



INTEGRATED REPORT
OF ACS GROUP
2020



MAIN FIGURES OF THE ACS GROUP

FINANCIAL AND OPERATING DATA

MILLION EURO	2015 ⁽²⁾	2016 ⁽²⁾	2017	2018 ⁽³⁾	2019*	2020
Revenues	33,291.3	31,975.2	34,898.2	36,658.5	39,048.9	34,937.4
Gross operating profit (EBITDA) ⁽¹⁾	2,140.7	2,023.4	2,278.9	2,941.2	3,148.0	2,444.3
Net operating profit (EBIT)	1,420.8	1,445.0	1,626.0	2,049.9	2,125.5	1,479.5
Attributable net profit	725.3	751.0	802.0	915.6	962.0	574.0
Funds from operations	1,794.8	1,376.4	1,863.5	2,321.8	2,378.7	1,173.5
Dividends paid	344.5	326.2	297.2	315.9	485.6	490.1
Net investments/(Divestments)	259.0	-522.9	283.3	1,538.2	1,253.7	304.4
Total assets	35,279.8	33,400.0	31,880.7	35,701.2	39,695.2	37,333.7
Equity	5,197.3	4,967.6	5,164.0	5,990.7	5,506.0	4,275.9
Shareholders' equity	3,421.0	3,574.3	3,742.9	4,354.6	4,421.1	3,528.5
Non-controlling interests	1,776.3	1,393.2	1,421.1	1,636.1	1,084.9	747.4
Total net debt	2,624.1	1,214.4	153.0	-3.3	53.7	1,819.8
Net debt with recourse	2,083.2	1,012.3	-41.9	-120.0	-87.3	1,730.3
Non recourse financing	540.9	202.0	195.0	116.8	141.0	89.4
Backlog ⁽⁴⁾	58,942	66,526	67,082	72,223	77,756	69,226
Number of employees	170,241	176,755	182,269	195,461	190,431	179,539

DATA PER SHARE

EURO	2015	2016	2017	2018 ⁽³⁾	2019	2020
Earnings	2.35	2.44	2.57	2.94	3.13	1.95
Gross dividend*	1.15	1.20	1.38	1.90	1.99	1.68*
Funds from operations	5.16	4.47	5.97	7.46	7.74	3.99
Shareholders' equity	11.09	11.60	11.99	14.00	14.38	12.01

* 2020 final dividend pending of approval.

STOCK MARKET DATA

	2015	2016	2017	2018	2019	2020
Listed shares	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594	310,664,594
Market capitalization (€ Million)	8,500.5	9,446.2	10,264.4	10,645.1	11,217.8	8,434.5
Year-end closing price	€ 27.02	€ 30.02	€ 32.62	€ 33.83	€ 35.65	€ 27.15
Annual revaluation	-6.75%	11.12%	8.66%	3.71%	5.38%	-23.84%

KEY RATIOS

	2015 ⁽²⁾	2016 ⁽²⁾	2017	2018 ⁽³⁾	2019	2020
Operating margin (EBIT)	4.3%	4.5%	4.7%	5.6%	5.4%	4.2%
Net margin	2.2%	2.3%	2.3%	2.5%	2.5%	1.6%
ROE	20.8%	21.4%	21.9%	22.6%	21.9%	14.4%
Gearing ⁽⁵⁾	50.5%	24.4%	3.0%	-0.1%	1.0%	42.6%
Dividend yield	4.3%	4.0%	4.2%	5.6%	5.6%	6.2%

* 2019 restated for BICC using the full consolidation method.

(1) In 2018 - 2020 it includes "Results from Equity Method of operating activities": the result corresponds to associates (including Abertis' contribution to the Group) and Joint Ventures which belong to the ordinary activity.

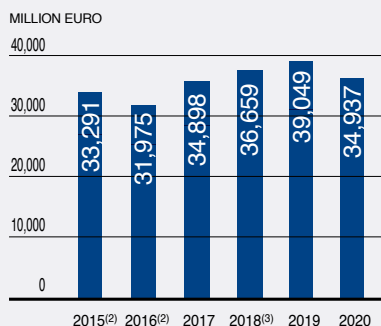
(2) In compliance with IFRS 5, in 2016 Urbaser has been reclassified as discontinued operations as a result of sale, also proceeding to re-express the income statement 2015.

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

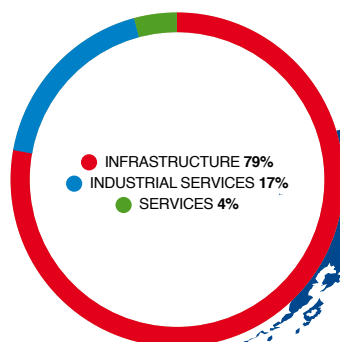
(4) Includes the backlog proportional to the stake in joint ventures that the group does not fully consolidate.

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

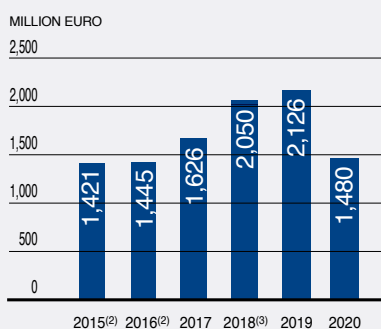
TURNOVER



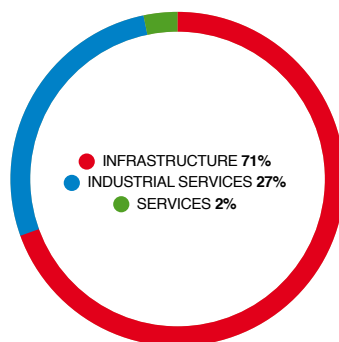
2020 REVENUE BY AREA OF ACTIVITY



EBIT (1)



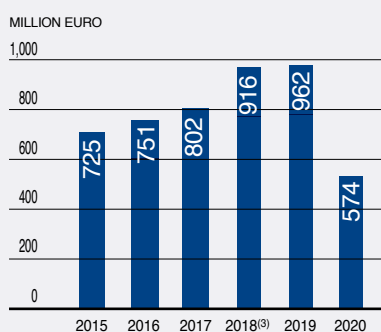
2020 GROSS OPERATING PROFIT (EBITDA) BY AREA OF ACTIVITY



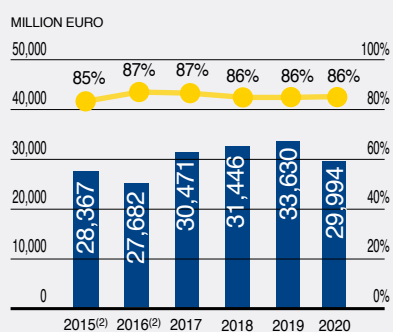
Note: The percentages are calculated on the sum of the activities considered in each graph.



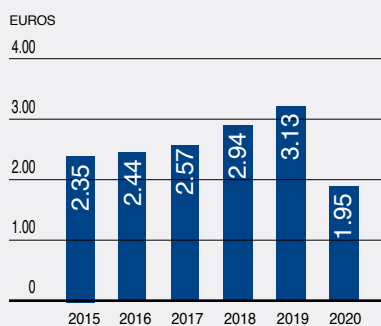
NET PROFIT



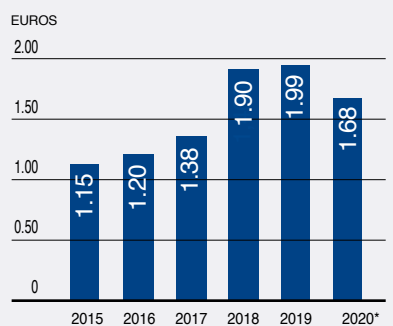
INTERNATIONALIZATION



EARNINGS PER SHARE

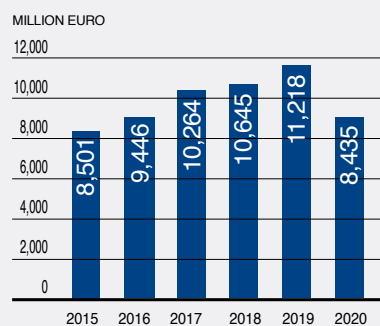


DIVIDEND PER SHARE*



* 2020 final dividend pending of approval.

MARKET CAPITALIZATION

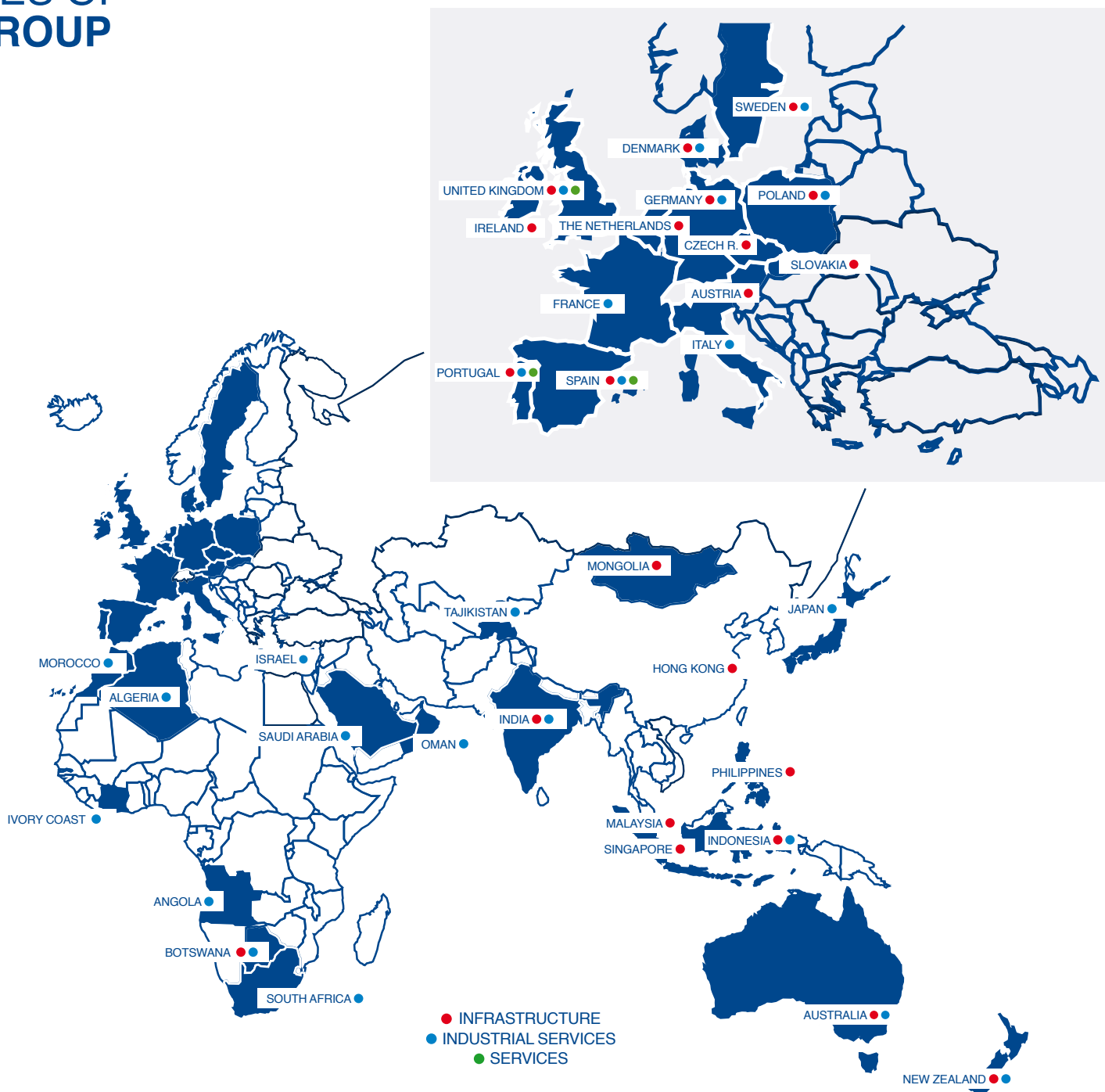


(1) In 2018 - 2020 it includes "Results from Equity Method of operating activities": the result corresponds to associates (including Abertis' contribution to the Group) and Joint Ventures which belong to the ordinary activity.

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

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

URES OF S GROUP



INFRASTRUCTURE 2020⁽¹⁾

MILLION EURO	2020
Revenues	27,559
<i>International</i>	95.0%
Gross Operating Profit (EBITDA)	1,781
Margin	6.5%
Net profit	99
Margin	0.4%
Backlog	57,609
Employees	57,597

INDUSTRIAL SERVICES 2020

MILLION EURO	2020
Revenues	5,850
<i>International</i>	63.0%
Gross Operating Profit (EBITDA)	661
Margin	11.3%
Net profit	312
Margin	5.3%
Backlog	8,916
Employees	45,426

SERVICES 2020

MILLION EURO	2020
Revenues	1,555
<i>International</i>	7.6%
Gross Operating Profit (EBITDA)	61
Margin	3.9%
Net profit	18
Margin	1.1%
Backlog	2,701
Employees	76,462

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

CONSOLIDATED MANAGEMENT REPORT

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





LINKS 



[WEBSITE](#)



[CONSOLIDATED ANNUAL
ACCOUNTS](#)



[CORPORATE GOVERNANCE
REPORT](#)



[ANNUAL DIRECTOR'S
REMUNERATION](#)

ABOUT THIS REPORT

The Integrated Annual Report is composed of this Consolidated Management Report, which is part of the Annual Corporate Governance Report that is attached by reference and is available on the ACS Group's and National Securities Market Commission's (CNMV) websites, and the Consolidated Financial Statements for the financial year ended December 31, 2020, drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

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

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

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

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

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

[102-45]

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

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

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

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





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LETTER FROM THE CHAIRMAN

Dear Shareholder

The ACS Group is fully aware of the impact that the coronavirus pandemic had on the health of individuals, the economies of various countries, and business evolution in 2020. That is why the hard work and commitment demonstrated by our more than 180,000 employees worldwide, who have strived to support our customers, suppliers, and other stakeholders in these trying times, has been so crucial. Each one of them deserves our deepest gratitude and sincere appreciation.

In light of these circumstances, ACS's operating activities performed well: activity in the construction and services areas, considered essential in most countries during lockdown, declined only 5%-10%; in contrast, Abertis experienced a significant decrease in activity due to the sharp drop in daily traffic caused by mobility restrictions in many countries, which in turn precipitated a €280-million drop in its contribution to the Group's net profit.

