their stake is less than this amount, and those representing this type of shareholder.
- Independent directors are directors that are appointed in view of their personal and professional characteristics, and can carry out their functions without being affected by relations with the Company, its significant shareholders or executives. A director with a shareholding in the Company may be considered independent when he/she satisfies all the legal conditions and, in addition, his/her stakeholding is not significant.
- External directors shall be considered as non-executive directors that cannot be considered as proprietary or independent directors based on the legally established requirements.

Significant shareholdings represented on the Board of Directors and included in the financial statements are as follows:

	2019
Concerted action	14.55%
Beta Asociados, S.L.	5.95%
Grupo Empresarial Fuertes, S.L.	6.31%
Prilomi, S.L.	4.69%
Norges Bank	3.06%
Other	65.44%
<b>TOTAL</b>	<b>100.00%</b>

NAME	POST	REPRESENTATIVE	DIRECTORSHIP	REPRESENTING	% DIRECT VOTING RIGHTS ATTRIBUTED TO SHARES	% INDIRECT VOTING RIGHTS ATTRIBUTED TO SHARES	% TOTAL VOTING RIGHTS
Manuel Manrique Cecilia	Chairman and CEO		Executive		0	1.419	1.419
Demetrio Carceller Arce	First Vice-Chairman		Proprietary	Disa Corporación Petrolífera, S.A.	0.001	0.099	0.1
Isabel Martín Castella	Director		Independent		0	0	0
Grupo Satocán Desarrollos, S.L.	Director	Juan Miguel Sanjuán Jover	Proprietary	Grupo Satocán, S.A.	0	0	0
Luis Javier Cortés Domínguez	Director		Other external		0	0	0
María Jesús de Jaén Beltrá	Director		Independent		0	0	0
José Joaquín Güell Ampuero	Director		Independent		0	0	0
Prilou, S.L.	Director	José Manuel Loureda Mantiñán (1)	Proprietary		3.569	4.688	8.257
Elena Jiménez de Andrade Astorqui	Director		Independent		0	0	0
Grupo Corporativo Fuertes, S.L.	Director	Tomás Fuertes Fernández	Proprietary	Gr. Empresarial Fuertes S.L.	6.315	0	6.315
Francisco Javier Adroher Biosca	Director		Proprietary	Disa Corporación Petrolífera, S.A.	0.006	0	0.006
Augusto Delkader Teig	Director		Independent		0	0	0
Juan María Aguirre Gonzalo	Lead Director		Independent		0.006	0.003	0.009
Miguel Ángel Rielves Pilas	Non-Director Secretary						
Alfonso Aguirre Díaz- Guardamino	Non-Director Vice-Secretary						

The information contained in this section is that recorded at 31 December 2019, with the Spanish securities register and clearing house "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("Iberclear").

With regard to the election procedure, the General Shareholder's Meeting held on 13 June 2019 ratified the appointment made by cooption on 9 May 2019 and re-elected and appointed Elena Jiménez de Andrade Astorqui as an independent director. Later, on 6 November 2019, the Board of Directors co-opted Luis Javier Cortés Domínguez as a director.

(1) José Manuel Loureda Mantiñán holds 49% of the share capital of Prilou, S.L., and Prilou, S.L. holds 86% of the share capital of Prilomi, S.L.

The Board of Directors' Regulations, which govern its organisation and functioning, provide for three committees to help it fulfil its duties:

- The Executive Committee, which has had delegated to it all the Board's powers other than those reserved exclusively for the Board by law, the company's bylaws or the Board's own regulations.
- The Audit and Corporate Governance Committee, which has the powers described in article 16 of the Sacyr Board Regulations, in accordance with recommendation 42 of the Good Governance Code, including the following:

**1. With respect to internal control and reporting systems:**

- a) Monitoring the preparation and integrity of financial information prepared on the company and, where appropriate, the Group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.
- b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the Company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- c) Establish and supervise a mechanism where by staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

**2. With respect to the external auditor:**

- a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

- b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
- c) Ensure that the Company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for same.
- d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the Company's risk and accounting positions.
- e) Ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.
- The Appointments and Remuneration Committee, which has the powers described in article 17 of the Sacyr Board Regulations, in accordance with recommendation 50 of the Good Governance Code, including the following:

(102-24) (102-36)

- a) Propose to the Board of Directors the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the Company.
- c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the Company.
- d) Ensure that conflicts of interests do not undermine the independence of any external advice the committee engages.

- e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

As set out in the Board Regulations, in general the Board delegates day-to-day management of the Company to executive bodies and the management team to enable it to focus on its general supervisory role.

At individual business level, it is the Chief Executive Officers of the different business units who are responsible for day-to-day company management and, at the corporate level, it is the CEO with the assistance of the Management Committee:

	NAME	POST(S)	SENIOR MGMT
Manuel Manrique Cecilia	Chairman and CEO of Sacyr, S.A.		X
Rafael Gómez del Río Sanz-Hernández	CEO of Sacyr Concesiones, S.L.		X
Pedro Antonio Sigüenza Hernández	CEO of Sacyr Construcción, S.A.		X
Fernando Lozano Sáinz	CEO of Sacyr Servicios, S.A.		X
Carlos Mijangos Gorozarri	General Manager of Finance		X
Miguel Heras Dolader	General Corporate Talent Management and HR General Manager		X
Pedro Alonso Ruíz	General Manager of Communication and Sustainability		X
Aquilino de Pravia Martín	Internal Audit Director		X
Alfonso Aguirre Díaz-Guardamino	Head of Business Legal Affairs and Deputy Secretary to the Board		X
Miguel Ángel Rielves Pilas	Head of Corporate Legal Affairs and Secretary to the Board		X

## 7.2. Good governance practices

(102-5) (102-23) (102-34) (102-45)

Our corporate governance practices are geared towards guaranteeing efficient governance of the Company, safeguarding the rights of all shareholders and ensuring maximum transparency in reporting the Company's operations and financial position.

Sacyr complies with all legally imposed corporate governance requirements and uses the recommendations set out in the Unified Good Governance Code issued by the Spanish Securities Market Commission ("CNMV") as its principal yardstick for best practices in its management tasks.

This structure is regulated through an internal body of rules, consisting of the Company's Bylaws, the Regulations of the General Meeting and the Board of Directors, and the Internal Code of Conduct, all of which

can be consulted by any interested party on the Group's website.

Sacyr chiefly complies with best corporate governance practices in the following areas:

- The Sacyr Bylaws do not contain any "poison pills" limiting the maximum number of voting rights that can be exercised by any one shareholder or any other type of restriction designed to block a potential takeover bid through purchase of shares on the market.
- Sacyr has increased its percentage of compliance with the applicable recommendations. Total compliance with Good Corporate Governance recommendations is 81.25%, up 20% year-on-year.
- Sacyr is aware of the importance of having a balanced participation of women and men in the organisation's governing bodies, and for this reason the Board of Directors has approved a policy for the selection of candidates to be members of the Board of Directors, in which it has been expressly included



Certification of our Ethical and socially responsible management system by the SGE21 standard

that the number of women directors must represent at least 30% of the total members of the Board of Directors by 2020. Women's participation has gradually acquired greater weight on the Company's Board of Directors. At the end of 2019, the same participation of women directors was maintained, at 15.93%, with respect to the previous year.

- The Board of Directors at the Company has a balanced composition, with a significant majority of non-executive directors and a suitable balance between proprietary and independent directors, in compliance with Corporate Governance recommendation number 17.

In 2018, to achieve this composition of directors, the Board at the Company agreed to complete and amend the "Director selection policy" approved in 2016, replacing the wording in force previously, with the "Director selection, appointment and re-election policy of Sacyr, S.A.", the objective of which is to ensure that the selection process and subsequent director appointment proposals are in line with the principles of transparency and objectiveness and that they are based on a preliminary analysis of the Board's needs, promoting the diversity of knowledge, experience and gender.

The diversity among proprietary directors encourages a culture of mutual oversight that benefits all shareholders. There is also a vice-chairman, who is a non-executive proprietary director.

Power is further decentralised through the Executive Committee, which is composed of five directors.

- By means of co-option, until their ratification and appointment by the 2018 General Shareholders' Meeting, the Board of Directors appointed three independent directors with the knowledge, experience and merits required to form part of

the Board of Directors. These three new members of the Board replaced three proprietary directors who presented their resignation due to the reorganisation of this body. To this end, it has been in connection with the independent directors that the Board of Directors and the Appointments and Remuneration Committee has had the greatest scope for action, taking into consideration the wider number of potential candidates to perform director duties. The Company has a "Diversity Plan", which is verified by the Appointments and Remuneration Committee.

- The Company's governance structure is not a mere formality. Throughout 2019 the governing bodies have carried out real and intense activity, as reflected in ten meetings of the Board of Directors, ten of the Executive Committee, eight of the Audit and Corporate Governance Committee, and six of the Appointments and Remuneration Committee.

(102-32)

- The Audit and Corporate Governance Committee (comprising four independent directors and one proprietary director) performs a wide range of functions that seek to enhance the transparency of corporate management, in addition to supervise the Group's corporate social responsibility plans and the Integrated Annual Report.
- The procedures for proxy voting at General Meetings have been broadened and improved, as have attendance procedures, with the introduction of remote appointment of proxies and remote voting through electronic and postal communications, and rollout of a shareholder e-forum.
- To help shareholders exercise their vote to the best effect, separate votes are taken at the annual general meetings on materially separate items, so



For further information, please see our website: [www.sacyr.com](http://www.sacyr.com) or the **CNMV website** and download our **Corporate Governance Report**.

shareholders can express their preferences in each case, notably on the appointment or ratification of directors.

### Good governance practices create value for our stakeholders

(102-28)

- The Sacyr Board of Directors takes steps to regularly check and assess the quality and efficiency of its own operation and that of its committees, based on reports prepared by the committees. The Appointments and Remuneration Committee also evaluates the work of the Chairman.
- The Board of Directors conducted a self-assessment of its functions in 2019 pursuant to current legislation, and it was found that these were efficient and of good quality.
- Our "Gobertia" tool improves the efficiency of the management of meetings of the Board of Directors and its Committees.
- The risk management and control policy is formally presented to and reviewed and approved by the Board of Directors.
- In addition to the Code of Conduct, a body has been established to oversee the Code and ensure it is applied throughout the Group: the Regulatory Compliance Unit.
- As part of the Sacyr Group's Regulatory Compliance Model, there is a Queries and Complaint Line, which has two functions: one for queries, and another to report breaches of the rules set out in the Code of Conduct and, in general, in the Regulatory Compliance Model. The system always ensures the confidentiality of the person reporting the breach and respect for the rights of the person reported.

(102-25)

- The Board of Directors' Regulations specifically govern the procedures for avoiding conflicts of interest within the maximum governing body. In this regard, directors are required to notify the Board of any potential direct or indirect conflict between their own interests and those of the Company. In the event of a conflict, the director affected shall refrain from participating and voting in the deliberations on the transaction to which the conflict relates.

- The Board Regulations also state that the Audit and Corporate Governance Committee is responsible for reporting information regarding transactions with Sacyr directors or related parties.
- The Internal Code of Conduct regulates management of insider information, significant events, transactions carried out on their own account by individuals subject to this code, and transactions involving treasury shares.

(102-21)

- The Board of Directors encourages informed participation by shareholders at the annual general meetings and is committed to taking all appropriate measures to ensure that shareholders participating in these meetings can carry out their work efficiently and in compliance with the law and Company Bylaws. In particular, the Board of Directors adopts the following measures:
  - Prior to the General Meeting, the Board shall distribute to shareholders all information that may be of interest and may reasonably be distributed, in addition to all the information that is legally required.
  - The Board shall respond, to the best of its ability, to requests for information made by shareholders prior to the annual general meeting.
  - The Board shall respond, to the best of its ability, to questions posed by shareholders during the annual general meeting.



Airport at Chacalluta  
- Arica, Chile



## Sacyr creates a Sustainability and Corporate Governance Commission to promote its commitment to a more sustainable future

Sacyr is strengthening its corporate governance bodies in order to advance its commitment to a more sustainable future. Specifically, it has created a Sustainability and Corporate Governance Commission, delegated from the Board of Directors, and a Sustainability Committee.

With this, Sacyr intends to promote the work it has already been carrying out in the area of sustainability and the collaboration with all its stakeholders in the fight against climate change, the promotion of diversity and conciliation, ensuring health and safety and promoting the positive social impact of its activities.

The Sustainability and Corporate Governance Commission will mainly be responsible for supervising and proposing corporate environmental, social and good governance policies, known by the acronym ESG. The commission, formed mainly by independent directors, is made up of María Jesús de Jaén (Chairman), Elena Jiménez de Andrade, Augusto Delkáder, Tomás Fuertes and Luis Javier Cortés.

The Sustainability Committee will be in charge of developing and executing the actions related to the sustainability within a strategy aligned with the SDGs (Sustainable Development Goals). This committee is chaired by Manuel Manrique, the group's president and CEO, and is formed by the General Corporate Office, the Talent Management and Human Resources Office, the Communication and Sustainability Office, the Business Legal Department, the Secretariat of the Board of Directors and CEO delegated, rotating, from the business areas.

## 7.3. Remuneration and incentives

The individual breakdown of the amounts received by directors for the exercise of their duties in 2019 may be found in the Annual Remuneration Report on our website ([www.sacyr.com](http://www.sacyr.com)) and on the CNMV's website.

### Directors' remuneration

(102-36) (102-37)

The remuneration system for directors acting as such requires that it meet the following characteristics:

- It must be in line with Corporate Governance standards and market circumstances based on the Company's characteristics and its business activities.
- It must provide incentives and compensate dedication, ability and responsibility, based on the positions and responsibilities assumed by each director on the Board of Directors and in its Committees.
- The directors acting as such should not receive variable remuneration, in accordance with recommendations on good corporate governance and the Sacyr remuneration policy.

The General Shareholder's Meeting of 13 June 2019 approved the new remuneration policy for directors 2020-2022 at the proposal of the Board of Directors, following a specific report from the Appointments and Remuneration Committee.

Pursuant to the Company Bylaws, members of the Sacyr, S.A. Board of Directors are entitled to receive remuneration from the Company consisting of a fixed annual amount.

(102-35)

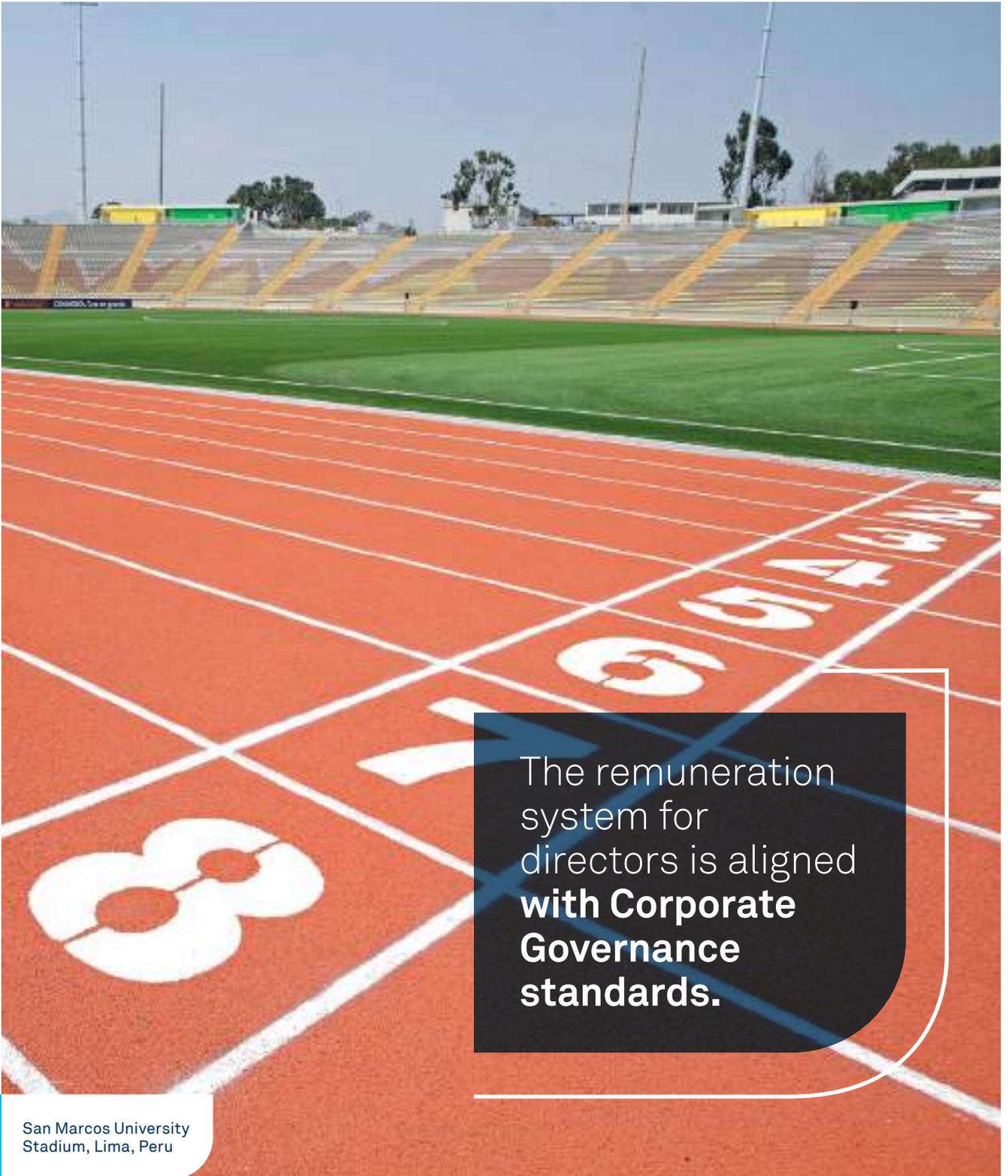
For the year 2019, the remuneration accrued in favour of the Board of Directors (in thousands of euros) was 8,497, including: (i) Gross amounts collected by directors in their capacity as members of the Board of Directors and, (ii) total remuneration of the executive director (fixed and variable pay and medical insurance) in the amount of 7,035 (thousands of euros).

The total amount takes into account the remuneration of all the members of the Board during the 2019 financial year.

Total remuneration received by senior management (thousand euros) came to 4,748.

At the end of the year the Group had no commitments to members of the Board of Directors acting as such in respect of pension obligations, life insurance premiums or any share-based payments.

The executive director remuneration policy, therefore, is oriented towards generating value for the Company, with a view to bringing this aspect in line with the interests of shareholders, with prudent risk management and strict compliance with the regulations in force in terms of director remuneration.



The remuneration system for directors is aligned with **Corporate Governance standards.**



San Marcos University Stadium, Lima, Peru

## 7.4. Anti-corruption

### Code of Conduct

(102-16) (103-1) (103-2) (103-3) (206-1)

The Sacyr Group's Regulatory Compliance and Crime Prevention Model includes a Code of Conduct and has established a Regulatory Compliance Unit, which is responsible for overseeing the Code and ensuring it is applied throughout the Group.

The Regulatory Compliance Model includes a Queries and Complaints Line which has two functions: one for consultation, and another to report breaches of the rules set out in the Code of Conduct and, in general, in the Regulatory Compliance Model. In addition, as an example of the commitment to prevent and act against any sexual, occupational or gender-based harassment in the workplace, the Sacyr Group has a second line of complaint, in this case a specific anti-harassment hotline that coexists with the current general hotline.

In all complaints received through any of these channels, the confidentiality and protection of the complainant is guaranteed, as well as respect for all the rights of both the complainant and the reported person.

Any matters relating to conflicts of interest and related-party transactions which may affect employees are governed by the Code of Conduct, while those involving directors are specifically governed by the Board of Directors' Regulations. In this regard, directors are required to notify the Board of any potential direct or indirect conflict between their own interests and those of the Company. In the event of a conflict, the director concerned shall abstain from participating in discussions and voting on proposals regarding the matter to which the conflict relates.

The Board Regulations also state that the Audit and Corporate Governance Committee is responsible for reporting information regarding transactions with Sacyr directors or related parties.

The Internal Code of Conduct regulates management of insider information, significant events, transactions

carried out on their own account by individuals subject to this code, and transactions involving treasury shares.

### Anti-corruption and bribery measures

(103-1) (103-2) (103-3) (205-1) (205-2) (SASB\_IF-EN-510a.3)

Sacyr Group and its Foundation have a Code of Conduct (the latest version of which was approved in 2015 and subsequently updated by the Board in 2017) which adapts our commitment to good governance to the regulatory requirements, demands and recommendations of the control and supervisory bodies, and of our various stakeholders.

The Code of Conduct expressly prohibits any behaviour by its employees, directors and executives which could be considered to entail corruption or bribery.

All of the employees and members of the governing bodies of Sacyr Group and Sacyr Foundation, as well as the joint ventures and companies over which it has management control, have been informed and received training in relation to the Company's policies and procedures to fight against corruption through our Code of Conduct and the circulars issued. This Code is also made available to all third parties with whom we maintain a relationship, and they are expected to align their own conduct to it.

Among other provisions, the Code expressly prohibits Sacyr employees, directors and executives from offering any type of payment to illicitly obtain benefits, and from accepting gifts or any considerations that could similarly compromise their objectivity or influence a commercial, professional or administrative relationship.

The Regulatory Compliance Unit, in coordination with the Group Internal Audit Department and other areas of the organisation, is responsible for detecting and investigating any cases of corruption that may arise, along with the design and effective application of a set of internal controls aimed at preventing such behaviour.

The Department has specific fraud-detection software and avails itself of external experts whenever



There is a **Code of Conduct** and a body responsible for monitoring its application across the entire Group. It is also expected that third parties with whom Sacyr maintains relations respect it too

necessary, and also deploys specialist personnel to carry out fraud prevention, detection and investigation.

Any signs of corruption are analysed in detail and appropriate action is taken, with any corrupt practices being dealt with in accordance with the disciplinary system for breaches of the Group's Regulatory Compliance Model and Criminal Prevention Model. In addition, in all the cases detected, the existing internal control system is reviewed and improvements to it implemented; with the aim of stopping such behaviour from occurring.

(102-17)

Any questions or reports of incidents can be sent to the following addresses:

- Money laundering:  
[sacyr.prevencionbc@sacyr.com](mailto:sacyr.prevencionbc@sacyr.com)
- Personal data protection:  
[protecciondedatos@sacyr.com](mailto:protecciondedatos@sacyr.com) or [dpo@sacyr.com](mailto:dpo@sacyr.com)
- Whistleblower hotline:  
[codigoconducta@sacyr.com](mailto:codigoconducta@sacyr.com)
- Workplace harassment and bullying hotline:  
[denunciaacoso@sacyr.com](mailto:denunciaacoso@sacyr.com)

Various awareness campaigns were launched internally during the year in relation to money laundering, the Code of Conduct, personal data protection and the prevention of workplace harassment and bullying.



Presentation to the Sacyr  
General Shareholders' Meeting

## 7.5. Risks

Due to its considerable international presence, Sacyr Group carries out its activity in a number of sectors, social and economic environments and regulatory frameworks. As a result, the Company is exposed to a variety of risks that are inherent to the businesses and sectors in which it operates.

### Comprehensive Risk Management System (CRMS)

(102-15) (102-29)

Sacyr has established a Comprehensive Risk Management System (CRMS), organised by business units and support areas at corporate level, and has a sound policy in place to efficiently identify, evaluate and manage risks in order to reasonably guarantee the efficiency and effectiveness of operations, reliability of information and compliance with legislation. This model is based on the international benchmark standard ISO31000.

The objective of Sacyr Group's **Risk Management and Control Policy** is to establish the scope, values, principles, governance model and operational bases of the Group's Comprehensive Risk Management System to manage and control risks inherent to its business activities. This Policy is implemented through the Risk Analysis Regulations ("RAR"), the objectives of which are as follows:

- To facilitate the taking of key business decisions within a common risk culture, managing and controlling the critical risks inherent to the Group's activities in a systematic and structured way.
- To establish the process of risk identification, analysis, treatment, monitoring and control.
- To define the distribution of responsibilities in the abovementioned processes to guarantee escalation in decision making to the appropriate level.
- To promote continuous improvement in the Business's decision-making.