Consequently, the ACS Group closed the 2020 financial year with a net profit of 574 million euros, a decline of 388 million relative to the previous year. Of this figure, 28 million euros are attributable to non-recurring factors related to our Australian subsidiary, Cimic; 280 million euros are the result of the drop in traffic at Abertis; and 80 million are due to the impact of Covid-19 on other activities, that is, 11.2% relative to 2019. Specifically:

- Construction obtained an ordinary net profit of 322 million euros, down 10% from the previous year;
- Industrial Services earned 312 million euros, down 11%; and

• Social Services—of which I am especially proud given its social work and commitment to the health and wellbeing of the hundreds of thousands of people it serves—obtained a net profit of 18 million.

Portfolio and output evolution, which decreased 3.7% and 5.6% in like-for-like terms, respectively, demonstrates the strength and resilience of our Group, supported by broad international diversification, mainly in more developed economies. The most important markets continue to be the United States, which represents 45% of the Group's total sales, Australia (15%), Spain (14%), the rest of Europe (7%) and Canada (5%).

With regard to recurring operating profit, that is, excluding the impact of Cimic's restructuring process, gross operating profit (EBITDA) totalled 2,571 million euros, while net operating profit (EBIT) hit 1,638 million euros, affected by the lower contribution of Abertis. Among other activities, operating profit fell only 10% relative to the previous year.

It is worth noting the cash generation capacity of the operating activities which, in an extremely difficult year, reached 1,245 million euros. This favourable result has allowed us to continue remunerating our shareholders and investing in new projects for the future, primarily in the areas of renewable energy and infrastructure, as well as increasing our interests in other listed companies. Taken together, total investment has exceeded 1,706 million euros.

At the close of the year, the balance of the Group's net financial

debt reached 1,820 million euros, increasing 1,766 million euros, nearly equalling the amount allocated to investments.

In 2020, capital markets reflected the uncertainty triggered by the pandemic, with greater volatility and significant price depreciations. In this environment, ACS shares fell more than 40% in the initial months of the crisis, later recovering to close the year with a 23.8% depreciation, which falls to 18.2% when factoring in the €1.99 per share paid as a dividend.

On 2 October 2020, Vinci submitted a non-binding offer to acquire our Industrial Services division for a value equal to 5,200 million euros. Finally, after arduous negotiations, on 31 March 2021 we reached an agreement, subject to the applicable regulatory conditions, by which we transfer the Industrial Services division, retaining the energy assets in operation and sharing future investments in new renewable energy assets.

We believe it is vital to be able to invest in the assets developed by our current platform, which we know so well and which has a remarkable track record of value creation. This new company will invest in projects that ACS Servicios Industriales promotes in the renewable sphere, which total 25 GW distributed among different technologies and countries.

We will also continue to invest in infrastructure concessions, mainly highways, where there is ample growth potential in the years ahead. It is what we know how to do and what we will continue to do. We are

confident that our ability to create value must target those sectors and activities where our extensive experience and resources can be more efficient, in line with our sustainable and profitable growth strategy.

Our commitment to sustainability is strong and unwavering, as demonstrated by the fact that ACS is once again included in the Dow Jones Sustainability World Index. We invariably aim to create value for the whole of society in our activities, initiatives, and investments, taking into account the different stakeholders and focusing on the long term. That is why we are aligned with the UN Sustainable Development Goals, focusing heavily on the fight against climate change, which will distinguish the future 2021-25 Strategic Sustainability Plan currently in the works.

In short, despite the challenges posed by the pandemic, we have good prospects for the coming years. We are well prepared to tackle the great opportunities presented in our sector and we have the best human team to see them through. Rest assured that we will invest all our efforts there and I look forward to telling you about it next year.



Florentino Pérez
Chairman of the ACS Group



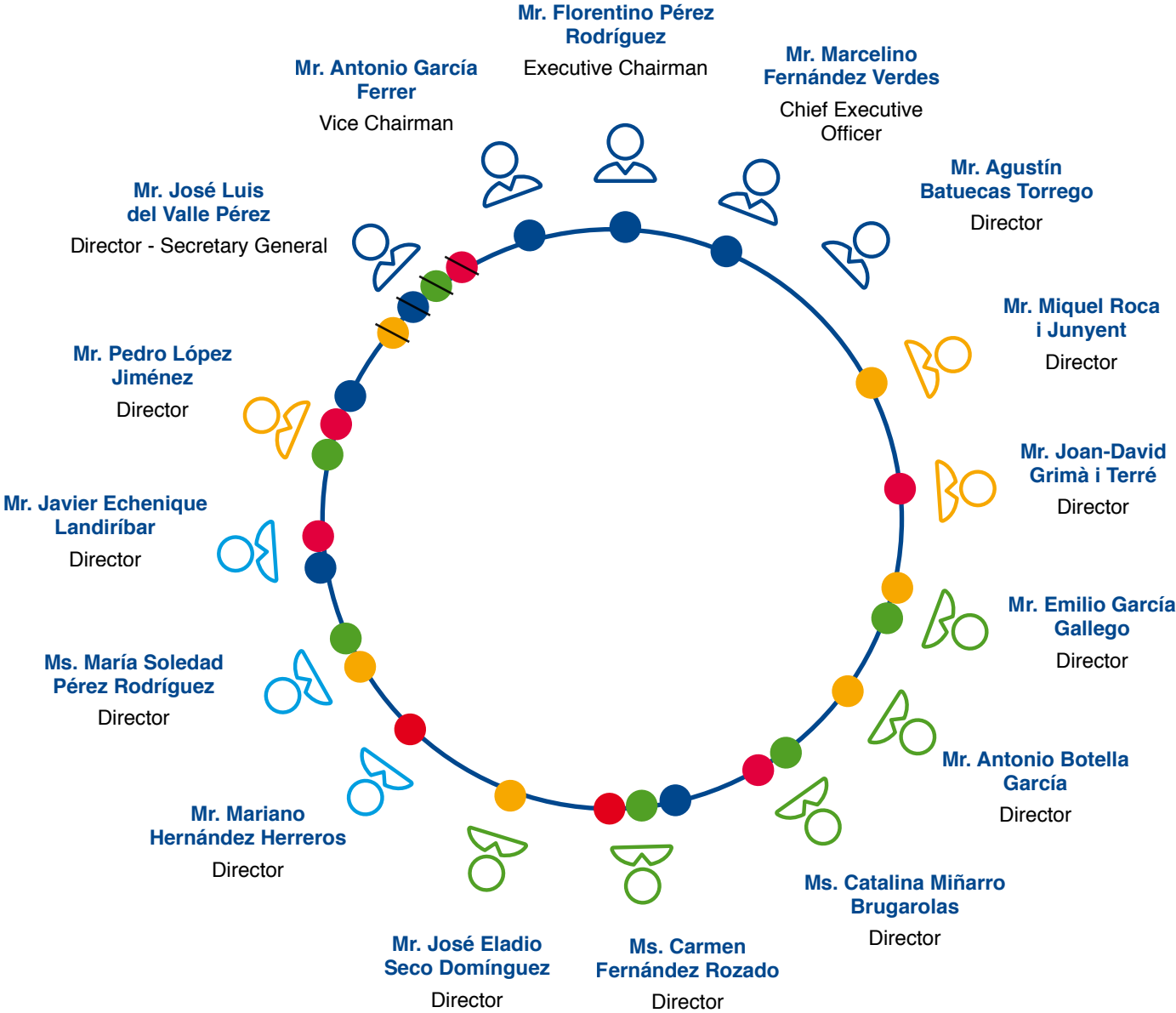
1. GOVERNING BODIES










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





1.1. BOARD OF DIRECTORS



-  EXECUTIVE
-  PROPRIETARY
-  INDEPENDENT
-  OTHER EXTERNAL
-  MEMBER OF THE EXECUTIVE COMMITTEE
-  MEMBER OF THE AUDIT COMMITTEE
-  MEMBER OF THE APPOINTMENTS COMMITTEE
-  MEMBER OF THE REMUNERATION COMMITTEE
-  SECRETARY (NON-MEMBER)

Mr. Florentino Pérez Rodríguez

Executive Chairman

Civil Engineer

Chairman of the ACS Group since 1993

Member of the ACS Group's Board of Directors since 1989

Mr. Marcelino Fernández Verdes

Chief Executive Officer

Civil Engineer

Member of the ACS Group's Board of Directors since 2017

Chairman of HOCHTIEF AG

Chairman of Abertis

Mr. Antonio García Ferrer

Vice Chairman

Civil Engineer

Member of the ACS Group's Board of Directors since 2003

Mr. Agustín Batuecas Torrego

Director

Civil Engineer

Member of the ACS Group's Board of Directors since 1999

Mr. Antonio Botella García

Director

Licenciado en Derecho. Abogado.

Bachelor of Laws. Lawyer

State Lawyer (retired)

Member of the ACS Group's Board of Directors since 2015

Mr. Javier Echenique Landiribar

Director

Bachelor of Economics

Member of the ACS Group's Board of Directors since 2003

Vice Chairman of Banco Sabadell

Vice Chairman of Telefónica, S.A.

Director of the Ence Group.

Ms. Carmen Fernández Rozado

Director

Bachelor of Economics and Business Administration and in Political Sciences and Sociology.

PhD in Public Finance.

State Treasury Inspector.

Auditor.

Member of the ACS Group's Board of Directors since 2017

Director of Energias de Portugal

Mr. Emilio García Gallego

Director

Civil Engineer and Bachelor of Laws

Member of the ACS Group's Board of Directors since 2014

Mr. Joan-David Grimà i Terré

Director

PhD in Economics and Business Administration

Member of the ACS Group's Board of Directors since 2003

Mr. Mariano Hernández Herreros

Director

Bachelor of Medicine and Surgery

Member of the ACS Group's Board of Directors since 2016

Mr. Pedro López Jiménez

Director

Civil Engineer

Member of the ACS Group's Board of Directors since 1989

Chair of the Supervisory Board, Human Resources Committee and the Appointment Committee at HOCHTIEF

Member of the Board of Directors, Remuneration and Appointments Committee, and Ethics, Compliance and Sustainability Committee at CIMIC

Director and Chairman of the Control and Audit Committee at Abertis

Ms. Catalina Miñarro Brugarolas

Director

Bachelor of Law and State Attorney

Member of the ACS Group's Board of Directors since 2015

Director (2nd Vice Chairwoman and Coordinator) at MAPFRE, S.A.

Member of the Delegate Committee and Chair of the Appointments Committee at MAPFRE, S.A.

Director and Member of the Board of Directors at MAPFRE ESPAÑA, S.A.

Director of MAPFRE INTERNACIONAL, S.A.

Ms. María Soledad Pérez Rodríguez

Director

Bachelor of Science in Chemistry and Pharmacy

Member of the ACS Group's Board of Directors since 2014

Mr. Miquel Roca i Junyent

Director

Lawyer

Member of the ACS Group's Board of Directors since 2003

Director of Endesa

Director of Aguas de Barcelona

Secretary (non-director) of the Board of Directors at Abertis Infraestructuras

Secretary (non-director) of the Board of Directors at Banco de Sabadell

Secretary (non-director) at TYPESA

Secretary (non-director) at WERFENLIFE

Mr. José Eladio Seco Domínguez

Director

Civil Engineer

Member of the ACS Group's Board of Directors since 2016

Mr. José Luis del Valle Pérez

Director - Secretary General

Bachelor of Laws and State Lawyer

Member of the ACS Group's Board of Directors since 1989

Member of the Supervisory Board at HOCHTIEF

Member of the Board of Directors at CIMIC



For further information:

Online access to their biography

www.grupoacs.com

1.2. MANAGEMENT COMMITTEE



Mr. Ángel García Altozano
Managing Director

Born in 1949.
Civil Engineer and MBA.

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

Mr. José Luis del Valle Pérez
Secretary General

Born in 1950.
Bachelor of Laws and State Attorney

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

Mr. Antonio García Ferrer
Vice Chairman

Born in 1945.
Civil Engineer

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



Mr. Florentino Pérez Rodríguez
Executive Chairman

Born in 1947. Civil Engineer.

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

Mr. Marcelino Fernández Verdes
Chief Executive Officer

Born in 1955. Civil Engineer

He joined the Group in 1987, and was appointed Managing Director of OCP Construcciones in 1994. In 1998, he was hired as the Chief Executive Officer of ACS Proyectos, Obras y Construcciones S.A., and in 2000 he was appointed the company's Chairman. In 2004, he was appointed the Chairman and CEO of Dragados, as well as the Director of the Construction division. In 2006, he was appointed Chairman and CEO of ACS Servicios y Concesiones, as well as Director of the Group's Concessions and Environment divisions up until March 2012. In April 2012, he was appointed as a member of the Executive Committee at Hochtief AG and Chair of the Committee in November of that same year, a position he holds to this day. He also assumed responsibility for the HOCHTIEF Asia Pacific division. From March 2014 to October 2016, he was the Chief Executive Officer of CIMIC, belonging to the Australian HOCHTIEF group, and has been the Executive Chairman at CIMIC from June 2014 until November 2020. In May 2017, he was appointed the CEO of ACS Group. In May 2018, he was appointed the Chairman of Abertis.

Mr. Eugenio Llorente Gómez
Chairman and CEO of the
Industrial Services division

Born in 1947,
Technical Industrial Engineer,
MBA from Madrid Business
School.

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

1.3 MANAGEMENT TEAM

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICES

Mr. Florentino Pérez Rodríguez
Executive Chairman

Mr. Marcelino Fernández Verdes
Chief Executive Officer

Mr. Antonio García Ferrer
Vice Chairman

Mr. Ángel García Altozano
Managing Director

Mr. José Luis del Valle Pérez
Secretary General

Mr. Ángel Muriel Bernal
Deputy General Manager to the CEO

INFRASTRUCTURE

HOCHTIEF

Mr. Marcelino Fernández Verdes
Chairman of Vorstand ⁽¹⁾ at Hochtief AG.
Chief Executive Officer

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

Mr. José Ignacio Legorburo Escobar
Member of Vorstand ⁽¹⁾ at Hochtief AG.
Chief Operating Officer

Mr. Nikolaus Graf von Matuschka
Member of Vorstand ⁽¹⁾ at Hochtief AG.
Chief Executive Officer of Hochtief Solutions

Mr. Peter Coenen
Managing Director of Hochtief PPP Solutions

Mr. Juan Santamaría Cases
Executive Chairman and Chief Executive Officer of CIMIC Group

Mr. Ignacio Segura Suriñach
Deputy Chief Executive Officer of CIMIC Group

Mr. Emilio Grande
Chief Financial Officer of CIMIC Group

Mr. Jason Spears
General Manager of CPB Contractors

Mr. Douglas Thompson
General Manager of Sedgman

Mr. Geoff Sewell
General Manager of EIC Activities

Mr. Doug Moss
General Manager of UGL

Mr. Peter Davoren
Chairman and CEO of Turner Construction

Mr. Adolfo Valderas
Chairman and CEO of Flatiron

Mr. Javier Sevilla
Chief Operating Officer of Flatiron

DRAGADOS

Mr. José María Castillo Lacabex
Executive Chairman

Mr. Santiago García Salvador
General Manager

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. Ricardo Martín de Bustamante
Civil Works Manager

Mr. Gonzalo Gómez Zamalloa
Building Manager

Mr. José Antonio López-Monís
North America Director

Mr. Ramón Astor Catalán
Iberoamerica Director

Mr. Ricardo García de Jalón
Spain Director

Mr. Federico Conde del Pozo
Europe Director

Mr. José María Aguirre Fernández
Director of Vías

IRIDIUM

Ms. Nuria Haltiwanger
Chief Executive Officer (CEO)

1. Management Committee.

INDUSTRIAL SERVICES

Mr. Eugenio Llorente Gómez
Chairman and CEO

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

Mr. José Alfonso Nebrera García
General Manager

Mr. Epifanio Lozano Pueyo
Corporate General Manager

Mr. Cristóbal González Wiedmaier
Finance Manager

SERVICES

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



2. THE ACS GROUP

2.1. A GLOBAL INFRASTRUCTURE AND SERVICES COMPANY

2.2. WITH A SUCCESS STORY

2.3. BASED ON A CONSOLIDATED CORPORATE STRATEGY THAT CREATES SHARED VALUE

2.4. THAT RESPONDS TO THE CHALLENGES AND OPPORTUNITIES IN THE SECTOR

2.5. WITH EFFICIENT RISK MANAGEMENT





2.1. A GLOBAL INFRASTRUCTURE AND SERVICES COMPANY

The ACS Group¹ is a global benchmark in construction activities and services, made up of leading companies in an increasingly competitive, demanding and global sector.