The Comprehensive Risk Management System is divided into six phases:

- **Planning:** in this stage the system management tools are activated and the parties responsible and risk owners are designated for the entire life of the project.
- **Identification:** at this stage, activities are carried out to identify the critical risks associated with each key decision.
- **Assessment:** in this stage, activities are carried out to assess, in accordance with the scales defined, to filter and prioritise the critical risks of the project.
- **Treatment:** the purpose of the activities carried out during this stage is to implement Mitigation and/or Contingency Plans to reduce or eliminate exposure to risk before and after maximum tolerances are breached.
- **Monitoring:** this stage identifies new risks and measures the development of existing ones, an assessment is conducted of the response plans put into operation, tolerances and risk assessment scales are calibrated, and Contingency Plans are implemented if tolerance thresholds are breached.
- **Control:** this stage includes the activities carried out by the Risk Control and Management Department throughout project lifespans in order to embed the lessons learned for the continuous improvement of the system and its management.

Another central pillar of the CRMS is the governance model established by the Group to provide an integrated overview of the control and management of the Company's major risks. The main bodies at the company responsible for Sacyr's Risk Management and Control System are: the Board of Directors and the Audit Committee. In addition, the Risk Committee and the Risk Control and Management Department are executive bodies. The Annual Corporate Governance Report describes the functions of each of them.

It is the responsibility of the Board of Directors to formally approve the Group's Risk Control and Management policy. With the assistance of the

Audit and Corporate Governance Committee, which supervises the Risk Committee, it oversees information and control systems. This guarantees the Board of Director's direct involvement in overseeing the risk identification process and implementation and monitoring of proper control and information systems.

The Risk Committee is the most senior body responsible for Sacyr's Risk Control and Management System and for all decisions associated with this. It is designated by the Company's chief executive and its functions include establishing risk tolerance levels and defining and promoting a risk culture within the organisation.

The Risk Control and Management Department assists the Risk Committee and, with the assistance of the Risk Control and Management Departments of the Group's different business areas, it monitors risk assessments and supports the CEO and Business division in taking critical decisions.

Additionally, the general objective of the Internal Audit Department, which reports directly to Sacyr Group's Chairman and is supervised by the Audit and Corporate Governance Committee, is the systematic assessment of the efficiency of risk identification, control and management procedures. To do this, an Internal Audit Plan is drawn up annually and submitted to the Audit and Corporate Governance Committee for approval.

## Main risk factors

(102-30) (102-31) (SASB\_IF-EN-160a.2.)

The Group is exposed to a variety of risks inherent to the various activities, countries, sectors and markets in which it operates, for example, risks related to the business environment, regulation, brand and reputation, human resources, operations, finance, information for decision-making, technology and IT systems, good governance, etc.

As part of its CRMS, Sacyr Group has established a structured catalogue of the business's main risks, classified in the following categories: strategic, reporting, regulatory compliance (including tax) and operational. Each category includes the main critical risks identified by the business, distinguishing the root cause that creates them in order to guarantee their

accurate assessment, treatment and control, along with the appropriate designation of their owners. In addition, the catalogue has been structured taking into account the areas where these critical risks could have a negative impact.

Included within each category are those critical risks identified by the business, distinguishing the root cause that creates them in order to guarantee their accurate assessment, treatment and control, along with the appropriate designation of their owners. In addition, the catalogue has been structured taking into account the areas where these critical risks could have a negative impact.

In the CRMS, impacts are classified into the following risk areas:

- Economic and financial: refers to the impact of risks on economic and financial aspects (cash flow, trading, earnings, use of funds, etc.).
- Timeframe: refers to the impact of risks on a project's timeframe and/or on the achievement of key milestones.
- Quality: refers to the impact of risks on quality indicators, the adequacy or inadequacy of the resources, human resources and materials allocated.
- Third parties: refers to the impact of risks on the relationship with customers, partners and the supply chain.
- ESG: refers to the impact of environmental, social and governance risks.

The Group has a set of specific policies and procedures for the management and control of the main risks inherent to its activity, of which the following are of particular note:

### ➤ Environmental, social and corporate governance (ESG) risks

This category of risks relating to environmental aspects, good governance, social responsibility, sustainability and reputation and/or corporate image has grown in importance in recent years, as it has the potential to affect companies' objectives and their relationship

with stakeholders. For this reason, identification and prioritisation of the material issues, of the Group's four areas of business, single out the need to control this type of risk, for example, social initiatives entailing extraordinary investment not contemplated at the outset of a project, action taken with local communities, adverse climate conditions and/or external elements affecting the project, geotechnical risks, industrial conflict, non-compliance with quality specifications, S&H and environmental issues and non-compliance with good governance guidelines, among others. The Group has a number of policies (Climate Change Policy; Quality, Environment and Energy Management Policy; Corporate Social Responsibility Policy; Occupational Health and Safety Policy; Information

Security Policy, etc.) and specific procedures to manage and control this type of risk.

Also included within the catalogue of the main business risks applicable at project level, established in the CRMS, are Environmental, Social and Corporate Governance risks (commonly known as "ESG" or "sustainability" risks), and this helps to assess the responsible management of operations, the supply chain and the services of Sacyr Group.

#### → Regulatory compliance risks

Sacyr Group's Code of Conduct establishes respect for the law as one of the basic principles that must govern the



conduct of the Group and its employees and that Sacyr Group is committed to reliable and respectful compliance with all legal obligations to which it is subject in any country in which it carries out its activities.

Compliance with the various legal provisions is primarily overseen by the Regulatory Compliance Unit in coordination with the Internal Audit Department, which has had a special Compliance Unit since 2008. The Legal Advisory Department and other Group bodies, departments or areas, such as the Quality and Environment Department and the Occupational Risk Prevention Service, where necessary, also help guarantee compliance with legislation in their respective areas of activity.

In view of the high volume of the Group's activities and its diverse and complex nature, claims occasionally arise in respect of the supply and use of products and services or other causes derived from the different regulatory and sector regulation environments applicable to Sacyr subsidiaries. These claims are processed promptly and either accepted or contested by the Group. The number of claims is not material in relation to the Group's overall volume of activity.

**Sacyr is committed to respectful compliance with all legal obligation to which it is subject in any country in which it carries out its activities.**



→ Execution of the "Autopista al Mar" motorway project in Medellín, Colombia

### → Other risks

In addition to the risks referred to above, the Group's Risk Management and Control Policy also establishes control and mitigation mechanisms for a number of other risks, including the following:

- Risk of inadequate adaptation to the environment or new markets.
- Human capital risks: talent management, positioning, training, flexibility, dependence on key personnel, work climate, etc.
- Financial risks: credit, interest rate, exchange rate and liquidity risks.
- Technology and information system risks: network management, physical and program security and integrity of information.
- Risks that may damage our image and reputation (publication of false information or fake news that generates unfavourable opinions about the Company, negative influence of interest groups, etc.)

## Risk control and management activities carried out in 2019

Our efforts during 2019 have remained focused on consolidating the effective implementation of the CRMS in all business areas, during the entire life cycle of a contract; updating the existing risk maps, including the criminal risk map; and preparation of the Group's consolidated risk map.

In addition to this, high level risk maps have been updated, assessing the risks of new regulations appearing, and the mechanisms for the Audit and Corporate Governance Committee's oversight of Internal Control over Financial Reporting have been reviewed.

In general, Sacyr Group continues to have plans in place to oversee the main risks inherent to its activities, for example:

- Impairment testing of all its non-financial assets at the end of each reporting period.

- Analysis of the Group's exposure to financial risk. To a greater or lesser extent depending on the business area, Sacyr Group is exposed to the risks discussed below, especially credit risk, liquidity risk and market risk, particularly changes in interest rates and less so foreign exchange rates:

- **Credit risk:** the Group is exposed through its operating activities, mainly trade receivables, and its financing activities. Each business unit performs an assessment with customers before entering into any contracts, which includes a study of their solvency. A large part of the revenues coming from these customers come directly from State, Autonomic and Local Administrations of the countries where the Group operates, with a high level of solvency and reduced collection period. During the execution phase of the contracts, it monitors its receivables on an ongoing basis and reviews recoverable amounts, recognising impairment as necessary.
- **Liquidity risk:** To deal with liquidity risks, the Group has identified probable scenarios through monitoring and control of the annual budget and daily updates of its cash flow forecasts, enabling it to take decisions early.

Factors that help mitigate this risk are: (i) the recurring cash generation of the businesses on which the Group bases its activity, arranging credit lines when necessary; (ii) in the case of infrastructure concessions, the projects themselves guarantee and self-finance their investments through the cash-flow they generate; (iii) the Group's ability to sell assets. The asset rotation strategy allows the Sacyr Group to unlock value from the maturity of top-quality investments and manage the liquidity raised in an attempt to enhance its competitiveness and profitability.

- **Market risk (interest rate, exchange rate):** The underlying borrowings that require the greatest degree of hedging against interest rate fluctuations are project financing loans and those associated with specific assets, because of their exposure for longer periods of time given the terms involved and the strong correlation

with the cash flows of the projects. The Group arranges financial hedging instruments, such as interest rate swaps, which reduce the exposure of businesses to upward changes in interest rates or exchange rate hedging instruments.

- **Customer concentration risk:** the Group has a diversified customer portfolio backed by public entities.
- **Insurable risks:** the Group, in line with industry practice, maintains insurance coverage against certain insurable risks as part of its policy of arranging and maintaining insurance policies.
- **Demand risk for concession projects:** the Group has measured the recoverability of the investment by continuously reviewing its valuation models based on trends in traffic flows and the economic growth outlook for the market where each concession operates.

Sacyr Group also intends to continue expanding its business into other countries, which carries an implicit risk as it involves markets in which the Group does not have the same degree of experience as it has in its current markets. For this reason, within the CRMS, the Group has established how to identify, analyse, control and respond to this type of risk, in such a way that it can be minimised or avoided.

In summary, Sacyr Group's activities in society are carried out through its sustainable and profitable business management model, which adds value for all stakeholders through the application of innovation, technological development and excellence in execution to all the activities of its various business areas.

Risk management is  
a key component of  
good management  
and governance

## 7.6. Tax transparency

In this chapter, we break down Sacyr's Total Tax Contribution (TTC) in 2019 for all the regions in which the Group operates.

**+€660 million**  
Total Tax Contribution in 2019

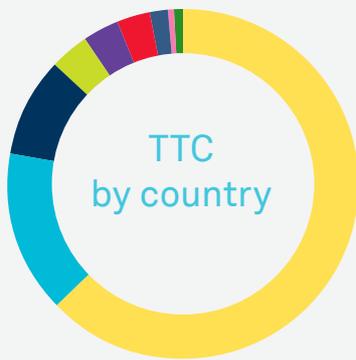
TAX CATEGORY (€ million)	TAXES BORNE		TAXES COLLECTED	
	2018	2019	2018	2019
I. Income tax	37	48	6	12
II. Property tax	7	5	0	0
III. Employment related taxes	192	228	129	137
IV. Product and service taxes	36	34	155	170
V. Special taxes	14	18	8	9
<b>TOTAL</b>	<b>286</b>	<b>333</b>	<b>299</b>	<b>327</b>

For every **€100** of revenue received by the Company, **€15.85** is paid in taxes

**15.85%**

**7.66%**  
Collected

**8.02%**  
Borne



62.9%	Spain
15%	Colombia
9.3%	Italy
3.5%	Peru
3.3%	Chile
3.1%	Portugal
1.7%	Mexico
0.6%	Australia
0.6%	Ireland

This information is line with Sacyr's transparency and corporate social responsibility principles and seeks to identify and demonstrate the economic and social contribution made by the Company by paying taxes to the tax authorities in all the countries in which it operates.

The projects carried out by our four business divisions and subsidiaries are a means of directly creating value for society, building and maintaining infrastructure and providing essential services for the growth of the community. However, we also make an indirect contribution to the wealth generation of countries, through payment of taxes to various Tax Authorities either directly or indirectly as a result of our economic activity.

12.7%	Concessions
31.6%	Construction
12.1%	Holding
7.8%	Industrial
35.6%	Services
0.1%	VDP





Guadalajara light train,  
Mexico.

# 8

## Appendices

<b>I.</b>	About this report	222
<b>II.</b>	Materiality analysis	224
	Reliability	228
<b>III.</b>	Contact Information	236
<b>IV.</b>	GRI Index	238
<b>V.</b>	GRI Tables	246

# Appendix I. About this report

(102-46) (102-48) (102-49) (102-50) (102-51) (102-52) (102-53) (102-54) (102-56)

This is the seventh **INTEGRATED REPORT** published by **Sacyr**. It corresponds to the **2019 financial year** and the Group's position at **31 December 2019**.