RANK 2020	RANK 2019	FIRM	2019 REVENUE \$ MIL.		2019 NEW CONTRACTS \$ MIL.	GENERAL BUILDING	MANUFACTURING	POWER	WATER SUPPLY	SEWER / WASTE	INDUS. / PETROLEUM	TRANSPORTATION	HAZARDOUS WASTE	TELECOM
			INT'L	TOTAL										
1	1	ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, Madrid, Spain†	38,950.3	45,016.0	44,242.0	35	1	7	3	1	7	30	0	5
2	2	HOCHTIEF AKTIENGESELLSCHAFT, Essen, Germany†	29,303.0	30,243.0	32,544.0	44	1	2	0	1	4	26	0	6
3	4	VINCI, Rueil-Malmaison, France†	24,499.0	54,574.0	24,264.0	6	0	19	2	0	5	40	1	11
4	3	CHINA COMMUNICATIONS CONSTRUCTION GRP. LTD., Beijing, China†	23,303.8	89,506.1	36,564.8	10	2	0	3	3	0	82	0	0
5	6	BOUYGUES, Paris, France†	17,142.0	33,225.0	15,476.0	26	1	5	0	0	2	58	1	2
6	5	STRABAG SE, Vienna, Austria†	15,659.4	18,668.6	15,821.5	34	0	0	4	2	6	53	0	0
7	7	POWER CONSTRUCTION CORP. OF CHINA, Beijing, China†	14,715.9	57,009.3	36,818.0	7	0	63	5	1	1	22	0	0
8	9	CHINA STATE CONSTRUCTION ENGINEERING CORP., Beijing, China†	14,143.3	180,354.6	25,360.4	76	0	2	1	0	1	20	0	0
9	8	SKANSKA AB, Stockholm, Sweden†	12,881.3	16,116.4	11,556.5	45	5	5	2	1	3	39	0	0
10	11	TECHNIPFMC, London, U.K.†	12,852.2	13,409.0	18,047.8	0	0	0	0	0	100	0	0	0

Source: ENR The top 250 global contractors.



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

The highly decentralized structure of the ACS Group enables it to develop its activity through an extensive network of specialized companies that ensure the Group's presence across the entire infrastructure and services business value chain. Through this complex but efficient organization, the companies are managed and operated independently but follow shared guidelines, values and culture. This allows each company to individually provide a multitude of valid and cost-effective management formulas thanks to the multiple factors involved in their decisions, which generate Group-wide knowledge and good practices.

The main areas of activity within the Group are divided into:

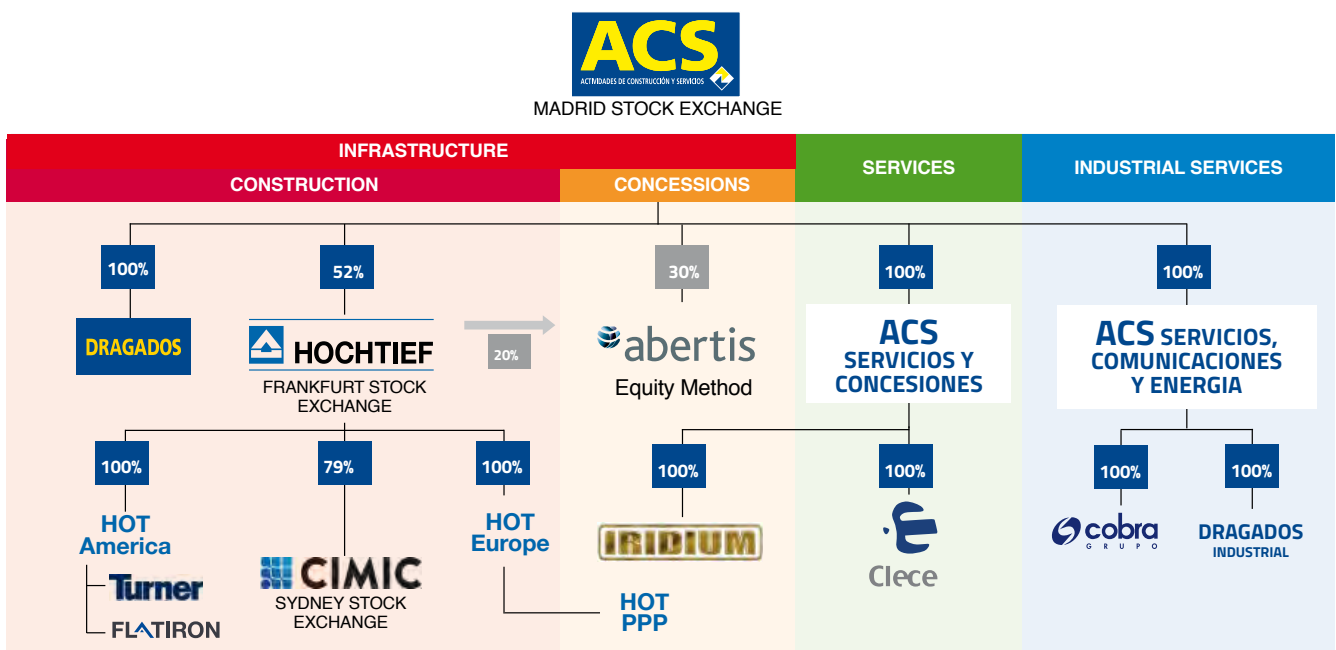
Infrastructure: This encompasses Construction and Concessions activities through the companies Dragados, HOCHTIEF (including CIMIC), Iridium and a holding in Abertis, and is oriented toward the execution of all kinds of civil works and construction projects as well as activities related to the mining sector (carried out by CIMIC, mainly in Asia Pacific)

and the development and operation of transportation concessions.

The geographical regions with the greatest exposure in this area are North America, Asia Pacific and Europe, operating mainly in developed and secure markets at the geopolitical, macroeconomic and legal levels.

Industrial Services: Focusing on applied industrial engineering, this area carries out construction, operation and maintenance activities in relation to energy, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial. This area is present in over 50 countries, with a predominant position in the Mexican and Spanish markets although with growth in new Asian and Latin American countries.

Services: This includes the business of Clece, which offers comprehensive maintenance of buildings, public places or organizations, as well as assistance for people. This area is fundamentally based in Spain but also shows incipient growth in the European market.



- INFRASTRUCTURE 79%
- INDUSTRIAL SERVICES 17%
- SERVICES 4%



- INFRASTRUCTURE 83%
- INDUSTRIAL SERVICES 13%
- SERVICES 4%

As a global company, the ACS Group participates in the development of key sectors for the world economy and it is also committed to the economic and social progress of the countries in which it is present. Through its various areas of activity, the Group's international presence spans more than 50 countries worldwide.

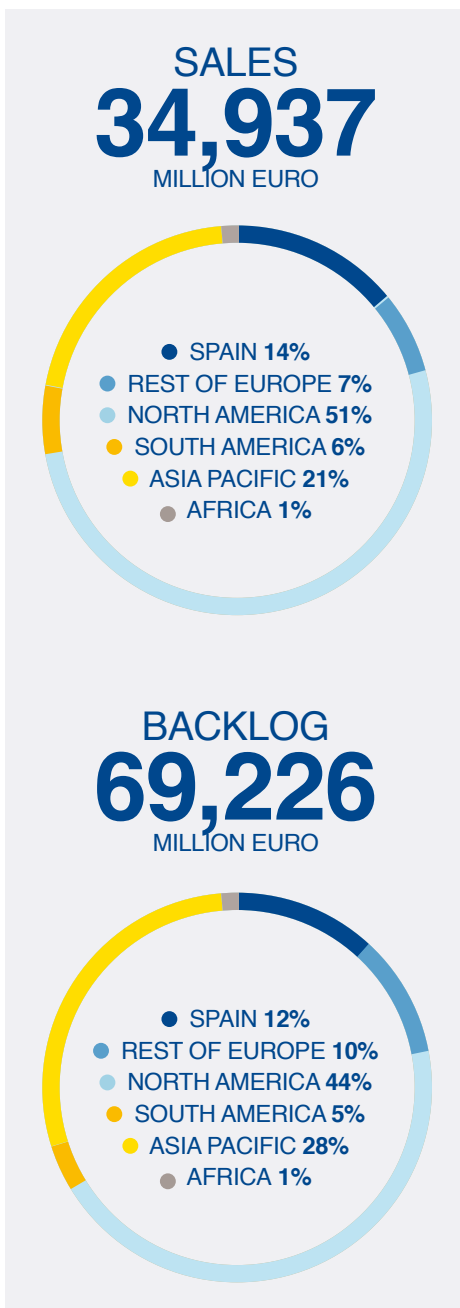
The ACS Group is a company committed to the economic and social progress of the countries where it has a presence. All the Group's activities are distinctly **focused on the customer**, in the spirit of service and acting as a guarantee for the future, developing a solid, long-term relationship of **trust** based on mutual understanding.

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

The Group upholds an undeniable commitment to **sustainable development**, serving society in an efficient and **ethically responsible** way through its ability to generate value for the company and all of its stakeholders, demanding the highest standards of **integrity** from its employees and collaborators.

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

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



ACS GROUP VALUES



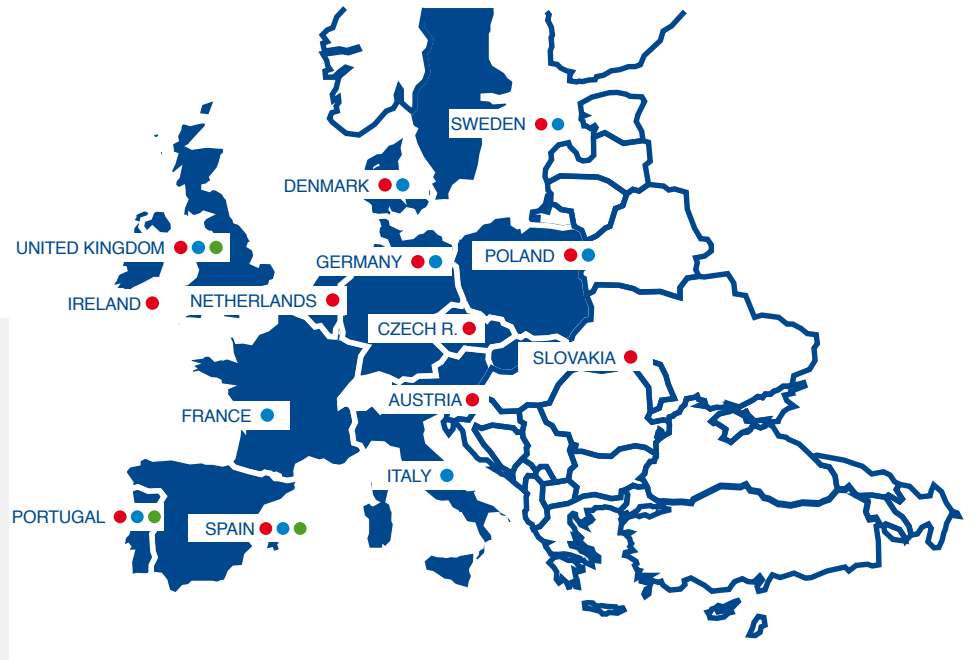

PROFITABILITY


SUSTAINABILITY


INTEGRITY


EXCELLENCE


TRUST



2.2. WITH A SUCCESS STORY

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



1983		Founded in 1968 Construction Company based in Badalona, Spain, which was restructured following its acquisition and relaunched. It is the seed from which ACS Group grew into what it is today.
1986		Founded in 1942 Spanish Construction Company, the acquisition of which represented a large expansion for the Group in the 1980s.
1988		Founded in 1919 Company specializing in power lines and the developer of the Spanish electricity grid; represented the first diversification in industrial services.
1989		Founded in 1948 Industrial services company; a leader in Spain and Latin America, it was a stock exchange acquisition that led the Group's expansion in this area.
1992		Founded in 1992 Formed from the merger of Ocisa and Construcciones Padrós, it was one of the 10 largest companies in the country at that time.
1996		Founded in 1945 A state-owned construction company, it increased the Group's national presence.
1997		Founded in 1930 One of the most important construction companies in Spain, specializing in civil engineering projects.
1997		Founded in 1928 One of the most experienced railway development companies in Spain, with more than 80 years of experience. It joined the ACS Group as a subsidiary of Ginés Navarro.
1997		Founded in 1997 World leader in infrastructure development. It was the result of a merger between OCP and Ginés Navarro in 1997.
2003		Founded in 1941 Leader in Spain and a very diversified company. By merging with ACS, it created one of the five largest companies in the world and laid the foundation for the Group's future growth.
2003		Founded in 1992 Initially focused on providing cleaning services to public entities, it has become the benchmark multi-service company in Spain.
2011		Founded in 1873 A leading company in Germany with a presence in over 50 countries, it is the ACS Group's international growth platform.
2011		Founded in 1902 A HOCHTIEF subsidiary since 1999, America's leading "General Contractor" is present practically throughout the entire country, developing large, non-residential building projects.
2011		Founded in 1949 A HOCHTIEF subsidiary acquired in 1983, as of 12/31/20 it holds 78.58% of the company's shares. It is Australia's leading construction company and a world leader in mining concessions.
2018		Founded in 2003 Abertis is one of the leading operators in toll road management, with over 8,600 kilometers (5,300 miles) of roads in 16 countries, with the ACS Group having approximately a 50% stake.