This document was drawn up in accordance with the standard published by the International Integrated Reporting Council (IIRC). It was also drawn up in line with the Global Reporting Initiative's Corporate Responsibility directives (GRI Guidelines), in accordance with its comprehensive option; it identifies the standards of the Sustainability Accounting Standards Board (SASB); and its financial information has been set out pursuant to the International Financial Reporting Standards adopted by the European Union.

This report has been externally verified by an independent entity (Price Waterhouse Coopers) pursuant to the ISAE 3000 standard. Its financial content (consolidated financial statements of the parent and its subsidiaries) has also been verified by the independent entity Ernst & Young.

The information contained in this report is balanced, including the achievements attained during the year and the objectives set for the future.

To facilitate comparability, quantitative data from previous years are included, without prejudice to the information supplied in the previous year's report. The data provided are as precise as possible and are given in sufficient detail to meet stakeholders' expectations. Clarity is one of our requirements in writing this report, so as to avoid explanations or ambiguities.

(102-48) (102-49)

To ensure reliability, the content of this report has been reviewed by all internal departments and divisions responsible for managing the entity's stakeholders and for the information reported. In some cases, and generally owing to an absence of comprehensive data, the information contained in this report cannot refer to

the Group overall. This circumstance has been expressly reflected in the corresponding sections of the report. Nevertheless, Sacyr management aims to establish the necessary mechanisms to gradually eliminate these limitations to available information)

Any additional information, consultation, suggestions for improvement and comments may be sent to the:

(102-53)

## Sustainability and Corporate Social Responsibility Department

E-mail: [rcorporativa@sacyr.com](mailto:rcorporativa@sacyr.com)  
 Corporate Responsibility  
 Sacyr, S.A.  
 Calle Condesa de Venadito, 7, 28027, Madrid  
 Telephone: +34.91.545.50.00  
 Shareholder hotline: 900.101.930



Road maintenance and conservation works. Spain



# Appendix II. Materiality analysis

The objective is to **identify the topics** that may generate an impact at Sacyr and about which we need to dedicate our communication and social commitment efforts in terms of the Company's key stakeholders.

## 1. Objective of the materiality analysis

In line with the guidelines of the International Integrated Reporting Framework and the requirements of the Global Reporting Initiative's G4 Guidelines for drawing up sustainability reports, Sacyr carried out a materiality analysis prior to the preparation of this report, with the aim of ensuring that the most important issues for the company and its stakeholders are represented in it.

Material aspects are those that affect the company's capacity to create value in the short, medium and long-term, and that allow our stakeholders to obtain a true and fair view of Sacyr's performance in the corporate sphere and with regard to sustainability.

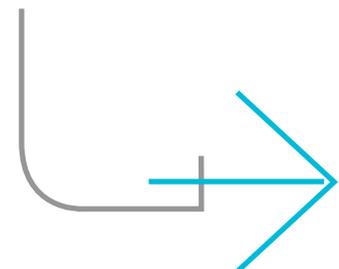
## 2. Methodology

The methodology decided on by Sacyr for carrying out the materiality analysis and defining the material issues to be dealt with in its 2019 Integrated Annual Report involves five phases

(102-43)

## 3. Diagram of the process

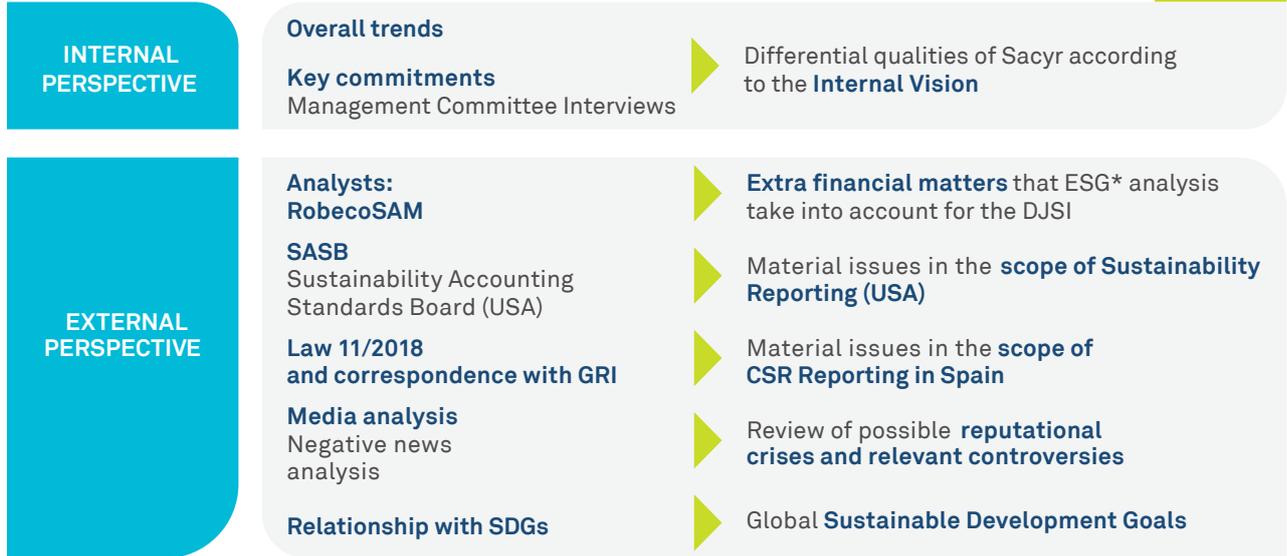
(102-43)



Water tank on the A-1, the old Arlanzón Highway, Burgos



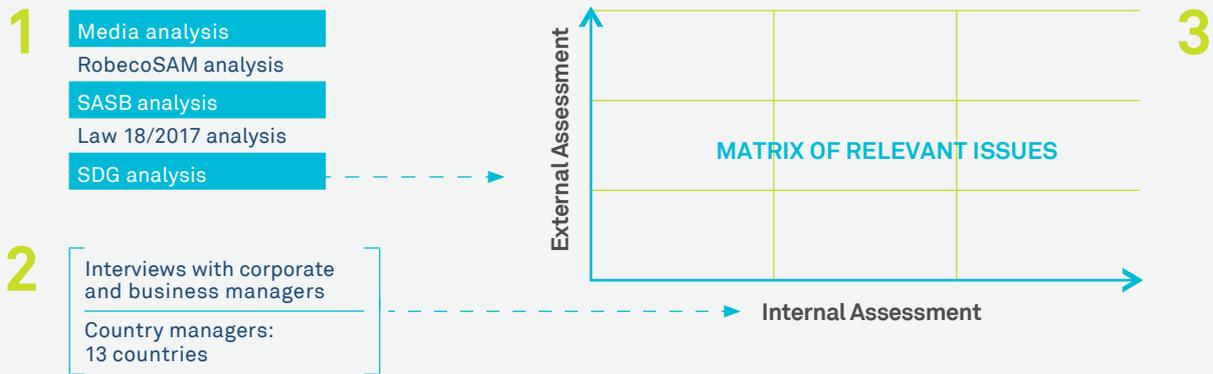
## Materiality Analysis of the Group 2019



\*Environmental, Social and Governance



### Material issues are identified and prioritised



**4**  
**Relevant issues by business division**  
**Results by country**

**5**  
**Matrix of relevant issues**

RELEVANT ISSUES BY BUSINESS DIVISION

Relevant issues by division														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Engineering and Infrastructures	High													
Concessions	High	Low	High	High	High	High	High	Low	High	High	High	High	Low	High
Industrial	High	Low	High	High	Low	High	High	High	High	High	Low	Low	High	Low
Services	High	High	High	High	Low	High	Low	High						

RESULTS BY COUNTRY

Relevant issues by country														
Human capital, retention of talent, training and development	High													
Ethics, compliance and governance	High													
Solvency and economic performance	High													
Occupational safety and health	High	High	High	High	High	Low	Low	High						
Environmental impact	High	Low	Low	High	High	High	Low	High	High	High	High	High	High	Low
Energy efficiency	High	Low	Low	High	High	High	High	High	High	Low	High	High	High	Low
Human rights and employment rights	High	High	Low	High										
Innovation	High	Low	High	High	High	High								
Climate change	High	Low	Low	High	Low									
Relations with local communities	High	Low	High											
Equality and diversity among employees	High													
Water resources	High	Low	High											
Management of the supply chain	High	Low	High											
Social and economic contribution to development	High													
Consumption of materials	High	Low	High											

High Relevance
  Medium Relevance
  Low Relevance

## 4. Material issues and prioritisation

(102-44) (102-47)

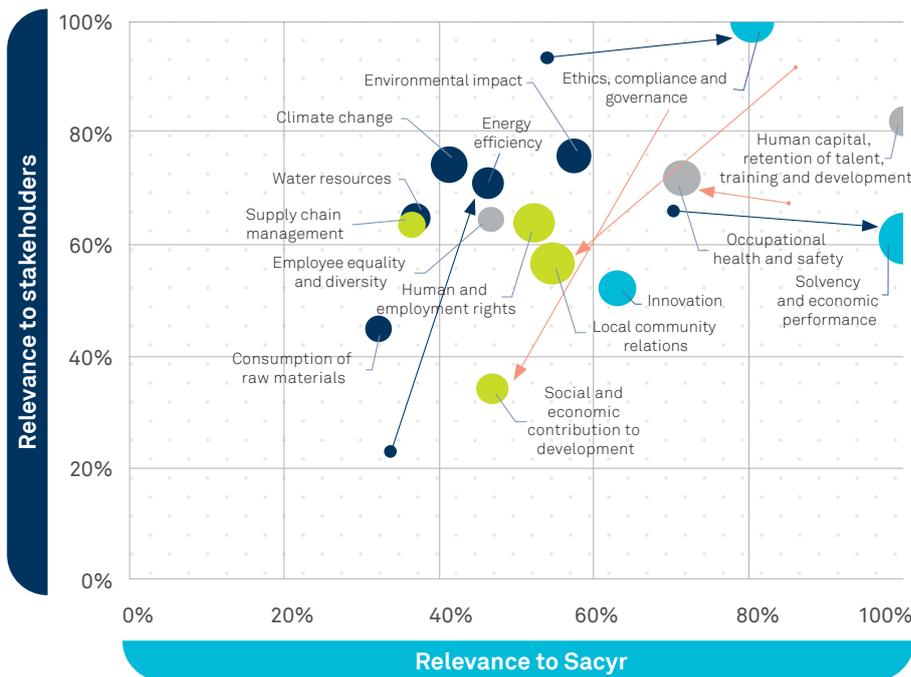
Below is the final list of material issues, in order of priority, that are to be covered in Sacyr's 2019 Integrated Sustainability Report

Internal coverage (i)

External coverage

- 1. Climate change and energy efficiency
- 2. Water resources
- 3. Occupational health and safety (i)
- 4. Innovation (i)
- 5. Supply chain management

- 6. Human capital, retention of talent, training and development (i)
- 7. Environmental impact
- 8. Employee equality and diversity (i)
- 9. Ethics, compliance and governance (i)
- 10. Solvency and economic performance (i)
- 11. Social and economic contribution to development
- 12. Human and employment rights
- 13. Consumption of raw materials
- 14. Local community relations



**Economics and good governance**

**Employees**

**Environment**

**Company**

\* The size of the spheres indicates the relative impact of the issue on Sacyr's value chain. "Energy efficiency" and "climate change" have been divided into priorities, with greater internal relevance given to energy efficiency, and greater external relevance to climate change.

Our report is in line with the results obtained, so as to faithfully reflect all material issues for the company in the corporate and sustainability sphere and thus satisfy the reporting expectations of our stakeholders and facilitate their decision-making.

# Appendix II. Reliability

(102-56)



*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## Independent limited assurance report on the corporate responsibility indicators

To the Management of Sacyr, S.A.:

We have carried out our work to provide limited assurance on the Corporate Responsibility indicators contained in section "GRI Index" of the 2019 Integrated Sustainability Report (hereinafter "CR Indicators" or "Integrated Sustainability Report") of Sacyr, S.A. and its subsidiaries (hereinafter "Sacyr") for the year ended 31 December 2019, prepared in accordance with the content proposed in the GRI Standards of the Global Reporting Initiative (GRI) (hereinafter GRI Standards) and the Construction and Real Estate Sector Disclosures of the GRI Guidelines version G4 (hereinafter Construction and Real Estate Sector Disclosures).