2.3. BASED ON A CONSOLIDATED CORPORATE STRATEGY THAT CREATES SHARED VALUE

The ACS Group operates in an increasingly complex and competitive environment that entails numerous risks and uncertainties, forcing the Group to adapt its strategy to the challenges and opportunities that arise in a highly dynamic global sector.

The ACS Group has consolidated a leading business model worldwide in its sector, featuring extensive diversification in terms of geography and business activity, thanks to its strategy of pursuing global leadership, optimizing the profitability of the resources employed and promoting sustainable development. These three cornerstones ensure the generation of shared value for all its stakeholders and sustainable and profitable growth for its shareholders.





PURSUE GLOBAL LEADERSHIP

- Positioning itself as one of the primary actors in all of the sectors where it is involved, thus enhancing its competitiveness, maximizing the creation of value in its relationship with clients and continuing to attract talent to the organization.
- Meeting customers' needs, offering a diversified product portfolio, innovating on a day-to-day basis and investing selectively to increase service and activity offerings.
- Continuously improving standards of quality, safety and reliability in the services it offers.
- Expanding the Group's current customer base through ongoing commercial effort in new markets.



OPTIMIZE RESOURCE PROFITABILITY

- Increasing operational and financial efficiency, offering attractive profitability to the Group's shareholders.
- Applying rigorous investment criteria that are appropriate for the company's growth and expansion strategy.
- Maintaining a strong financial structure that facilitates the acquisition of resources and keeping their cost low.



PROXIMITY TO CUSTOMERS

- Improving society and helping the economy grow, generating wealth through ACS Group's own activity that guarantees citizens' well-being.
- Respecting economic, social and environmental landscape, while responding to the challenges and opportunities of the sector, innovating through the company's procedures and respecting the recommendations of the most important national and international institutions in each of its activities.
- Acting as an economic engine for the creation of stable, decent and fairly compensated employment. Complying with the diversity principles set out by the Group.



SUSTAINABLE AND PROFITABLE GROWTH



CREATING SHARED VALUE



CONTRIBUTING TO THE DEVELOPMENT OF OPERATING ENVIRONMENTS

- Creation of employment and well-being as an economic driver for society
- Prioritization of local resources
- Knowledge sharing and technology transfer



RESPONDING TO GLOBAL CHALLENGES

- In diverse economic and social environments, including those related to climate change
- Searching for innovative and sustainable solutions

COMMITMENT TO SUSTAINABILITY

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

SHAREHOLDER/INVESTOR

INVESTMENT ↓ ↑ DIVIDENDS



...INTEGRATES LEADING COMPANIES...



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

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

...IN STABLE ENVIRONMENTS...



...DEVOTED TO THE INFRASTRUCTURE SECTOR...

**CONSTRUCTION/
ENGINEERING**

**INDUSTRIAL
SERVICES**

**OTHER
SERVICES**



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



**PROJECT
DEVELOPMENT**



**PROMOTION/
FINANCING**



CONSTRUCTION



**OPERATION/
MAINTENANCE**



EXPLOITATION

INPUTS

GROSS OPERATING INVESTMENTS

545 MN €

GROSS INVESTMENT IN PROJECTS AND FINANCIAL INVESTMENTS

1,628 MN €

EMPLOYEES

179,539

GRADUATES AND STUDENTS WITH DIPLOMAS

17.9%

INVESTMENT IN R&D

53 MN €

NUMBER OF ONGOING R&D PROJECTS

253

DIALOGUE WITH STAKEHOLDERS

NUMBER OF MATERIALITY SURVEYS⁽¹⁾

1,763

MEETINGS ORGANIZED BY INVESTOR RELATIONS

328

CALLS/EMAILS FROM SHAREHOLDERS ANSWERED

1,173

CONSUMPTION

WATER

11,445,499 m³

TOTAL ENERGY CONSUMPTION

11,258,838 MWH

TOTAL WOOD PURCHASED

1,152,348 m³

TOTAL STEEL PURCHASED

546,515 t

TOTAL CONCRETE PURCHASED

3,706,055 m³

OUTPUTS

REVENUES

34,937 MN €

NET PROFIT

574 MN €

DIVIDENDS PAID AND TREASURY STOCK

1,226 MN €

PERSONNEL EXPENSES

8,091 MN €

% LOCAL EMPLOYEES

96.4%

BACKLOG

69,226 MN €

COMMUNITY CONTRIBUTION

INVESTMENT IN SOCIAL ACTION

18.9 MN €

% PROCUREMENT FROM LOCAL SUPPLIERS

66.3%

CONSUMPTION

VARIATION IN THE INTENSITY OF SCOPE 1 EMISSIONS/SALES (VS 2019)

-1.7%

VARIATION IN THE INTENSITY OF SCOPE 2 EMISSIONS/SALES (VS 2019)

-27.3%

VARIATION IN THE INTENSITY OF SCOPE 3 EMISSIONS/SALES (VS 2019)

-21.5%

VARIATION IN INTENSITY OF EMISSIONS (TOTAL SCOPE 1+2+3 EMISSIONS/SALES) (VS 2019)

-11.9%

(1) Data refers to 2018/2019.

2.3.1 ACHIEVING STRONG FINANCIAL AND OPERATIONAL RESULTS FOR FINANCIAL YEAR 2020

1. Good performance of businesses affected by the COVID pandemic

All of the Group's operating activities had a good performance in financial year 2020 within an atypical environment affected by the global pandemic: given that construction activities and industrial services were considered essential in most countries during the lockdown, their activity rates dropped by just 5 to 10%.

By contrast, Abertis has experienced a significant decline in activity due to the lockdowns, which have prompted sharp drops in daily traffic since the second half of March 2020. Compared with 2019,

Abertis' contribution to the Group's net profit fell by EUR 280 million, representing 80% of the total loss in profits.

In Services, during the initial months of the pandemic, cleaning services were bolstered for critical infrastructure, such as hospitals, nursing homes and public facilities. In this case, the Group's priority was to ensure the safety of users and employees. Clece has a very important social component, which is an indispensable part of the Group's sustainability strategy.

The Group's key operating figures in 2020 are as follows:

KEY OPERATING FIGURES OF THE ACS GROUP					
MILLION EURO	Reported	Adjustments ¹	Ordinary	Var.	Var. Ex Abertis
TURNOVER	34,937	725	35,633	-8.7%	-8.7%
EBITDA	2,444	127	2,571	-18.3%	-9.7%
EBIT	1,480	158	1,638	-22.9%	-10.2%
NET PROFIT	574	28	602	-37.4%	-11.2%

(1) Non-recurring impacts on CIMIC (sale of Thiess, Gorgon and other adjustments) + provisions and results from derivatives in corporation.

- Sales amounted to EUR 34,937 million, or 35,663 adjusted for the impacts on CIMIC, mainly the unfavorable arbitration on the Gorgon project. This is 8.7% less than the previous year, or 5.6% in comparable terms.
- The gross operating profit, or EBITDA, was EUR 2,444 million; adjusted for these impacts, it amounted to EUR 2,571 million. Excluding the contribution of Abertis, EBITDA fell by 10%.
- Ordinary EBIT came to EUR 1,638 million. Without Abertis, this decline is reduced to 10%.
- Attributable net profit in 2020 amounted to EUR 574 million. A number of non-recurring impacts took place in 2020. Not considering these impacts, net profit reached EUR 602 million, affected by the EUR 280 million reduction from Abertis. If this reduction is excluded, profit from the other activities fell by 11.2%.

2. Maintaining international diversification in developed markets

The project backlog amounted to EUR 69,226 million, an 11% drop from the previous year, with broad diversification across regions and activities, but focused on regions with growth potential and safe environments.

The decline is mainly due to the impact of the exchange rate (the US dollar depreciated by 9.2%). The impact of the pandemic has also affected contracting activity, delaying the awarding of new projects.

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

More than 85% of the backlog comes from developed economies which, despite COVID (which has led to a reduction in contracting activities with a slowdown in awards and affecting the deadlines for new bidding processes), showed strength with a positive performance in comparable terms in key markets.

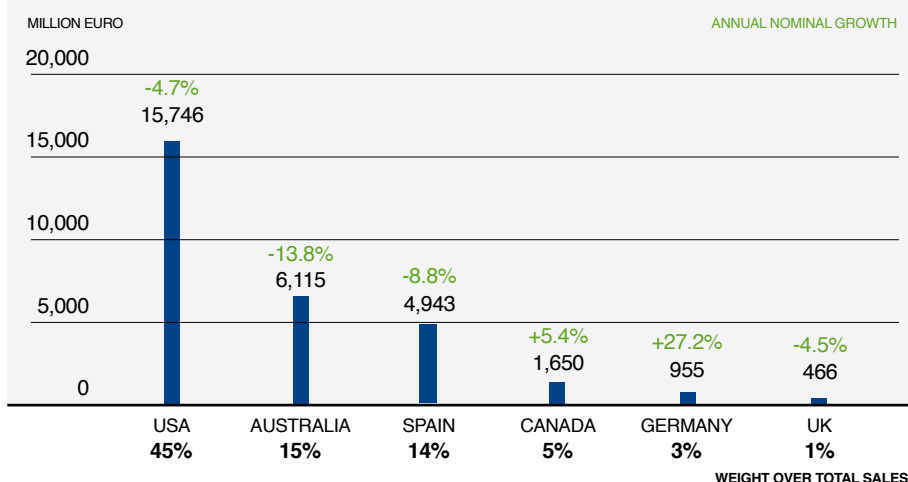
In addition, the ACS Group's business model is increasingly integrated into the entire infrastructure value chain, and this integration was strengthened through the acquisition of Abertis in 2018, despite its negative contribution to the Group this past year. In this regard, the ACS Group has identified a backlog of more than 150 public-private participation (PPP) projects with a total value of EUR 225,000 million to be developed over the next four years, located in the Group's strategic regions.

Likewise, the ACS Group is in a very competitive position for the development of energy infrastructures. Currently, the project backlog contains 80 different energy assets; renewable energy totaling nearly 3,700 MW, 5,842 km of transmission lines, and desalination, irrigation and water purification projects, among others.

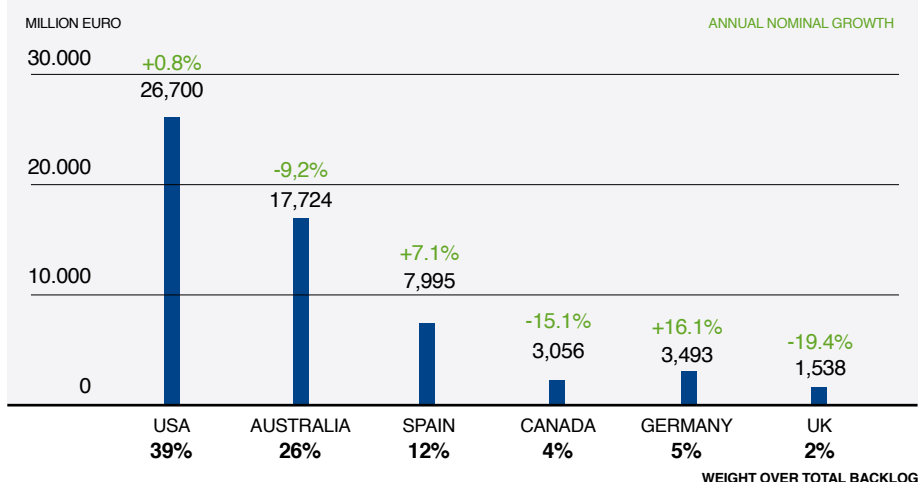
3. Generating a consistent flow of funds

In 2020, the ACS Group's activities generated a total of €1,245 million, thanks to the good performance of the American and European markets, the funds generated from the rotation of concessional and energy assets and the dividends received from Abertis. The diversification of cash generation sources and efficient control of working capital explain this positive development.

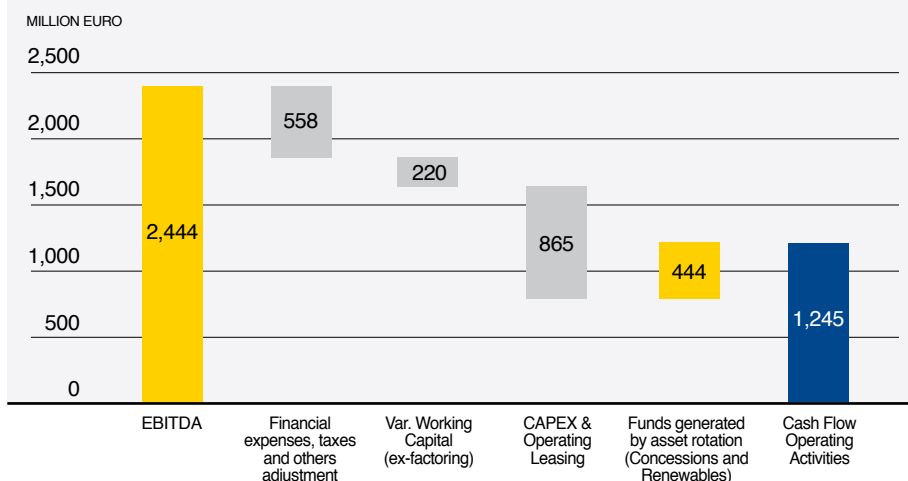
SALES BREAKDOWN BY KEY COUNTRIES



BACKLOG BREAKDOWN BY KEY COUNTRIES



FUNDS GENERATED BY OPERATING ACTIVITIES



4. Creating value for society as a whole

The ACS Group has a world-leading business model in a widely diversified sector in terms of both geography and business activity, which generates value for its main stakeholders throughout the value chain by optimizing the resources available to it and promoting sustainable development.

All 180,000 people belonging to the ACS Group strive to safeguard the interests of its stakeholders through the services offered by the Group. In a year in which the world has faced the adversity of the pandemic, the ACS Group has continued its activity:

- Guaranteeing quality and excellence for its clients in all the activities and services that the group performs. The Construction and Industrial Services businesses felt the effects of the pandemic less severely, as activity was allowed to continue during the months in which the health crisis began, taking into account the slowdown in the process of awarding contracts and project implementation. On the other side, business at Clece increased in hospital

facilities and public offices, and the company's care for vulnerable populations and those at risk of exclusion also remained steady.

- Increasing occupational safety standards to provide employees and users with a safe environment, especially in this pandemic year. Clece has increased its protection measures by performing biweekly PCR tests on residents and employees at nursing homes. More than 145,000 tests on residents and employees have been carried out so far.
- Supporting suppliers through operational and financial measures that safeguard the future of the industry has been an essential task in such an atypical year, in which all the group's activities have been affected by the restrictions applied in countries around the world.
- Keeping returns for shareholders steady, thanks to the financial stability available to the Group and by investing in forward-looking sustainable projects that strengthen the Group's commitment to the markets, shareholders and investors.

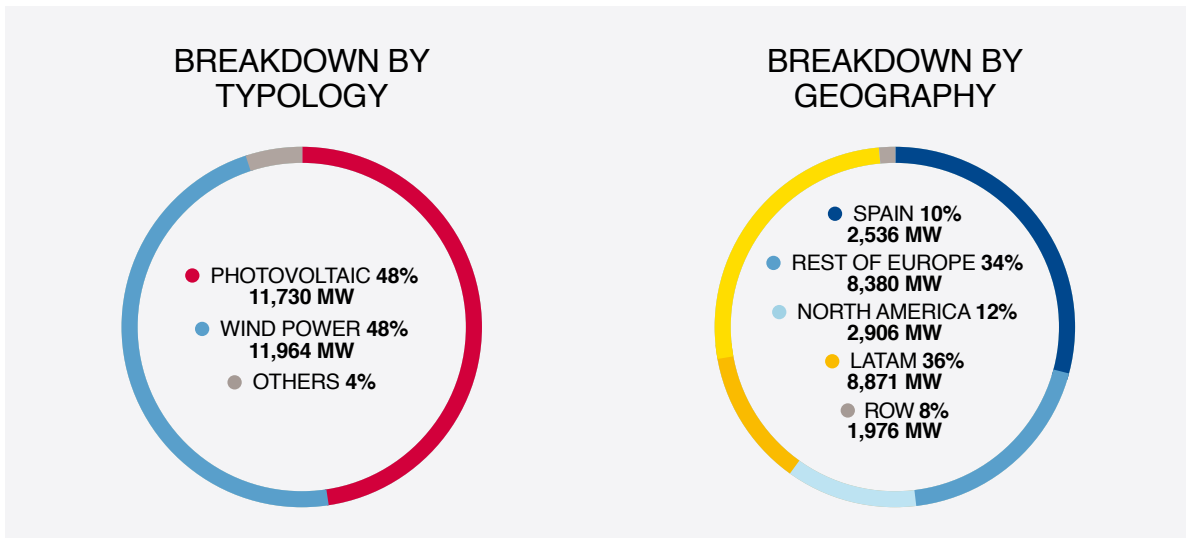


5. Taking advantage of investment opportunities in renewables and infrastructure

The Group's financial position shows net debt of EUR 1,820 million, which is 1,766 million more than the previous year. Of this amount, more than 1,700 million was for total investments that have enabled the Group to bolster its strategic plan by investing in new energy and infrastructure projects as well as other growth opportunities to ensure sustainable

growth and continue to drive value creation for its shareholders.

The pipeline of renewable energy projects under promotion reached 24,668 MW, of which 11,700 MW is concentrated in photovoltaic plants and 12,000 MW in wind farms around the world, most notably 44% in Europe, including 10% in Spain, followed by Latin America with more than 35% of the total pipeline.



RELEVANT FACTS IN 2020

FEB

OTHERS

Implementation of the treasury shares buyback program with a maximum of 10,000,000 shares to be acquired and a maximum investment of € 370 million, in force until September 30, 2020.

Implementation of a treasury shares buyback program. The maximum number of shares to be acquired under the buyback program is 10,000,000 ACS shares, representing approximately 3.18% of ACS's share capital as of the date of this report. For its part, the maximum investment will be € 370 million. The program remains in place until September 30, 2020.

MAR

CORPORATE GOVERNANCE

Death of the vice president and board member of ACS Actividades de Construcción y Servicios, S.A, Mr. José María Loizaga Viguri.

DIVIDENDS

Payment of an interim dividend at € 0.45 per share.

APR

LOANS, CREDIT AND OTHER FINANCIAL TRANSACTIONS

Derivative agreement on treasury shares for a maximum total of 12,000,000 shares, with a price per share of € 14 maturing between November 2, 2020 and March 31, 2021 at a rate of 115,385 shares per day.

Binding derivative agreement on treasury shares (a reverse collar) on an initial total of 8,000,000 shares, divided into 2 tranches: one for 4,000,000 shares at a price per share of € 17.5; and another tranche for a further 4,000,000 shares at a price per share of € 19.5, effective from April 14, 2020 and with final maturity on May 31, 2021.

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Sale to the Hermes Fund of 74% in six Iridium shadow toll concessions for a company value (100%) of €950 million and capital gains of € 40 million.

MAY

CORPORATE GOVERNANCE

Holding of the General Shareholders' Meeting.

Renewal of proprietary board members Mr. Mariano Hernández Herreros and Mr. Javier Echenique Landiribar.

Mr. Pedro López Jiménez is appointed as a member of the Audit Committee by the Board of Directors of ACS, Actividades de Construcción y Servicios S.A.

OTHERS

ACS resolution to amend the treasury shares buyback program (the "Buyback Program"), extending the maximum number of shares to be acquired by 12,000,000, the maximum investment to € 660 million and the deadline until March 31, 2022.

JUN

DIVIDENDS

Payment of an interim dividend at €1.38 per share.

LOANS, CREDIT AND OTHER FINANCIAL TRANSACTIONS

A 5-year senior bond is issued on the Euro market for an amount of € 750 million, maturing on June 17, 2025 with an annual coupon of 1.375%.

JUL

DIVIDENDS

Payment of the additional final dividend in the amount of € 0.16 per share.

AUG

OTHERS

Reduction of share capital by € 2,000,000 through the redemption of 4,000,000 shares of the Company's treasury stock under a resolution by the ACS Board of Directors.

SEP

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Conclusion of the sale to Grupo Galp Energía (Galp) of 75% in photovoltaic energy projects in Spain between 2020 and 2023 with a total installed capacity of 2,930 MW and an initial disbursement of € 325 million.



CORPORATE GOVERNANCE

Ms. Carmen Fernández Rozado is appointed as a member of the Executive Committee by the Board of Directors of ACS, Actividades de Construcción y Servicios S.A.

OCT

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Notification of a non-binding offer from VINCI to ACS for the purchase of its Industrial Services business, which would include, in addition to the engineering and construction activities, holdings in eight concessions or PPPs for energy projects as well as the platform for the development of new projects in the renewable energy sector. VINCI estimates a company value of € 5,200 million.

OTHERS

Publication of the arbitration decision on the Gorgon LNG Jetty project by CPB Contractors, a subsidiary of CIMIC, for Chevron Australia (Chevron).

NOV

LOANS, CREDIT AND OTHER FINANCIAL TRANSACTIONS

Replacement of the derivative contract announced in April with a forward contract for the same number of treasury shares (12,000,000) payable in cash on the differences over a period of eleven to seventeen months (between October 2021 and May 2022) at a rate of 115,385 shares per settlement.

DEC

LOANS, CREDIT AND OTHER FINANCIAL TRANSACTIONS

Replacement of the derivative contract announced on April 13 with a forward contract for 11,952,615 treasury shares, payable exclusively in cash on the differences between March 7, 2022 and August 1 of the same year, at a rate of 114,927 shares per settlement.

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Agreement between CIMIC and Elliot for the sale of a 50% stake in Thiess, both exercising joint control over the company, with Elliot having the option of selling its stake to CIMIC three to six years after conclusion of the sale.

SUBSEQUENT EVENTS

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second execution of capital increase with a charge to reserves approved by the Ordinary General Shareholders' Meeting held on May 8, 2020. The purpose of the transaction is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second execution of the reduction of the share capital by amortization of its treasury stock approved at the same General Shareholders' Meeting for a maximum amount equal to the amount in which the share capital is actually increased as a result of the second execution of the capital increase referred to in the previous paragraph.

The maximum number of new shares to be issued in the second execution of the capital increase charged to reserves agreed upon at the General Shareholders' Meeting held on May 8, 2020 (through which an optional dividend in shares or cash is structured) was set at 4,931,184 on January 19, 2021.

The price at which ACS, Actividades de Construcción y Servicios, S.A., undertook to purchase from its shareholders the free allocation rights corresponding to said second execution of the capital increase was determined at a fixed gross amount of EUR 0.452 for each right.

After the negotiation period for the free allocation rights corresponding to the second execution of released capital increase, the irrevocable commitment to the purchase of rights assumed by ACS was accepted by the holders of 39.68% of the free allocation rights. After the decision-making period granted to the shareholders had elapsed, in February 2021 the following events took place:

The dividend was determined to be a total gross amount of EUR 55,716,280.82 (EUR 0.452 per share) and was paid on February 9, 2021.

The number of final shares subject to the capital increase was 2,568,165 for a nominal amount of EUR 1,284,082.50, which were redeemed simultaneously for the same amount. (See Note 01.10 in the Group's Annual Accounts).

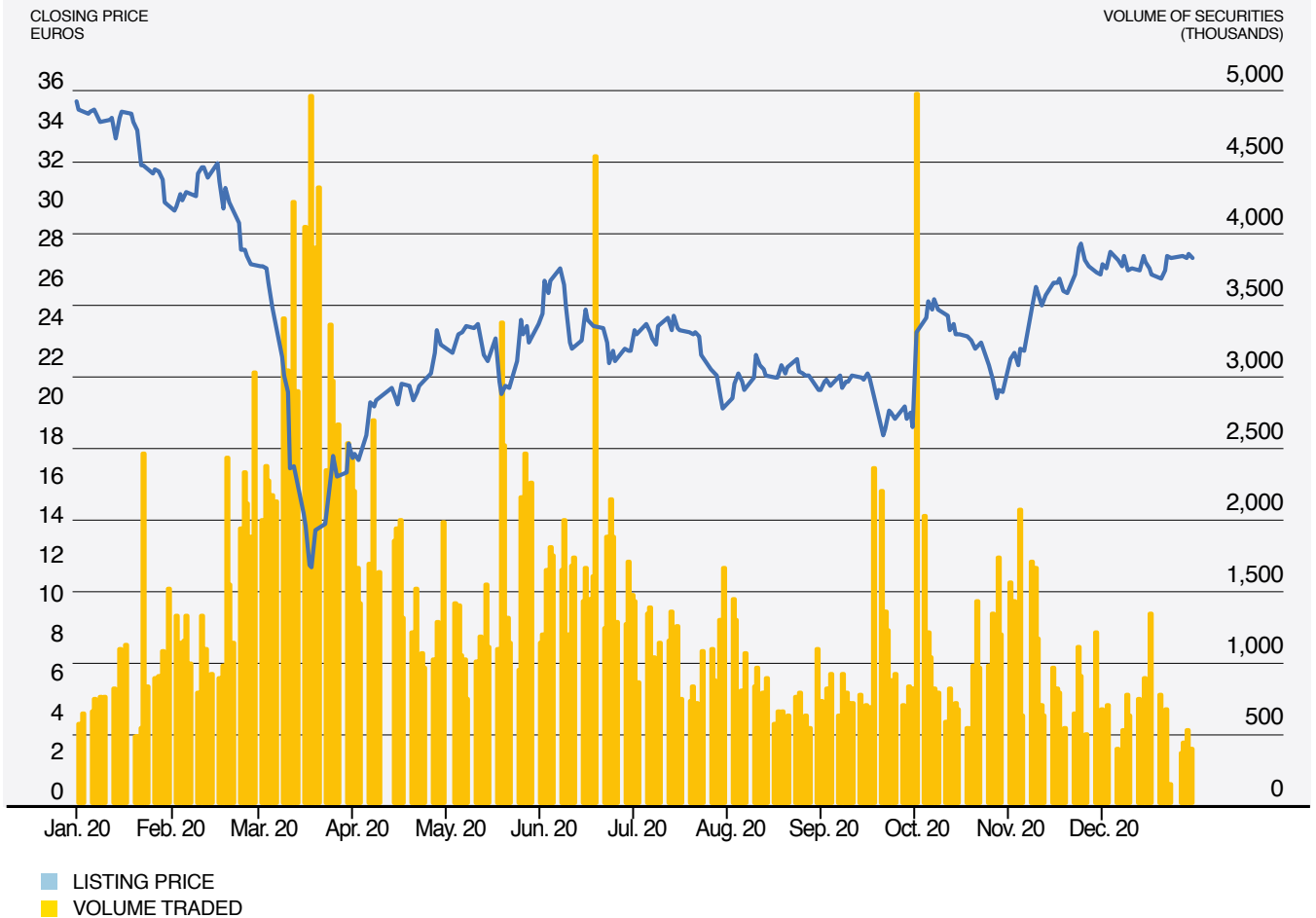
On February 15, 2021, Cimic announced that they signed an agreement with SALD Investment LLC ("SALD") for the sale of Cimic's investment in the Middle East. SALD, a private investment company based in the United Arab Emirates, will buy Cimic's 45% investment in BICC as well as the remaining 55% of BICC held by Cimic's co-shareholder. The sale covers all of Cimic's investments in the Middle East. Upon completion, SALD will own all BICC businesses in the UAE, Qatar, Oman and Saudi Arabia. Completion of the stock purchase agreement is subject to compliance with certain conditions above and to obtaining all necessary approvals. While CIMIC has agreed with the buyer to contribute a certain amount of funds to BICC, the transaction does not increase CIMIC's previously announced financial exposure in the Middle East. The financial impact of the transaction for CIMIC is already included in the single after-tax impact on the 2019 financial statements of CIMIC announced on January 23, 2020.

On March 26, 2021, Cimic has successfully signed a three-year A\$ 1,400 million syndicated bond issue.

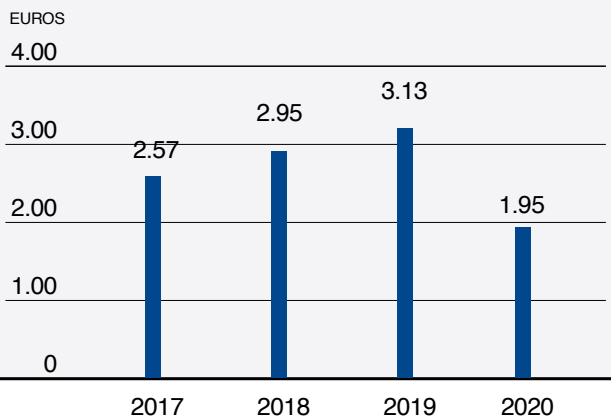
As of the date of preparation of these Annual Accounts, negotiations with VINCI are continuing with a view to reaching an agreement for the acquisition of most of the Industrial Services business, and it is estimated that this agreement will be reached shortly. In any case, the transaction would be subject, as a condition precedent, to obtaining all the necessary authorizations, especially in the area of competition.