### Responsibility of the Management of the Parent Company

The Management of Sacyr is responsible for the preparation, content and presentation of the Integrated Sustainability Report in accordance with the Comprehensive option of the GRI Standards and Construction and Real Estate Sector Disclosures. Management's responsibility includes establishing, implementing and maintaining the internal control required to ensure that the CR indicators are free from any material misstatement due to fraud or error.

In addition, and in accordance with Article 49 of the Commercial Code, the Management of Sacyr have prepared the Consolidated Non-Financial Information Statement of Sacyr (hereinafter, NFS) corresponding to the year ended December 31<sup>st</sup>, 2019, which forms part of the Consolidated Management Report thereof, on which, on April 8<sup>th</sup>, 2020, we issued an independent verification report in which an unqualified conclusion is expressed. The "GRI Index" section of the 2019 Integrated Sustainability Report of Sacyr explains the differences with respect to the aforementioned NFS.

The Management of Sacyr is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the CR indicators is obtained.

### Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and the evidence obtained. Our limited assurance engagement was done in accordance with the International Standard on Assurance Engagements 3000 (Reviewed) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially less extensive than the scope of a reasonable assurance engagement and thus, less security is provided.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España  
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es

1



The procedures that we have carried out are based on our professional judgment and have included consultations, observation of processes, document inspection, analytical procedures and random sampling tests. The general procedures employed are described below:

- Meetings with personnel from various departments of SACYR S.A. who have been involved in the preparation of the Integrated Sustainability Report 2019 of Sacyr.
- Analysis of the procedures used for obtaining and validating the data presented in the CR indicators.
- Analysis of the Sacyr's CR indicators adaptation to the requirements established by the GRI Standards for the preparation of sustainability reports and to the Construction and Real Estate Sector Disclosures.
- Verification, through random sampling tests revisions and substantive tests on the information used to determine Sacyr's CR indicators. We have also verified whether they have been appropriately compiled from the data provided by Sacyr's sources of information.
- Obtainment of a management representation letter from the Company.

#### Our Independence and Quality Control

We have fulfilled our work in accordance with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which are based on basic principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and thus employs an exhaustive quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards, statutory laws and applicable regulations.

#### Limited assurance conclusion

As a result of the procedures carried out and the evidence obtained, no matters have come to our attention which may lead us to believe that Sacyr's CR indicators, for the financial year ending 31<sup>st</sup> December, 2019, contain significant errors or have not been prepared, in all of their significant matters, in accordance with the GRI Standards and with the Construction and Real Estate Sector Disclosures.

#### Use and Distribution

Our report is only issued to the Management of Sacyr, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Sacyr's Management.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Pablo Bascones

May 20<sup>th</sup>, 2020



*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## Independent limited assurance report on greenhouse gas (GHG) statement

To the Management of Sacyr, S.A.:

### Scope of work

We have undertaken a limited assurance engagement of the GHG Statement of Sacyr, S.A. and its subsidiaries (hereinafter referred to as Sacyr) for the financial year ended December 31<sup>st</sup>, 2019, included in the Appendix of this report. This engagement was conducted by a team of sustainability and climate change assurance practitioners.

### Responsibility of Sacyr's Management

Sacyr's Management is responsible for the preparation of the 2019 GHG Statement in accordance with the procedure 'Calculation of Carbon Footprint' of Sacyr, available on the following website link [http://www.sacyr.com/es\\_en/channel/innovation-channel/commitment-to-quality/sustainability/](http://www.sacyr.com/es_en/channel/innovation-channel/commitment-to-quality/sustainability/). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### Our responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Statement based on the procedures we have performed and the evidence obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3410 (ISAE 3410), 'Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). That standard requires that we plan and perform this engagement to obtain limited assurance about whether Sacyr's 2019 GHG Statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Sacyr's use of applicable criteria as the basis for the preparation of the GHG Statement, assessing the risks of material misstatement of the GHG Statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

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Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª  
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290



Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries and meetings with personnel of various departments of Sacyr S.A. who have been involved in the preparation of the GHG Statement, obtained an understanding of Sacyr's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Sacyr's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Sacyr's estimates.
- Verification, through analytical and substantive tests based on the selection of a sample of the quantitative information (activity data, calculations and information generated) used to determine Sacyr's 2019 GHG Statement and the correct compilation of information based on the internal procedure applied by Sacyr.

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. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if we had performed a reasonable assurance.

#### Our independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1 (ISQC 1) 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.

#### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention which may lead us to believe that Sacyr's GHG Statement for the financial year ended December 31<sup>st</sup>, 2019 is not prepared, in all material aspects, in accordance with the procedure applied 'Calculation of Carbon Footprint' of Sacyr.

#### Use and distribution

Our report is only issued the Management of Sacyr in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Sacyr's Management.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Pablo Bascones

May 20<sup>th</sup>, 2020



## Appendix

### SACYR'S GREENHOUSE GAS (GHG) STATEMENT CORRESPONDING TO THE YEAR ENDED DECEMBER 31<sup>ST</sup>, 2019

2019 GHG Statement	tCO <sub>2</sub> -e
<b>Scope 1: GHG Direct emissions</b>	<b>437,435.22</b>
<i>Emissions from mobile combustion and fixed combustion sources</i>	437,198.74
<i>Fugitive emissions</i>	236.48
<b>Scope 2: GHG Indirect emissions</b>	<b>49,184.59</b>
<b>Scope 3: Other GHG indirect emissions</b>	<b>1,219,424.74</b>
<i>Business Travel</i>	5,952.53
<i>Emissions associated with material consumption</i>	392,411.72
<i>Emissions associated with water consumption</i>	1,423.22
<i>Emissions associated with waste generation</i>	819,637.27

#### Quantification criteria

Sacyr's emissions are calculated based on operational control, i.e. on those activities/contracts over which it has the authority to introduce and implement its operational policies.

#### Operational scope

The emissions from Sacyr's activities and facilities are calculated taking into account the following scopes:

##### Scope 1: GHG Direct emissions (greenhouse gases)

Direct emissions at Sacyr come from its various operating centers and are associated with:

- Emissions from mobile combustion sources: emissions derived from fuel consumption associated with travel (vehicles) and machinery.
- Emissions generated from fixed combustion sources: emissions from the consumption of fuel in equipment stationary or fixed facilities.
- Fugitive emissions: refrigerant gas leaks from refrigeration equipments in the facilities, either owned by the organisation or maintained by it.

##### Scope 2: GHG Indirect emissions (greenhouse gases)

Indirect emissions at Sacyr come from its various operating centers and are associated with the consumption of electricity from the installations of these centers.

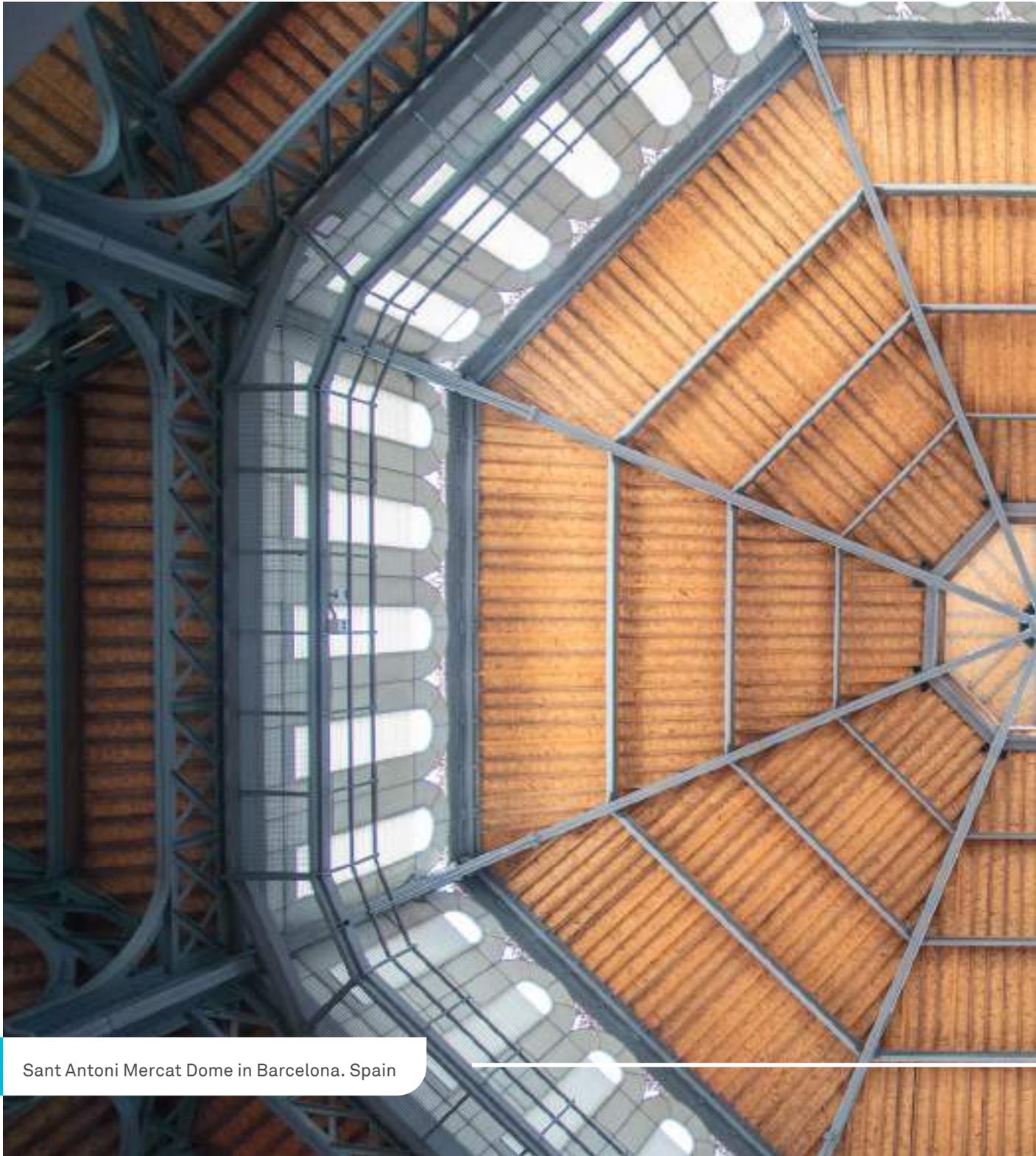


**Scope 3: Other GHG indirect emissions (greenhouse gases)**

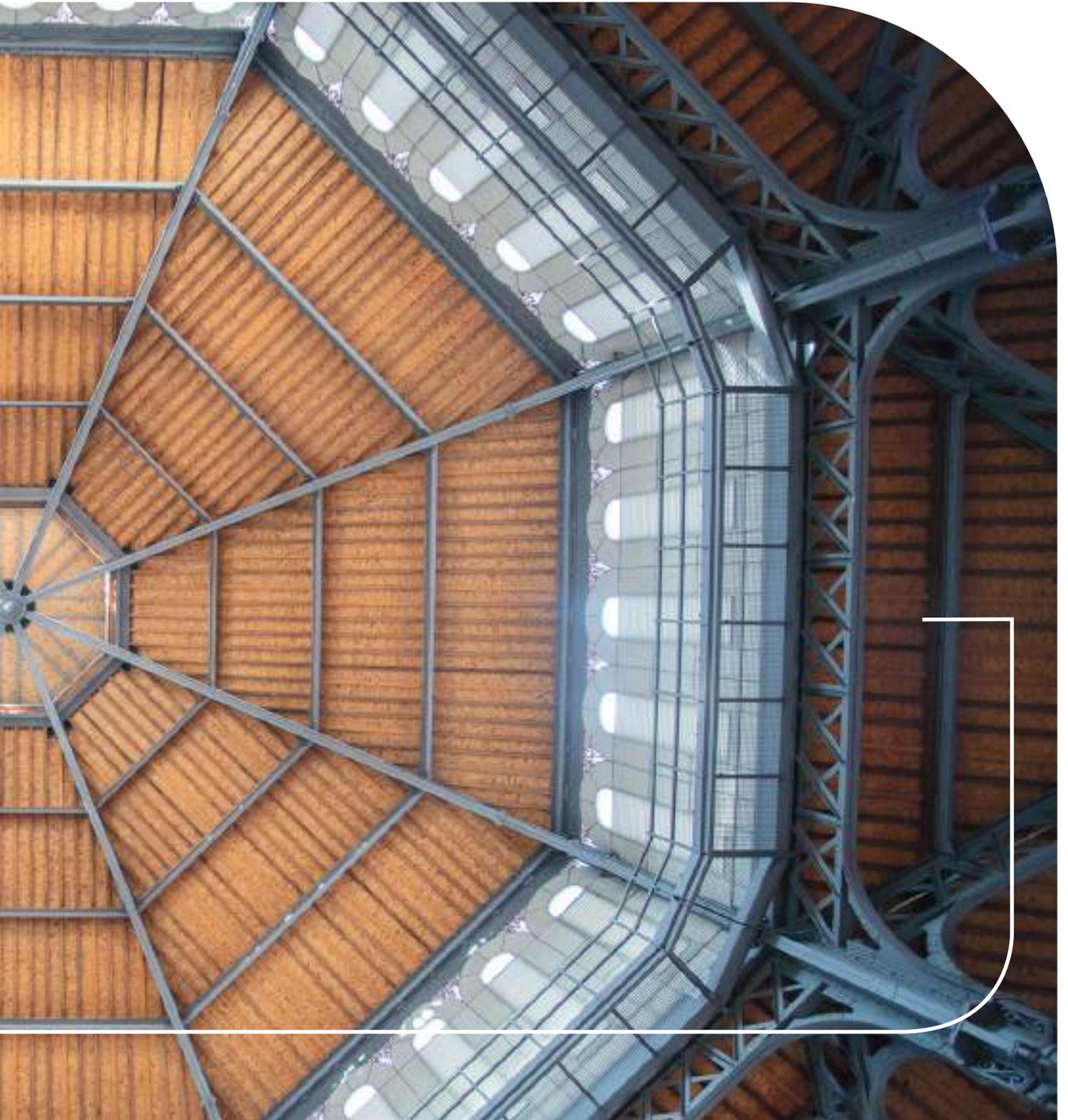
These emissions are a consequence of the company's activities, but originate from sources that are not owned or controlled by the company.

Within this scope, the emissions associated with business travel are calculated, i.e., the emissions derived from staff travel by air, train and bus

Likewise, for the first time in 2019, emissions derived from the use of sold products and services are also included in this scope, specifically those associated with material consumption, water consumption and waste generation.



Sant Antoni Mercat Dome in Barcelona, Spain



# Appendix III. Contact Information

(102-1) (102-3)

## SACYR SERVICES

### SACYR SERVICIOS, S.A.U.

Condesa de Venadito, 7  
28027 Madrid. Spain

### CAFESTORE, S.A.U.

Av. Del Partenón, 16-18/ 1ª floor  
Campo de las Naciones  
28042 Madrid. Spain

### PRINUR

Luis Montoto 107-113  
Edf. Cristal,  
41002 Seville. Spain

### SACYR SERVICIOS FACILITIES, S.A.U.

Condesa de Venadito, 7  
28027 Madrid. Spain

### VALORIZA SERVICIOS MEDIOAMBIENTALES

Juan Esplandiú, 11. Floor 13  
28007 Madrid. Spain

### SACYR SERVICIOS CONSERVACIÓN, S.A.U.

AV. Del Partenón, 16-18/ 1ª floor  
Campo de las Naciones  
28042 Madrid. Spain

### SACYR SERVICIOS FACILITIES

Avda. del Partenón, 16-18  
28042 Madrid. España

## SACYR ENGINEERING AND INFRASTRUCTURES

### SACYR INFRAESTRUCTURAS, S.A.U.

Condesa de Venadito, 7  
28027 Madrid. Spain

### CAVOSA OBRAS Y PROYECTOS, S.A.

Juan Esplandiú, 13 floor 14  
28007 Madrid. Spain

### Sacyr Ingeniería e Infraestructuras

Rua Castilho nº 165, floor 4 Izq.  
1070-050 Lisbon. Portugal

### Sacyr Ingeniería e Infraestructuras

Calle Antonio Nebrija, 2 local 11  
06006 Badajoz. Spain

### SCRINSER

Avda. Corts Catalanes, 2-2º. local 3  
08173 San Cugat del Vallés (Barcelona)

### SOMAGUE S.G.P.S

Rua Castilho nº 165, floor 1  
1070-050 Lisbon. Portugal

### SIS S.C.P.A.

Vía Inverio, 24/A  
10146 Turin, Italy

### SOMAGUE ENGENHARIA BRASIL

Rua Fidencio Ramos, 195- 14º andar-  
Conjuntos 142/144-Cep 04551-010 Sao Paulo. Brasil

### SOMAGUE ENGENHARIA ANGOLA

Estrada da Gamek - frente ao Mercado da madeira –  
Morro Bento. Luanda

## HOLDING COMPANY

### SACYR S.A.

Condesa de Venadito, 7  
28027 Madrid. Spain

## SACYR CONCESSIONS

**SACYR CONCESIONES, S.L.**  
 Condesa de Venadito, 7  
 28027 Madrid. Spain

**SACYR CONCESIONES CHILE**  
 Avenue Isidora Goyenechea 2800 Office 2401 Floor  
 24. Titanium Building  
 Santiago de Chile Las Condes

**SACYR CONCESSIONS LTD**  
 5th floor, Harmony Court, Harmoy Row  
 Dublín 2, Ireland

## SACYR INDUSTRIAL

**SACYR INDUSTRIAL**  
 Condesa de Venadito, 7  
 28027 Madrid. Spain

**SADYT, S.A.**  
 Juan Esplandiú, 11-13, floor 14  
 28007 Madrid. Spain

**SACYR FLUOR**  
 C/ Ribera del Loira, 16-18  
 28042 Madrid. Spain

**SACYR CHILE**  
 Avenida Isidora Goyenechea 2800  
 Office 2401 24th Floor. Titanium Building  
 Santiago de Chile Las Condes



New Sacyr corporate headquarters, Spain



# Appendix IV. GRI Index

(102-55)

Code	Contents	Omission	Page/Direct response	Review
<b>ORGANISATIONAL PROFILE</b>				
102-1	Name of the organisation		26, 236	✓
102-2	Activities, brands, products and services		42, 46	✓
102-3	Location of head office		234	✓
102-4	Location of operations		14	✓
102-5	Ownership and legal format		204	✓
102-6	Markets served		14	✓
102-7	Size of the organisation		12	✓
102-8	Information on employees and other staff	No information available on subcontractors.	188, 251	✓
102-9	Supply chain		94, 171, 179	✓
102-10	Significant changes in the organisation and its supply chain		26	✓
102-11	Precautionary approach or principle		91	✓
102-12	External initiatives		178	✓
102-13	Affiliation to associations		98, 160	✓
<b>STRATEGY</b>				
102-14	Statement of senior managers responsible for decision making		26	✓
102-15	Key impacts, risks and opportunities		91, 181, 212	✓
<b>ETHICS AND INTEGRITY</b>				
102-16	Values, principles, standards and codes of conduct		210	✓
102-17	Consultancy mechanisms and ethical concerns		212	✓
<b>GOVERNANCE</b>				
102-18	Governance structure		200	✓
102-19	Delegation of authority		200	✓
102-20	Executive-level responsibility for economic, environmental and social matters.		200	✓
102-21	Stakeholder consultation on economic, environmental and social matters.		206	✓
102-22	Composition of the highest governing body and its committees		200	✓
102-23	Chairman of the maximum governing body		204	✓
102-24	Appointment and selection of the highest governance body		202	✓
102-25	Conflicts of interest		206	✓
102-26	Function of the maximum governing body in the selection of objectives, value and strategies		200	✓
102-27	Collective knowledge of the highest governing body		200	✓

Code	Contents	Omission	Page/Direct response	Review
102-28	Performance assessment of the highest governing body		206	✓
102-29	Identification and management of economic, environmental and social impacts.		212	✓
102-30	Effectiveness of risk management processes		213	✓
102-31	Review of economic, environmental and social matters		213	✓
102-32	Function of the maximum governing body in the preparation of sustainability reports		205	✓
102-33	Communication of critical concerns to the highest governing body		200	✓
102-34	Nature and total number of ethical concerns		204	✓
102-35	Remuneration policies		208	✓
102-36	Processes for determining remuneration		202, 208	✓
102-37	Involvement of stakeholder groups in remuneration		208	✓
102-38	Total annual compensation ratio	This indicator is not reported because it is confidential information.		✓
102-39	Percentage increase ratio of total annual remuneration	This indicator is not reported because it is confidential information.		✓
<b>STAKEHOLDER PARTICIPATION</b>				
102-40	List of stakeholders		158	✓
102-41	Collective bargaining agreements		196	✓
102-42	Stakeholder identification and selection		158	✓
102-43	Approaches to stakeholder participation		224	✓
102-44	Main topics and concerns mentioned		227	✓
<b>REPORT PREPARATION PRACTICES</b>				
102-45	Entities included in the consolidated financial statements		204	✓
102-46	Definition of the content of reports and coverage of the topic		222	✓
102-47	List of material issues		227	✓
102-48	Restatement of information		222	✓
102-49	Changes in report preparation		222	✓
102-50	Period included in the report		222	✓
102-51	Date of last report		222	✓
102-52	Report preparation cycle		222	✓
102-53	Point of contact for questions about the report		222	✓
102-54	Statement of report preparation pursuant to GRI standards		222	✓

Code	Contents	Omission	Page/Direct response	Review
102-55	GRI list of contents		238	✓
102-56	External Assurance		222, 228	✓
<b>ECONOMIC DIMENSION</b>				
<b>Anti-corruption</b>				
103-1	Explanation of the material issue and its coverage		210	✓
103-2	Management approach and its components		210	✓
103-3	Assessment of the management approach		210	✓
205-1	Operations assessed for corruption-related risks		Each year, all business lines operating in countries are assessed in terms of corruption-related risks. 210	✓
205-2	Communication and training on anti-corruption policies and procedures		196, 210	✓
205-3	Confirmed cases of corruption and measures taken (SASB_IF-EN-510a.2.)		In 2019, no incidents of corruption have been reported at Sacyr through the established channels for reporting.	✓
<b>Unfair competition</b>				
103-1	Explanation of the material issue and its coverage		210	✓
103-2	Management approach and its components		210	✓
103-3	Assessment of the management approach		210	✓
206-1	Legal action relating to unfair competition and monopoly practices and anticompetitive behaviour		210	✓
<b>ENVIRONMENTAL DIMENSION</b>				
<b>Environmental performance</b>				
103-1	Explanation of the material issue and its coverage		86	✓
103-2	Management approach and its components		87	✓
103-3	Assessment of the management approach		87	✓
301-1	Materials used by weight or volume.		145, 146, 246	✓
301-2	Recycled inputs		146	✓
301-3	Reused products and packaging materials	In view of the nature of the products and services sold by Sacyr, this indicator is not applicable.		✓
<b>Energy</b>				
103-1	Explanation of the material issue and its coverage		102	✓
103-2	Management approach and its components		102	✓
103-3	Assessment of the management approach		102	✓
302-1	Energy consumed at the organisation		108	✓
302-2	Energy consumed outside the organisation		110	✓
302-3	Energy intensity		110	✓

Code	Contents	Omission	Page/Direct response	Review
302-4	Reduction of energy consumption		112	✓
302-5	Reduction in energy requirements of products and services		112	✓
CRE1	Energy intensity of buildings		112	✓
<b>Water</b>				
103-1	Explanation of the material issue and its coverage		120	✓
103-2	Management approach and its components		120	✓
103-3	Assessment of the management approach		120	✓
303-1	Water withdrawal by source		120	✓
303-2	Water sources significantly affected by withdrawal of water		In Sacyr, during 2019 no significant effects were detected on water sources resulting from water withdrawal	✓
303-3	Recycled and reused water		120, 122	✓
CRE2	Water intensity of buildings		112	✓
<b>Biodiversity</b>				
103-1	Explanation of the material issue and its coverage		128	✓
103-2	Management approach and its components		128	✓
103-3	Assessment of the management approach		128	✓
304-1	Operational centres owned, leased or managed inside or next to protected areas or areas of considerable importance in terms of biodiversity outside protected areas		129	✓
304-2	Significant impacts of activities, products and services on biodiversity		134	✓
304-3	Protected or restored habitats		134	✓
304-4	Species on the IUCN red list and on national conservation lists whose habitats are located in areas affected by operations		130, 131	✓
<b>Emissions</b>				
103-1	Explanation of the material issue and its coverage		113	✓
103-2	Management approach and its components		113	✓
103-3	Assessment of the management approach		113	✓
305-1	Direct GHG emissions (scope 1)		113, 114	✓
305-2	Indirect GHG emissions when generating energy (scope 2).		113, 114	✓
305-3	Other indirect GHG emissions (scope 3)		113, 114	✓
305-4	Intensity of GHG emissions		115	✓
305-5	Reduction of GHG emissions		112	✓
305-6	Emissions of ozone-depleting substances (ODS)		115	✓
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions.		115	✓