2.3.2. THROUGH CAPITAL MARKETS

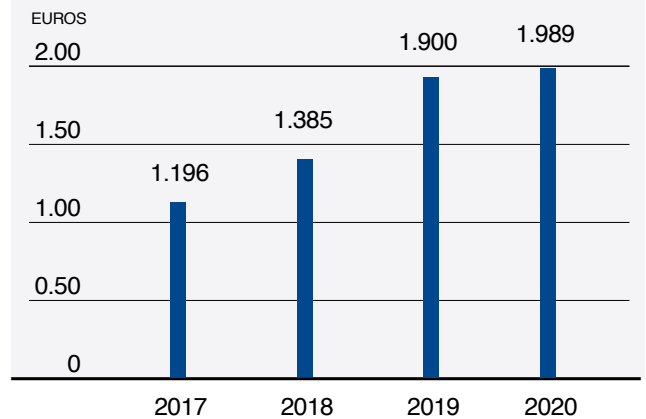
EVOLUTION OF ACS SHARES IN 2020



EARNINGS PER SHARE



DIVIDEND PAID PER SHARE

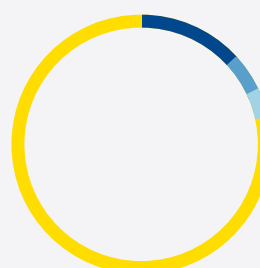


ACS SHARE DATA

	2017	2018	2019	2020
	Jan–Dec	Jan–Dec	Jan–Dec	Jan–Dec
Closing price at the end of the period	€32.62	€33.83	€35.65	€27.15
Revaluation of the period	8.66%	3.71%	5.38%	-23.84%
Revaluation of the IBEX during the period	7.40%	-14.97%	11.82%	0.22%
Revaluation of the period compared to the IBEX	1.18%	21.97%	-5.76%	-24.01%
Period maximum	€36.75	€37.83	€40.93	€35.19
Maximum date of the period	Jun 19	Sep 21	Apr 30	Jan 02
Period minimum	€28.34	€27.10	€32.79	€11.45
Minimum date of the period	Jan 31	Mar 6	Aug 15	Mar 19
Average of the period	€32.49	€33.73	€36.51	€22.78
Total volume of traded securities (thousands)	189,001	175,727	171,395	331,267
Total capital turnover	60.07%	55.85%	54.47%	106.63%
Average daily volume of traded securities (thousands)	738.28	689.13	672.14	1,274.10
Average daily capital turnover	0.23%	0.22%	0.21%	0.41%
Total traded cash (million euro)	6,140	5,928	6,258	7,548
Average daily cash traded (million euro)	23.99	23.25	24.54	29.03
Market capitalization at year-end (million euro)	10,264	10,645	11,218	8,435
Number of shares (million)	314.66	314.66	314.66	310.66

SHAREHOLDER STRUCTURE

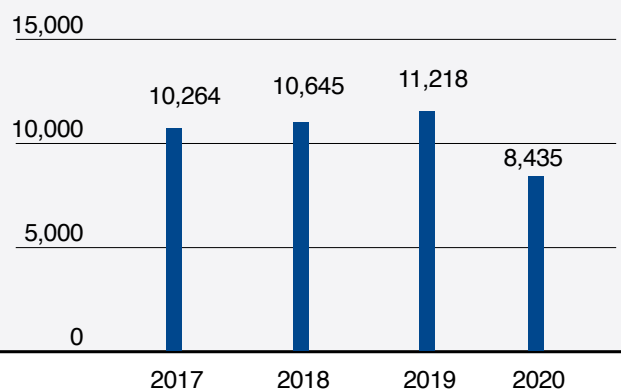
Shareholder name or company name	%
Mr. Florentino Pérez Rodríguez	12.68%
Mr. Alberto Cortina/ Mr. Alberto Alcocer	4.92%
Blackrock	4.71%
Free Float	77.69%



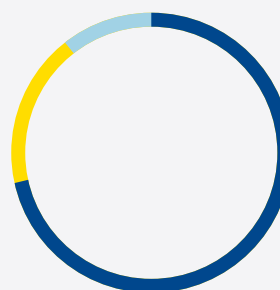
- Mr. FLORENTINO PÉREZ RODRÍGUEZ 12.68%
- Mr. ALBERTO CORTINA/ Mr. ALBERTO ALCOCER 4.92%
- BLACKROCK 4.71%
- FREE FLOAT 77.69%

MARKET CAPITALIZATION

MILLION EURO



FINANCIAL ANALYST RECOMMENDATIONS



- BLOOMBERG TARGET PRICE (31/12/2020)**
32.43
 EURO/SHARE
 (SOURTCE: BLOOMBERG)
- BUY 13
 - MAINTAIN 3
 - UNDER REVIEW 2

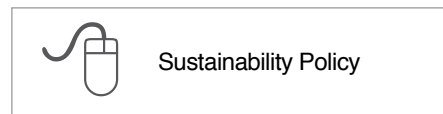
2.3.3. IN A SUSTAINABLE AND RESPONSIBLE MANNER

Through its mission, the ACS Group has an undeniable commitment to developing its activities in a sustainable and responsible manner. At the same time, in 2020 the Sustainability Policy, approved by the ACS Board of Directors in December 2020, was updated to incorporate the recommendations of the latest version of the CNMV's Good Governance Code. This policy sets out the following areas of activity for the ACS Group in this regard, as well as in the Group's relationship with its environment:

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

- Appropriate and strict management of the non-financial risks that may affect the Group, maximizing the positive impacts and minimizing the negative impacts of its activities.

Thus, in the ACS Group's Sustainability area, the contributions of the Group's different companies converge, which define their action policies independently and manage their resources as efficiently as possible, always governed by the common principles and objectives defined in the ACS Group's Sustainability Policy, while at the same time pursuing the objectives defined in Plan 20-20 in non-financial matters.



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

Project One seeks to promote good management practices and to evaluate the common principles and objectives defined in the ACS Group's Sustainability Policy. This project is part of the Group's overall strategy focused on strengthening its global leadership.

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

THE GROUP'S POSITION IN TERMS OF ETHICS.



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



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



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

Plan 20-20 sets out the commitments and objectives for 2020 related to the relevant issues identified in the materiality analysis linked to the field of sustainable development. This Plan is aligned with the main management and monitoring indicators related to the ACS Group's contribution to the Sustainable Development Goals (SDGs). Among the commitments established, each ACS Group company must independently define the most appropriate measures and responses that will enable them to comply with the commitments established by the Group, taking into account the features of their business.

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

Similarly, at year-end 2020, the ACS Group took stock of compliance levels with Plan 20-20, with most of the proposed objectives being met.

The impact of COVID-19 has made it impossible to roll out the training plans and programs planned by the Group, and the

objectives relating to investment in training and the percentage of employees trained throughout their professional careers in health and safety have not been achieved.

In addition, the total waste generated has increased over the baseline year and two objectives relating to quality indicators have not been achieved either. Waste generation is directly related to the type of projects developed during the year, despite the waste minimization measures promoted by the Group. In turn, the increase in the Group's activity in the United States has been the main factor behind the drop in the percentage of sales certified under ISO 90001, since this is not the predominant type of certification of quality systems in this region. Chapter 5 of this report explains the trends in all the indicators and the impact that the COVID-19 pandemic or other factors have had on achieving the objectives set by the Group.

In short, despite the current situation, the ACS Group believes that the evolution of its non-financial management over the past few years is positive, which encourages the Group to set new objectives starting next year, in line with the Group's reality and ambitions.

PLAN 20-20 DEL GRUPO ACS

COMMITMENTS	2020 Objective	Indicator trends	2020	Related SDGs
Health and Safety				
Reduction of accident rates among its own employees	Increase employee certifications in Occupational Health and Safety	Percentage of total employees covered by the OHSAS 18001 certification (Occupational Health and Safety) and ISO 45001	92% Base year 2015: 83%	3, 8
	Increase employee training in health and safety matters and 100% of employees attending at least one health and safety course in 2020.	Percentage of the total number of employees who have taken at least one occupational health and safety course during their professional career	99.3% Base year 2015: 99.5%	3, 8
		Investment in occupational health and safety per employee (euro/employee)	1,196.7 Base year 2015: 754	3, 8
HR, Ethics and Social Action				
Remain committed to advocacy, strengthening and control for issues related to ethics and integrity through measures to prevent, detect and eradicate bad practices.	All new Group companies must commit to the Code of Conduct	Companies committed to the Code of Conduct	100% Base year 2015: 98%	5, 8, 10
	Increase employee training in matters related to ethics and integrity	Percentage of employees trained during the year in Human Rights, Ethics, Integrity or Conduct	34% Base year 2015: 13%	5, 8, 10
Improving professional performance	Increase investment in employee training	Investment in training/employee (euro/employee)	143.9 Base year 2015: 170.9	8
Greater contribution to the development of society	Increase actions and funds that contribute to the generation of shared value for the company through its own business strategy	Funds allocated to Social Action (millions of euro)	18.9 Base year 2015: 9.4	10
Environment				
Improved eco-efficiency and use of resources	Increase environmental certifications in sales	Percentage of its sales covered by the ISO 14001 Certification	74% Base year 2015: 71%	9, 11, 12
	Streamline waste generation	Ratio of waste sent for management (hazardous and non-hazardous) over sales (millions of euro) ⁽¹⁾	468 Base year 2015: 152	9, 11, 12
	Decrease water consumption	Water over sales (m ³ / millions of euro) ⁽²⁾	805 Base year 2015: 777	6, 9, 11, 12
	Streamlining and efficient use of energy products	Scope 1 emissions/millions of euro in turnover	78.0 Base year 2015: 99.9	7, 9, 11, 12, 13
		Scope 2 emissions/millions of euro in turnover	5.3 Base year 2015: 8.2	7, 9, 11, 12, 13
Suppliers				
Continue to work with qualified suppliers in CSR areas	Increase the inclusion of non-financial criteria in supplier approval and include the Code of Conduct in the supplier evaluation criteria in all instances.	Inclusion of compliance with the Code of Conduct in the evaluation criteria (% of total expenses) ⁽³⁾	96.5% Base year 2015: 77%	8, 9, 12
Quality				
Improvement of the quality of the services offered	Obtain and extend the scope of certifications	Percentage of sales derived from ISO 9001 certified activities (%) ⁽⁴⁾	54.4% Base year 2015: 61%	9
	Implement management improvement tools	Ratio of Investments and expenses of the Quality Department or those earmarked for improvements in quality management processes on sales (excluding personnel expenses, euro/million euro in billing)	85.3 Base year 2015: 180	9
	Increase the number and capacity of internal quality auditors	Number of quality audits performed for every million euro in billing	0.42 Base year 2015: 0.06	9
Improvement of non-financial information reporting				
Improvement of quality, homogeneity and reporting of non-financial indicators.	Increase the scope of information on financial indicators through the implementation of management systems		See Annex 7.3.3	
Customers				
Continue to improve customer relationship management	Measuring customer satisfaction and establishing plans for its improvement	Percentage of "satisfied" or "very satisfied" customer responses	94.86% Base year 2015: 85.24%	9
		Ratio of the number of completed surveys received from customers/million euro in turnover ⁽⁵⁾	0.038 Base year 2015: 0.026	9
Innovation				
It is committed to innovation and ongoing development	Increased investment and effort in R+D+I	R&D investment ratio (euro/million euro in turnover) ⁽⁶⁾	5,804 Base year 2015: 2,392	9

(1) In 2020, 97.6% was non-hazardous waste (much of it from land extraction), of which 85.9% was recycled, reused or reclaimed.

(2) In 2020 and retroactively, the details of the reported data has been improved both at the scope level and at the extraction/discharge level, making the 2020 data not comparable to 2015 and the 2015 baseline not able to be recalculated. For these details and trends, see the table in section 5.1.2.

(3) In 2018, the ACS Group approved a specific Code for Business Partners which must be complied with in the relationship with ACS, and therefore compliance is currently considered to be 100%.

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

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

(6) Scope of data in 2020, 26.4% of sales.

As a result of the strategic framework for Sustainability, the Group contributes to the development and consolidation of the economic and social fabric in the regions where it is present.

Specifically, in 2020 the company generated an economic value of EUR 36,957 million. In turn, the value distributed to guarantee the well-being of citizens amounted to EUR 33,259 million.

(201-1) Generated, distributed, and withheld economic value (millions of euro)	2019	2020
Total production value	39,049	34,937
Financial income	205	151
Divestments	532	1,869
(1) Economic value generated	39,786	36,957
Operating and purchasing expenses	25,086	23,160
Personnel expenses	8,394	8,091
Income tax*	-84	340
Dividends paid and treasury stock	1,054	1,226
Financial expenses	497	423
Investment in Social Action	13	19
(2) Distributed economic value	34,961	33,259
Withheld economic value (1-2)	4,825	3,698

* Tax credit derived from BICC provisions is included in 2019. The corporate tax paid was € 208 million.



2.3.4. CONTRIBUTING TO THE FULFILLMENT OF THE SUSTAINABLE DEVELOPMENT GOALS

The ACS Group, through the development of its activity focused on the development of transportation and energy infrastructure, as well as the social dimension offered through the Services activity, makes a conscientious effort to accomplish the commitments in the 2030 Agenda for Sustainable Development. In this

regard, the Group measures its performance in terms of its contribution to the Sustainable Development Goals (SDGs) that are most closely related to its activity. This contribution is also reinforced by its dimension and international presence, both in developed and developing countries.



MAIN SUSTAINABLE DEVELOPMENT GOALS TO WHICH THE ACS GROUP CONTRIBUTES:

SDG
3



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

CONTRIBUTION BY THE ACS GROUP

The Group considers the health and safety of employees, suppliers, contractors and partners a cornerstone of its strategy. Each Group company strives to achieve the highest occupational health and safety standards and aims to achieve zero accidents.

MANAGEMENT AND MONITORING INDICATORS

- EUR 226 million invested in health and safety.
- 92.3% of employees have been trained in health and safety throughout 2020
- 92.0% Percentage of total employees covered by OHSAS18001 or ISO45001 certification

SDG
5



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

CONTRIBUTION BY THE ACS GROUP

The ACS Group rejects discrimination on any grounds, and, in particular, on the basis of gender, as well as age, religion, race, sexual orientation, nationality or disability. This commitment extends to hiring and promotion processes. In addition, the ACS Group develops policies that seek to promote the professional development of the women on its team and foster a work-life balance. The ACS Group has a Code of Conduct and a Diversity Policy, which act as anchors for the Group's actions.

MANAGEMENT AND MONITORING INDICATORS

- Women in management positions: 2,323
 - Measures that promote equal treatment and opportunities for men and women: companies representing 96.9% of the Group's employees.
 - 76.6% of the Group's employees are covered by Equality Plans and in companies representing 99.9% of the Group's employees, there are protocols against sexual harassment. In 2019, the Dragados Equality Policy was updated and the new Clece Equality Plan was approved in early 2020.
 - In companies representing 39.2% of the Group's employees, specific development programs have been implemented for the promotion of female talent (training for women in Etra management programs or CIMIC programs), in which 1,200 female employees of the Group participated in 2020.
 - Social action projects have been developed to promote equality among young people, such as the Romperoles project implemented by Clece.
- For more information, see section 5.2 of this report.



SDG
6



ENSURE ACCESS TO WATER AND SANITATION FOR ALL

CONTRIBUTION BY THE ACS GROUP

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

In addition, through the activities of Industrial Services, which develop desalination plants, drinking water production plants and water purification facilities, the ACS Group ensures access to drinking water and improves the quality of the water ejected from its processes.

MANAGEMENT AND MONITORING INDICATORS

- Ratio of m3 of water consumed/sales (€ million): 805
- For the first time, the ACS Group has begun to report water consumption in water stress areas. The Group recognizes the need to reduce the consumption of this natural resource (which is particularly sensitive in these areas) where consumption in 2020 amounted to 48,341 m³
- Number of water treatment infrastructures in which the ACS Group participates as at December 31, 2020:

Name	% shareholding of ACS	Location	Status
Desalination plants			
Benisaf Water Company	51%	Algeria	Exploitation
Hydromanagement	80%	Spain	Exploitation
TAIF	50%	Saudi Arabia	Construction
Al-Hamra Water Co	40%	Dubai	Construction
Caitan	50%	Chile	Development
Purification plants			
Taboada	100%	Peru	Exploitation
Provisur	100%	Peru	Construction
Irrigation projects			
Majes	100%	Peru	Construction

- The ACS Group establishes special measures for water savings in its projects. Some examples of projects can be found in section 5.1.3 of this report.

SDG
7



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY

CONTRIBUTION BY THE ACS GROUP

The ACS Group, through its industrial services activity, designs, builds and manages diverse energy infrastructures, which help ensure universal access to energy.

Part of this activity focuses on renewable generation facilities (solar, wind and mini-hydropower), some of which are located in developing countries. It also offers energy efficiency improvement services for its customers, thus contributing to more efficient energy use and cleaner energy in all environments.

MANAGEMENT AND MONITORING INDICATORS

- Development of energy infrastructure projects, especially renewable lines and transmission lines:
 - o MW of renewable power generated in investment projects as of December 31, 2020: 3,700 MW.
 - o Kilometers of transmission lines as of December 31, 2020: 5,842 km.
 - o Pipeline of projects being developed: 11,730 MW photovoltaic and 11,964 MW wind.
- R&D projects aimed at improving renewable technologies. For more information, see sections 3.2 and 5.10 of this report.



SDG
8



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

CONTRIBUTION BY THE ACS GROUP

As a global company, the ACS Group participates in the development of key sectors for the global economy and provides jobs to a large number of people. Furthermore, the Group understands the important role that having local roots and being sensitive to the unique features of each site has in the company's success. The Group companies have commitments to remain in most of the regions where they operate, actively contributing to the economic and social development of these settings and encouraging the employment of local workers and executives.

The Group is committed to the professional development of its employees and is a strong advocate of internationally recognized human and labor rights. The company also encourages, respects and protects the freedom to participate in trade unions and the right of association of its workers.

MANAGEMENT AND MONITORING INDICATORS

- Number of employees: 179,539
- % of employees with permanent contracts: 67.4%
- % local employees: 96.4%
- New hires during the year: 55,792
- Personnel expenses: € 8,091 million
- Number of hours of training: 2,567,469
- Number of employees trained in Ethics and Compliance: 58,892

For more information, see sections 5.2 and 5.4. of this report

SDG
9



BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

CONTRIBUTION BY THE ACS GROUP

The ACS Group, through its infrastructure and industrial development activity, makes a decisive contribution to the economic progress of societies and the well-being of people.

The Group increasingly invests in R&D, using resources more effectively and promoting the adoption of sustainable industrial technologies and processes.

MANAGEMENT AND MONITORING INDICATORS

- Turnover in infrastructure development in 2020 (Civil Engineering, Building, Mining and Integrated Projects): 27,559 million euro.
- 2020 Investment in R&D in Construction and Industrial Services: 52.2 million euro

For more information, see sections 3.1., 3.2. and 5.10.



SDG
10



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

CONTRIBUTION BY THE ACS GROUP

Through its infrastructure construction activities in under-developed countries, the ACS Group contributes to the reduction of inequalities among countries by generating a favorable economic and social environment for their development.

In addition, Clece, the ACS company dedicated to personal services, among others, has a strong social focus and a vocation of inclusion and integration of people, fostering the reduction of inequalities. In addition to serving vulnerable communities, it also integrates people from these groups into its workforce.

On the other hand, the Social Action activities carried out by the Group companies are mainly aimed at reducing inequality.

(2) Nursing homes and day centers to care for people with disabilities, centers for minors at risk of exclusion, centers for the protection of women, occupational centers or centers for the homeless.

MANAGEMENT AND MONITORING INDICATORS

- Clece manages 179 centers for vulnerable groups⁽²⁾
- 11.7% of Clece's employees (9,027) have disabilities, are at risk of social exclusion, or are victims of gender violence.
- Investment in Social Action: EUR 18.9 million
- The ACS Foundation develops an accessibility program in favor of people with disabilities, aimed at architects, engineers, urban planners and all professionals involved in Universal Design and Accessibility.

For more information, see sections 3.3., 5.2. and 5.6. of this report.

SDG
11



MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

CONTRIBUTION BY THE ACS GROUP

The ACS Group, through its various activities, provides services that help create more efficient and sustainable cities. These include sustainable building, the construction of public transportation systems, traffic management services, etc.

In addition, the Group contributes to R&D projects for the development of more efficient and resilient materials and more sustainable cities.

MANAGEMENT AND MONITORING INDICATORS

- Sustainable buildings constructed: 852 by HOCHTIEF and 30 in the Dragados backlog.
- The ACS Group's infrastructure concessions backlog: 90 concessions with 53,400 million in investments managed.
- R&D projects to enhance project resilience and efficiency (Sogun Project, Madame, BIM) and sustainable cities (Meister and Stardust).

For more information, see sections 5.1, 5.10 and 7.4.2 of this report.

SDG
12



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

CONTRIBUTION BY THE ACS GROUP

The ACS Group promotes responsible management of its entire supply chain and implements measures for the efficient use of natural resources in all its projects. From the design phase to execution, the use of sustainable materials is encouraged, water and energy consumption is rationalized and waste is properly managed, promoting its prevention and minimization.

In addition, the ACS Group also generates value through its supply chain with more than 131,984 suppliers in 2020, of which 85.5% are local. These suppliers must accept and abide by the terms of the Code of Conduct.

MANAGEMENT AND MONITORING INDICATORS

- Local suppliers: 85.5%
- Adoption of the Code of Conduct for Business Partners in 2018 and the Human Rights Due Diligence Protocol in 2019.
- Promotion of the use of recyclable materials. For more information, see section 5.1.2.
- Reuse and recycling of non-hazardous waste: 85%

SDG
13



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

CONTRIBUTION BY THE ACS GROUP

The ACS Group strives to contribute to the transition to a low-carbon economy by including measures to adapt to and mitigate climate change in its activities, as well as identifying opportunities for the promotion of environmentally friendly products and services that minimize its impact.

MANAGEMENT AND MONITORING INDICATORS

- Variation in the intensity of Scope 1 emissions (vs. 2019) -1.7%
- Variation in the intensity of Scope 2 emissions (vs. 2019) -27.3%
- Variation in the intensity of Scope 3 emissions (vs. 2019) -21.5%
- MW of renewable energy consumed: 64,246 (vs. 58,399 MW in 2019)

For more information, see section 5.1

SDG
17



REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

CONTRIBUTION BY THE ACS GROUP

Through its various companies, the ACS Group establishes key alliances to advance the SDGs. It collaborates with numerous associations and institutions and actively participates in sectoral associations, working groups and discussion forums to promote the economic and social development of the communities in which it operates.

MANAGEMENT AND MONITORING INDICATORS

- Number of foundations and NGOs partnered with in 2020: 508.
- Participation in different organizations and institutions.

2.4. THAT RESPONDS TO THE CHALLENGES AND OPPORTUNITIES IN THE SECTOR

THAT RESPONDS TO GLOBAL AND INTERRELATED CHALLENGES

CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

DIGITAL TRANSFORMATION

URBAN GROWTH, CONCENTRATION AND INTERCONNECTION

GLOBALIZATION AND GREATER COMPETITIVENESS IN THE SECTOR

INVESTMENT NEEDS

Scientific evidence on global warming and the effects of pollution

Increased regulatory requirements and regulatory changes, mainly in terms of sustainability (energy model transition)

Greater awareness of society about the need to respect the planet

Irruption of new technological systems

Social and demographic changes

Disruptive impact on certain businesses, sectors and business organizations

Population growth worldwide

Migration movements

Economic and social development of emerging regions

Increasingly selective and sophisticated demand

Competitive dynamics in the sector: barriers to entry, overcapacity, price competition

Tighter financial conditions in bank financing and new requirements, particularly in the area of sustainability

Budgetary austerity and limited public resources exacerbated by the health crisis

Increase in extreme weather events caused by climate change

Need for new innovative and sustainable solutions for infrastructures

Shortage of natural resources and need for new sustainable materials

Obsolete and inadequate infrastructures to new technological advances

Improvements in the integration and management of the value chain.

Industry reconversion, increased efficiency

Congestion of large cities, increased demand for peripheral expansion sustaining economic development

New emerging cities without infrastructure network require more investment

Demand of more complex and leading edge projects

More competitive margins in the sector.

Cost pressure

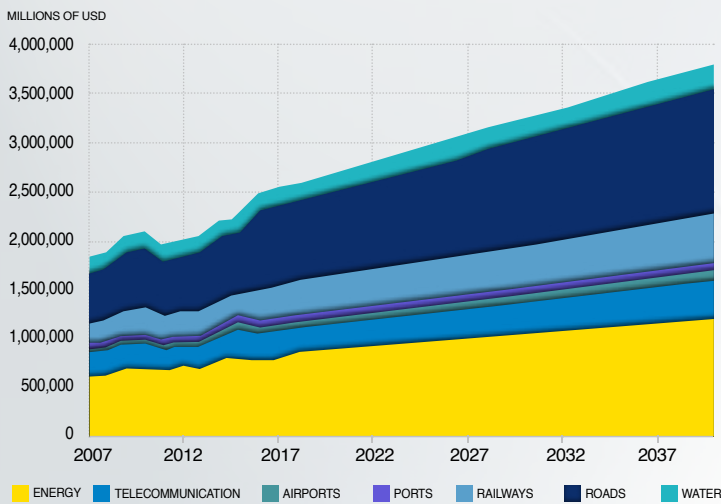
Investment capacity shortage in the infrastructures sector

Alignment of the financial sector with climate change and ESG criteria.

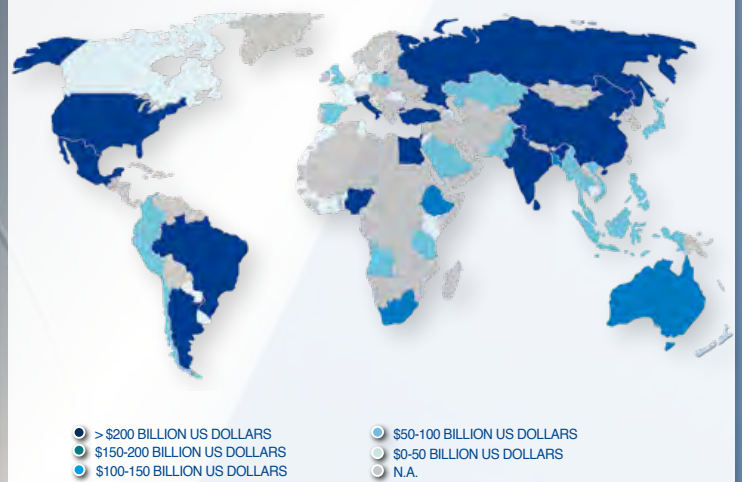
Margins below optimal profitability, difficult risk control

CHALLENGES AND UNCERTAINTIES IN A GLOBAL CONTEXT

INFRASTRUCTURE INVESTMENT NEED AT CURRENT TRENDS FOR EACH SECTOR



TOTAL FORECAST INFRASTRUCTURE INVESTMENT GAPS TO 2040



Source: Global Infrastructure Hub.

GENERATING BUSINESS OPPORTUNITIES AND PROVIDING INNOVATIVE AND SUSTAINABLE SOLUTIONS

Adaptation of infrastructures to new sustainability regulations (better management of natural resources, use of sustainable materials), as well as the need for sustainable, efficient and resilient infrastructures to the increase in extreme weather events caused by climate change.

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

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

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

Improvement in interregional and interstate connection infrastructures.

Public-private partnerships are key to increasing infrastructure investment capacity and substantially improving efficiency in project development. Growing use of PPP models for infrastructures project's development which mean and increase of the investment capacity together with a substantial improvement of efficiency in the development of projects.

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

The ACS Group has identified a backlog of over 150 PPP projects worth more than 250,000 million euros to be developed over the next 4 years located in the Group's strategic regions..

ACS Group has a very positive outlook in the renewable energy field with an on-going pipeline of 24,668 MW under promotion. The Group has long experience in the development of thermosolar and wind integrated projects, with a growing presence in large PV projects around the world.

The ACS Group has invested more than 50 million euros in innovation and development projects among the Group's different companies, increasing the number of patents and the application of new technologies.

ACS Group holds the market leading position in the development of "Green Buildings" in the USA and sustainable infrastructures in Australia. In 2020 different projects were developed in this segment worth approximately 8,300 million euros.

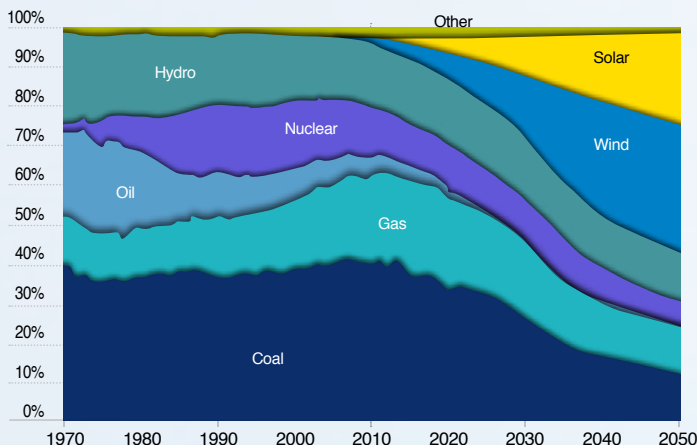
Business model integration in all the value chain, from design, construction, maintenance of new infrastructure projects to their operation.