Code	Contents	Omission	Page/Direct response	Review
CRE3	Intensity of greenhouse gas emission from buildings.		112	✓
CRE4	Intensity of greenhouse gas emission from new buildings and urban redevelopment.		112	✓
<b>Effluents and waste</b>				
103-1	Explanation of the material issue and its coverage		148	✓
103-2	Management approach and its components		148	✓
103-3	Assessment of the management approach		148	✓
306-1	Water discharge by quality and destination.		123	✓
306-2	Waste by type and method of elimination		150	✓
306-3	Significant spills		152	✓
306-4	Transport of hazardous waste		150. Sacyr does not transport, import, export or process hazardous waste.	✓
306-5	Bodies of water affected by water discharges and/or run-offs		123	✓
<b>Environmental compliance</b>				
103-1	Explanation of the material issue and its coverage		92	✓
103-2	Management approach and its components		92	✓
103-3	Assessment of the management approach		92	✓
307-1	Non-compliance with environmental laws and regulations		92	✓
<b>Soil degradation, contamination and remediation</b>				
103-1	Explanation of the material issue and its coverage		148	✓
103-2	Management approach and its components		148	✓
103-3	Assessment of the management approach		148	✓
CRE5	Land recovered and in need of rehabilitation		152	✓
<b>Environmental assessment of suppliers</b>				
103-1	Explanation of the material issue and its coverage		94	✓
103-2	Management approach and its components		94	✓
103-3	Assessment of the management approach		94	✓
308-1	New suppliers that have passed assessment and selection filters using environmental criteria		94	✓
308-2	Negative environmental impacts on the supply chain and measures taken		94	✓
<b>SOCIAL DIMENSION</b>				
<b>Employment</b>				
103-1	Explanation of the material issue and its coverage		188	✓
103-2	Management approach and its components		188	✓
103-3	Assessment of the management approach		188	✓

Code	Contents	Omission	Page/Direct response	Review
401-1	New additions and staff rotation		247, 248	✓
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		197	✓
401-3	Parental leave	This scope of this indicator is limited to Spain	248, 250	✓
<b>Labour/company relations</b>				
103-1	Explanation of the material issue and its coverage		194	✓
103-2	Management approach and its components		194	✓
103-3	Assessment of the management approach		194	✓
402-1	Minimum notice periods for operational changes		Sacyr Group follows the minimum notice periods established in employment legislation or those included in the collective agreements applicable to each business, as minimum notice periods have not been defined at corporate level.	
<b>Occupational safety and health</b>				
103-1	Explanation of the material issue and its coverage		169	✓
103-2	Management approach and its components		169	✓
103-3	Assessment of the management approach		169	✓
403-1	Employee representation on formal labour/company health and safety committees		169	✓
403-2	Type of accidents and accident rates, occupational illnesses, lost days, and absenteeism and total number of deaths caused by occupational accident or illness		171, 248, 254	✓
403-3	Workers with high incidence or high risk of occupation-related illnesses		169, 254	✓
403-4	Health and safety issues addressed in formal agreements with trade unions		169. Formal agreements are in place with trade unions which include health and safety clauses.	✓
CRE6	Percentage of the organisation that shows verified compliance with an internationally recognised health and safety management system		169	✓
<b>Training and teaching</b>				
103-1	Explanation of the material issue and its coverage		189	✓
103-2	Management approach and its components		189	✓
103-3	Assessment of the management approach		189	✓
404-1	Average hours of training per year and per employee		189	✓
404-2	Programmes to improve employee skills and programmes to support the transition		189	✓

Code	Contents	Omission	Page/Direct response	Review
404-3	Percentage of employees receiving periodic performance and career development reviews		189	✓
<b>Diversity and equal opportunity</b>				
103-1	Explanation of the material issue and its coverage		193	✓
103-2	Management approach and its components		193	✓
103-3	Assessment of the management approach		193	✓
405-1	Diversity of governing and employee bodies		188, 193, 194, 200	✓
405-2	Ratio of basic salary and remuneration of women compared to men	Only data on remuneration and not on basic salary is provided.	255	✓
<b>Non discrimination</b>				
103-1	Explanation of the material issue and its coverage		192	✓
103-2	Management approach and its components		192	✓
103-3	Assessment of the management approach		192	✓
406-1	Cases of discrimination and corrective actions taken		During 2019, 36 complaints of harassment were received through the Consultation and Complaint Line and have been investigated. Following the investigation, the existence of harassment at work was deemed to have been proven in only one of the cases, while in the remaining 35 cases the Group took all the measures it considered appropriate in view of the specific circumstances of each case	✓
<b>Child labour</b>				
103-1	Explanation of the material issue and its coverage		179	✓
103-2	Management approach and its components		179	✓
103-3	Assessment of the management approach		179	✓
408-1	Operations and suppliers with a significant risk of child labour		179	✓
409-1	Operations and suppliers with significant risk of child labour		179,180	
<b>Rights of indigenous peoples</b>				
103-1	Explanation of the material issue and its coverage		179	✓
103-2	Management approach and its components		179	✓
103-3	Assessment of the management approach		179	✓
411-1	Incidents of violations involving rights of indigenous peoples		179	✓
<b>Assessment of human rights</b>				

Code	Contents	Omission	Page/Direct response	Review
103-1	Explanation of the material issue and its coverage		179	✓
103-2	Management approach and its components		179	✓
103-3	Assessment of the management approach		179	✓
412-1	Operations that have been revised or assessed in terms of impact on human rights		In 2019, no operations have been assessed in terms of impact on human rights	✓
412-2	Employee training on human rights policies and procedures		In 2019, no training has been carried out in terms of impact on human rights	✓
412-3	Significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening		In 2019, no agreements have been entered into that include human rights clauses or that have undergone human rights screening.	✓
413-1	Operations with local community participation, impact assessments and development programs		157	✓
<b>Public policy</b>				
103-1	Explanation of the material issue and its coverage		210	✓
103-2	Management approach and its components		210	✓
103-3	Assessment of the management approach		210	✓
415-1	Contributions to political parties and/or representatives		Sacyr makes no contributions to political parties and/or representatives	✓
<b>Customer privacy</b>				
103-1	Explanation of the material issue and its coverage		210	✓
103-2	Management approach and its components		210	✓
103-3	Assessment of the management approach		210	✓
418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data		In 2019, no such complaints or incidents were reported	✓
<b>Labelling of products and services (immaterial indicator)</b>				
CRE8	Type and number of sustainability labelling certifications, classifications and systems for new constructions, management, occupation and reconstruction		112	✓

This document includes additional information to that presented by the Company in Sacyr Group's Consolidated Statement of Non-Financial Information. This additional information corresponds to the following GRI contents: 102-5, 102-9, 102-10, 102-14, 102-18 to 102-40, 102-42 to 102-56, 206-1, 302-3, 303-2, 305-4, 307-1, 401-2, 401-3, 402-1, 404-2, 404-3, 411-1, 412-2, 415-1, 418-1, CRE1, CRE2, CRE3, CRE4, CRE5, CRE6 and CRE8. However, the information on the remuneration of employees, senior management and directors, and in relation

to grants, may be consulted in the Consolidated Statement of Non-Financial Information

# Appendix V. GRI tables

## MATERIALS USED BY WEIGHT OR VOLUME

(301-1)

		2018	2019	% 18/19
<b>ENGINEERING AND INFRASTRUCTURES</b>				
Steel	Tn	80,453.96	69,790.82	-13.25%
Cement	Tn	77,776.69	82,375.40	5.91%
Concrete	Tn	1,562,149.41	1,254,828.81	-19.67%
Asphaltic materials	Tn	299,809.62	550,196.83	83.52%
Aggregate	Tn	1,428,787.86	2,534,064.28	77.36%
Soil/Cement Reused	Tn	553,380.22	5,814,669.30	950.75%
Paper	Tn	45.21	64.45	42.57%
<b>CONCESSIONS</b>				
Fluxes	Tn	290.41	71.00	-75.55%
Asphaltic materials	Tn	3,520.79	972.37	-72.38%
Paper	Tn	10.24	7.39	-27.84%
<b>INDUSTRIAL</b>				
Concrete	Tn	18,970.60	26,434.10	39.34%
Hexane	Tn	31.30	32.09	2.55%
Hydrochloric acid	Tn	13.43	12.59	-6.28%
Hypochlorite	Tn	22.52	23.47	4.25%
Aggregate	Tn	18,841.72	65,021.23	245.09%
Oil	Tn	Not included	25.76	100.00%
Soil/Cement Reused	Tn	0.00	165,316.59	100.00%
Steel	Tn	1,270.88	2,205.35	73.53%
Paper	Tn	11.77	7.99	-32.09%
<b>SERVICES</b>				
Soil/Cement Reused	Tn	2,202.65	3,604.03	63.62%
Compost and fertilisers	Tn	9.20	0.92	-90.02%
Oils	Tn	146.26	154.15	5.40%
Sulphuric acid	Tn	24.45	20.33	-16.83%
AdBlue and/or engine additives	Tn	108.66	139.51	28.39%

		2018	2019	% 18/19
<b>SERVICES</b>				
Carbonic anhydride	Tn	65.86	840.93	1,176.88%
Iron chloride	Tn	276.86	369.99	33.64%
Coagulant	Tn	1,257.47	987.47	-21.47%
Calcium hydroxide	Tn	140.80	2,002.38	1,322.19%
Sodium hypochlorite	Tn	448.12	947.22	111.37%
Paints	Tn	68.73	398.79	480.22%
Cleaning products	Tn	319.13	492.22	54.24%
Polyelectrolyte	Tn	72.50	35.80	-50.62%
Pesticides	Tn	18.05	2.55	-85.88%
Fluxes	Tn	12,642.02	5,212.23	-58.77%
Caustic soda	Tn	76.89	105.56	37.29%
Asphaltic materials	Tn	No Incluido	1,131.62	100.00%
Paper	Tn	23.87	30.70	28.61%

**"PERMANENT" ADDITIONS AND TURNOVER IN SPAIN BY GENDER**

(401-1)

	ADDITIONS	TURNOVER
	2019	2019
<b>Men</b>	9,960	2,738
<b>Women</b>	5,575	1,864
<b>TOTAL</b>	<b>15,535</b>	<b>4,602</b>

**ADDITIONS, DISMISSALS AND TURNOVER IN SPAIN BY AGE RANGE IN 2019**

(401-1)

	UP TO 30	30 TO 50	OVER 50	TOTAL
<b>Additions</b>	3,957	8,476	3,102	15,535
<b>%</b>	25.47%	54.56%	19.97%	
<b>Dismissals</b>	817	1,397	502	2,716
<b>%</b>	30.08%	51.44%	18.48%	
<b>Rotation</b>	1,405	2,462	735	4,602
<b>%</b>	30.53%	53.50%	15.97%	

**TURNOVER IN SPAIN\***

(401-1)

	2019
<b>Total</b>	43,466.55
<b>Average consolidated workforce</b>	
<b>Total departures</b>	<b>7,318</b>

\* In 2019 the scope of this information has been extended to a global level, therefore the evolution with respect to previous years is not reported as it is not comparable.

**DETAILS OF ADDITIONS, DISMISSALS AND TURNOVER IN SPAIN BY AUTONOMOUS COMMUNITY**

(401-1)

	TURNOVER	DISMISSALS	RECRUITS
Andalusia	112	31	505
Aragon	28	2	67
Asturias	1	5	32
Balearic Islands	14	5	24
Canary Islands	38	17	166
Cantabria	6	1	21
Castile-La Mancha	103	12	423
Castile and Leon	189	31	488
Catalonia	227	49	525
Valencia	117	14	238
Extremadura	39	11	86
Galicia	59	11	187
Madrid	793	249	2,523
Murcia	30	7	53
Navarre	4	0	24
Basque Country	43	5	207
La Rioja	6	5	28
A.C. of Melilla	36	5	151
A.C. of Ceuta	0	0	0
<b>OVERALL TOTAL</b>	<b>1,845</b>	<b>460</b>	<b>5,748</b>

**DETAILS OF MATERNITY/PATERNITY LEAVE IN SPAIN 2019**

(401-3)

	PATERNITY	MATERNITY	TOTAL
Men	353	7	360
Women	4	219	223
<b>TOTAL</b>	<b>357</b>	<b>226</b>	<b>583</b>

**RETURN RATE AFTER MATERNITY/PATERNITY LEAVE IN SPAIN**

(401-3)

	ACTIVO	BAJA	TOTAL
Men	355	5	360
Women	215	8	223
<b>TOTAL</b>	<b>570</b>	<b>13</b>	<b>583</b>

**WORK-RELATED ILLNESSES, DAYS LOST, ABSENTEEISM AND WORK-RELATED ILLNESS**

(403-2)

	2018	2019
HOURS LOST (illness and other reasons)	7,732,450	6,510,962
HOURS WORKED	123,910,242	97,768,992
%ABSENTEEISM	6.24%	6.22%

(\*) In 2018, data was extrapolated on the basis of the real data of 74% of the average

**ACCIDENTS (BY GENDER)**

(403-2)

	2018	2019
Men	1,259	1,284
Women	1,052	1,098
<b>TOTAL</b>	<b>2,311</b>	<b>2,382</b>



**REASONS FOR DEPARTURE AFTER PARENTAL LEAVE IN SPAIN**

(401-3)

	<b>REASONS FOR DEPARTURE 2019</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
COMPANY CAUSES	Subrogation	1	3	4
	11 End of temporary contract at employer's initiative	3	4	7
	15 End or discontinuation of activities of permanent-seasonal employees			
	Inactivity			
	<b>Total Company causes</b>			
EMPLOYEE CAUSES	21 Employee's voluntary departure	1		1
	26 Voluntary extended leave		1	1
	12 End of temporary contract at employee's initiative			
	<b>Total employee causes</b>			
<b>OVERALL TOTAL</b>		<b>5</b>	<b>8</b>	<b>13</b>



## INFORMATION ON EMPLOYEES AND OTHER STAFF. EMPLOYEE DISTRIBUTION TABLE BY GENDER AND COUNTRY

(102-8)

Countries	MEN			WOMEN			TOTAL CONSOLIDATED AVERAGE WORKFORCE		
	2019	2018	%19/18	2019	2018	%19/18	2019	2018	%19/18
Spain	10,813.15	10,814	-0.01%	17,901.09	17,158	4.33%	28,714.25	27,972	2.65%
Angola	170.07	192	-11.42%	29.2	38	-23.16%	199.27	230	-13.36%
Saudi Arabia	1	1	0.00%	0	0	0.00%	1	1	0.00%
Algeria	26.97	32	-15.72%	1.5	2	-25.00%	28.47	34	-16.26%
Australia	49.42	28	76.50%	7.35	4	83.75%	56.77	32	77.41%
Bolivia	111.41	170	-34.46%	17.28	20	-13.60%	128.69	190	-32.27%
Brazil	36.33	11	230.27%	8.31	5	66.20%	44.64	16	179.00%
Cape Verde	8.1	15	-46.00%	1.76	5	-64.80%	9.87	20	-50.65%
Canada	5.51	1	451%	0	1	-100%	5.51	2	175%
Qatar	313.32	384	-18.41%	6.28	7	-10.29%	319.59	391	-18.26%
Chile	1,898.32	1,926	-1.44%	1,299.52	944	37.66%	3,197.84	2,870	11.42%
Colombia	6,356.14	1,866	240.63%	1,085.29	507	114.06%	7,441.42	2,373	213.59%
Costa Rica	1	1	0.00%	0	0	0.00%	1	1	0.00%
Ecuador	11.04	47	-76.51%	6.17	17	-63.71%	17.21	64	-73.11%
US	205.83	29	609.76%	35.58	6	493.00%	241.42	35	589.77%
Netherlands	0	1	-100%	0	0	0.00%	0	1	-100%
Ireland	6.73	6	12.17%	1.58	4	-60.50%	8.31	10	-16.90%
Israel	0.25	2	-87.50%	0	0	0.00%	0.25	2	-87.50%
Italy	8.72	839	-98.96%	1.23	22	-94.41%	9.95	861	-98.84%
Libya	0	4	-100%	0	1	-100%	0	5	-100%
Mexico	375.08	197	90.40%	80.38	45	78.62%	455.45	242	88.20%
Mozambique	71.89	18	299.39%	10.56	5	111.20%	82.45	23	258.48%
Oman	33.61	19	76.89%	6.11	8	-23.63%	39.73	27	47.15%
Panama	6.94	0	100%	4	1	300%	10.94	1	994%
Paraguay	99.13	75	32.17%	39.83	34	17.15%	138.96	109	27.49%
Peru	1,231.17	1,280	-3.81%	135.16	99	36.53%	1,366.33	1,380	-0.99%
Portugal	616.44	665	-7.30%	148	134	10.45%	764.44	799	-4.33%
UK	49.56	0	100%	18.78	0	100%	68.34	0	100%
Uruguay	101.46	35	189.89%	13.01	5	160.20%	114.48	40	186.20%
<b>TOTAL</b>	<b>22,608.57</b>	<b>18,658</b>	<b>21.17%</b>	<b>20,857.98</b>	<b>19,072</b>	<b>9.36%</b>	<b>43,466.55</b>	<b>37,730</b>	<b>15.20%</b>

The total average workforce with fixed contracts stood at 29,631.04 (27,208 in 2018) and 13,835.51 (10,522 in 2018) had temporary contracts. 12,579.21 (14,353 in 2018) employees were working on a part-time basis and 30,565.32 on a full-time basis (23,377 in 2018).

## EMPLOYEE DISTRIBUTION TABLE BY GENDER AND COUNTRY

Países	MEN		WOMEN		TOTAL WORKFORCE 31/12/2019	
	2019	2018	2019	2018	2019	2018
Spain	11,898	12,451	18,606	19,848	30,504	32,299
Angola	207	173	42	30	249	203
Saudi Arabia	-	1	-	-	-	1
Algeria	61	64	3	3	64	67
Australia	32	46	5	8	37	54
Bolivia	173	17	22	10	195	27
Brasil	13	248	5	33	18	281
Cape Verde	8	9	3	2	11	11
Canadá	3	5	-	-	3	5
Qatar	350	347	4	10	354	357
Chile	1,930	3,032	1,086	1,906	3,016	4,938
Colombia	4,341	7,044	944	1,199	5,285	8,243
Costa Rica	1	1	-	-	1	1
Ecuador	39	-	14	-	53	-
US	51	229	9	37	60	266
Ireland	14	8	8	2	22	10
Israel	1	-	-	-	1	-
Italy	3	12	-	2	3	14
Mexico	266	296	61	71	327	367
Mozambique	38	81	5	12	43	93
Oman	18	28	9	6	27	34
Panama	-	6	-	4	-	10
Paraguay	85	118	35	44	120	162
Peru	1,567	1,414	97	172	1,664	1,586
Portugal	574	339	137	63	711	402
UK	350	63	4	27	354	90
Uruguay	51	181	5	27	56	208
<b>TOTAL</b>	<b>21,724</b>	<b>26,213</b>	<b>21,100</b>	<b>23,514</b>	<b>42,824</b>	<b>49,727</b>

The total workforce with fixed contracts stood at 35,609 (26,578 in 2018) and 14,118 (16,246 in 2018) had temporary contracts. 14,440 (16,149 in 2018) employees were working on a part-time basis and 35,287 on a full-time basis (26,675 in 2018).

## THIS IS ALSO BROKEN DOWN INTO THE FOLLOWING CATEGORIES:

Professional category (new from 2019)	Total workforce (31/12)		Average consolidated workforce	
Senior executives	112		115.21	
Management	972		936.92	
Technical	4,065		3,750.29	
Support	44,578		38,664.13	
<b>Total</b>	<b>49,727</b>		<b>43,466.55</b>	

## THIS IS ALSO BROKEN DOWN INTO THE FOLLOWING CATEGORIES:

Professional category (before 2019)	Total workforce (31/12)		Average consolidated workforce	
	2018	2019	2018	2019
Manager	117	112	120	115.21
University graduate	2,201	1,279	1,931	1,229.43
University graduate	1,963	903	1,916	876.50
Non-qualified technicians	2,055	5,195	2,198	4,755.46
Administrative staff	1,624	2,502	977	2,024.99
Other	34,864	39,736	30,588	34,464.97
<b>Total</b>	<b>42,864</b>	<b>49,727</b>	<b>37,730</b>	<b>43,466.55</b>

## THIS IS ALSO BROKEN DOWN INTO THE FOLLOWING CATEGORIES:

Age category	Total workforce (31/12)		Average consolidated workforce	
	2018	2019	2018	2019
Up to 30	5,347	6,550	-	6,784
Between 30 and 50	22,361	25,407	-	22,894
Over 50	15,116	17,770	-	13,789
Age category	2018	2019	2018	2019
Men	21,724	26,213	18,658	22,609
Women	21,100	23,514	19,072	20,858

(\*) (-) Data not available for 2018 because the systems do not allow calculation due to changes in the systems.

**WORK-RELATED ILLNESSES (2019): 33 (34 IN 2018)**

(403-3)

**TABLE OF ACCIDENT RATES 2019**

(403-2) (SASB\_IF-EN-320a.1.)

Company	Services	Construction	Concessions	Industrial	Property development	Holding company
No. of Employees	37,013	13,046	1,683	2,915	5	364
No. of Hours	63,958,464	22,543,488	2,908,224	5,037,120	8,640	628,992
No. of Days lost	70,016	5,927	435	343	0	110
No. of Accidents with absence	1,803	528	31	19	0	1
Frequency index (No. Workplace Accidents/ No. Hours Worked x 1,000,000)	28.19	23.42	10.66	3.77	0	1.59
Seriousness index (N° Days Lost/No. Hours Worked x 1,000)	1.09	0.26	0.15	0.07	0	0.17
Incident index (No. Workplace Accidents/ No. Employees x 100,000)	4,871	4,047	1,841.95	651.8	0	274.73

**AVERAGE REMUNERATION BY AGE RANGE 2019**

Professional category (new from 2019)	Average remuneration
Senior executives	165,537.07 €
Management	68,820.81 €
Technical	27,362.34 €
Support	15,057.34 €
<b>OVERALL TOTAL</b>	<b>17,283.39 €</b>

## REMUNERATION AND SALARY GAP BY PROFESSIONAL CATEGORIES EXISTING IN 2018\*, GENDER AND AGE

(405-2)

AVERAGE REMUNERATION BY PROFESSIONAL CATEGORY	2018	2019
<b>PROFESSIONAL CATEGORY</b>	<i>Average remuneration in EUROS</i>	
Senior managers	152,579.28 €	165,537.07
University graduate	43,972.80 €	47,251.89
Intermediate qualifications	24,222.16 €	32,756.77
Non-qualified technicians	26,740.12 €	26,821.85
Administrative staff	13,353.50 €	11,865.12
Other	15,196.56 €	14,785.09
<b>AVERAGE REMUNERATION BY GENDER</b>		
Men	19,215.99 €	18,090.37 €
Women	16,368.43 €	16,435.22 €
<b>AVERAGE REMUNERATION BY AGE RANGE</b>		
UP TO 30	10,116.62 €	9,551.50 €
30 TO 50	18,477.89 €	17,884.59 €
OVER 50	19,064.65 €	19,152.45 €

## SALARY GAP 2019

Professional category (new from 2019)	SALARY GAP 2019
SENIOR EXECUTIVES	3.25%
MANAGERS	2.94%
TECHNICIANS	1.20%
SUPPORT	3.20%

(\*) this analysis is carried out on 95% of the real workforce at 31 December 2019

(\*) Senior management has been excluded from the salary gap calculation, as their remuneration is disclosed in the Financial Statements.

(\*) The salary gap is calculated by 1-F/M, expressed as a percentage.

The adjusted salary gap shown in the table above has been calculated taking into account the various different factors existing in each country and type of activity. The criteria used to calculate the adjusted salary gap are to consider the most representative countries (those accounting for over 95% of the workforce), to weight equivalent positions in each country, and, in certain cases, to exclude those positions which in some countries do not have

employees of both sexes. Considering jointly all of the employees of these countries, without any kind of segregation or weighting, the average remuneration of all women divided by the average remuneration of all men gives a salary gap of 6.77%.

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