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

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

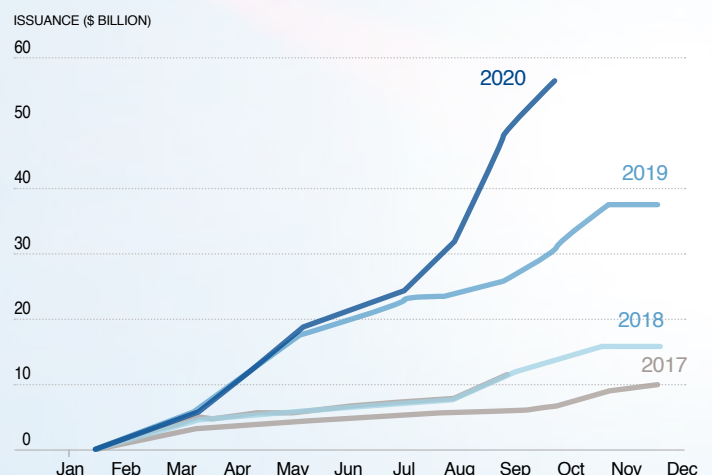
HIGH DEMAND FOR INFRASTRUCTURE AND COMPETITIVE ADVANTAGES

WIND AND PV GROW TO 56% OF ELECTRICITY GENERATION WORLDWIDE IN 2050



Source: BloombergNEF

SUSTAINABLE BOND ISSUANCE



Source: BloombergNEF

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

2.5. WITH EFFICIENT RISK MANAGEMENT

DUAL SYSTEM FOR RISK MONITORING AND CONTROL

The ACS Group is subject to various risks inherent to the respective countries, activities and markets in which it operates, and to the activities it carries out, which could impede or even prevent it from achieving its goals and executing its strategies successfully.

As part of the June 2020 review of the Good Governance Code of the Listed Companies, in relation to risk management and internal control systems, the ACS Group resolved to update its General Risk Control and Management Policy and its Comprehensive Risk Control and Management System.

The General Risk Control and Management Policy affects, as a regulatory framework, all areas of the ACS Group. The Comprehensive Risk Control and Management System covers all types of risk that may threaten the attainment of the objectives of the Organization and of the ACS Group companies.

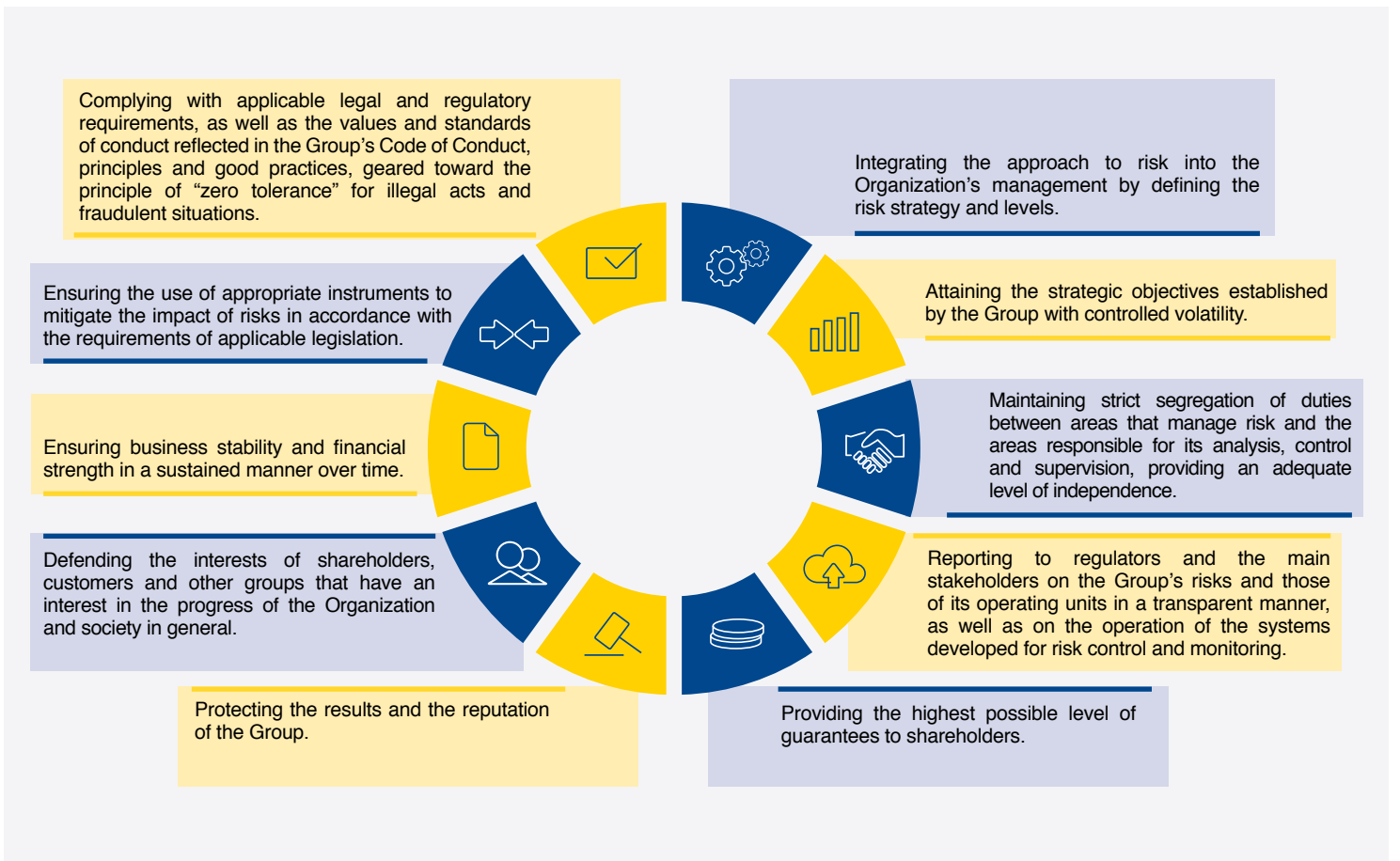
The ACS Group bases this system on a range of strategic and operational actions to mitigate these risks and meet the objectives set by the Board of Directors. The Corporation is responsible for defining basic guidelines in order to standardize operating criteria across each division to ensure an adequate level of

internal control. The companies and divisions that comprise the Group are responsible for developing the necessary and appropriate internal regulations so that, depending on the individual characteristics of their activity, they implement internal control that ensures an optimum level of control.

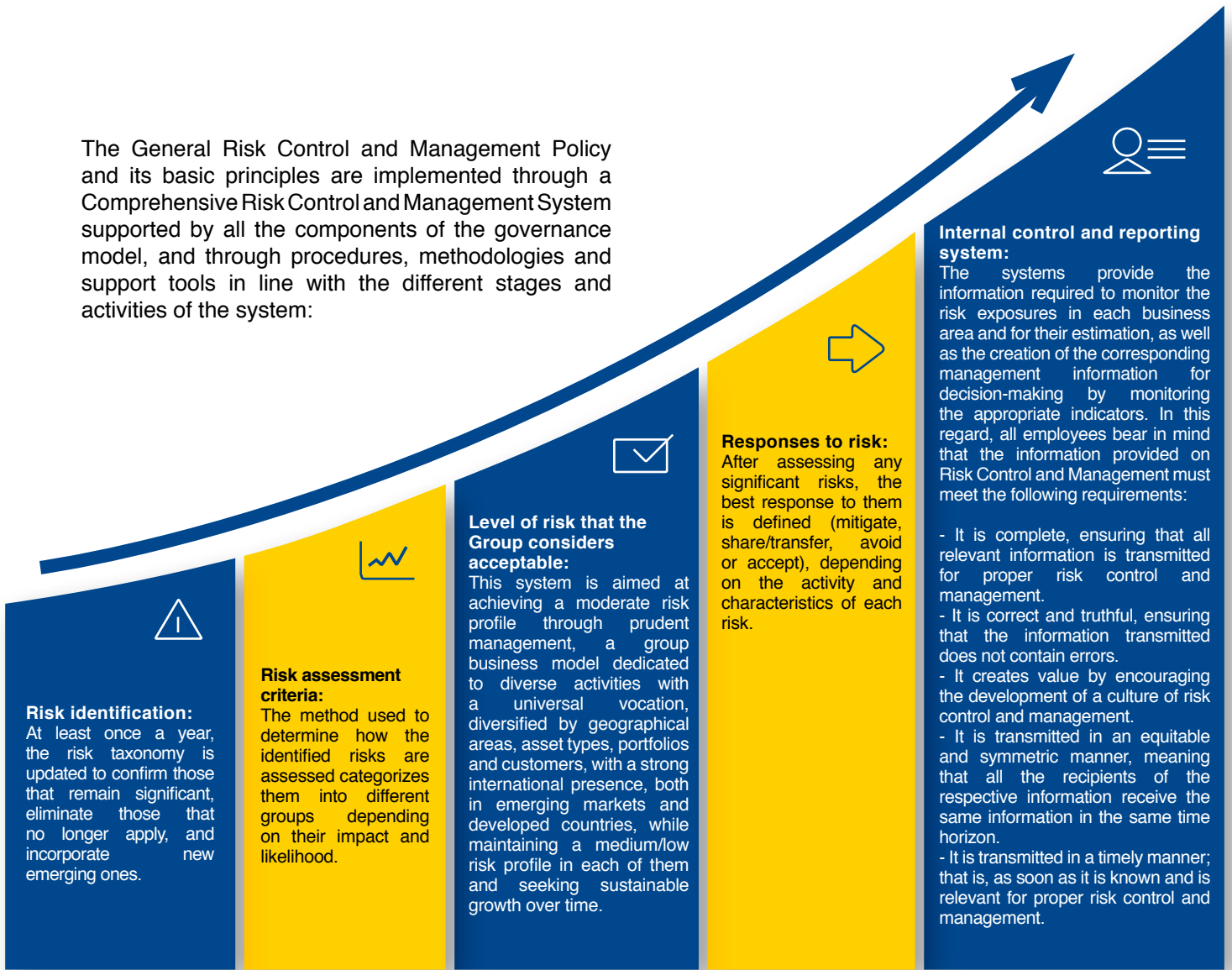
In order to respond to the need for comprehensive and uniform risk management, the Corporation has established a model that includes the identification, measurement, prioritization, management and control of risks Group-wide and within its divisions. These identified risks are used to create a risk map that is regularly updated based on the different variables that comprise it and on the Group's activity areas.

The ACS Group's geographic and business diversification, together with its highly decentralized operations and the autonomous management that characterizes the ACS Group companies, makes it necessary for it to have a dual system for risk control and supervision. In addition to this corporate framework for Risk Control and Management, each business unit or company may develop their own, consistent with the Group's guidelines and following mechanisms and principles for:





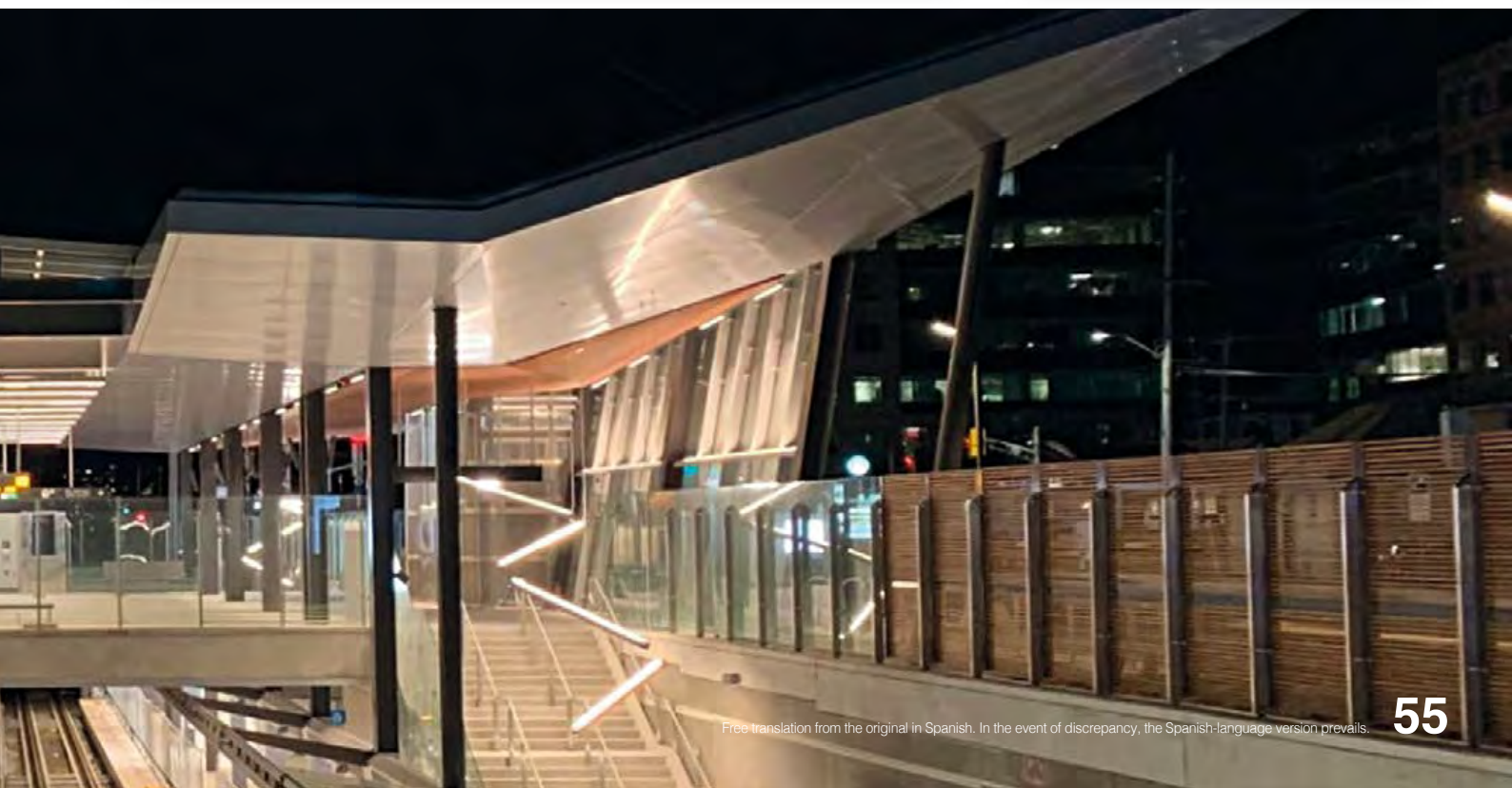
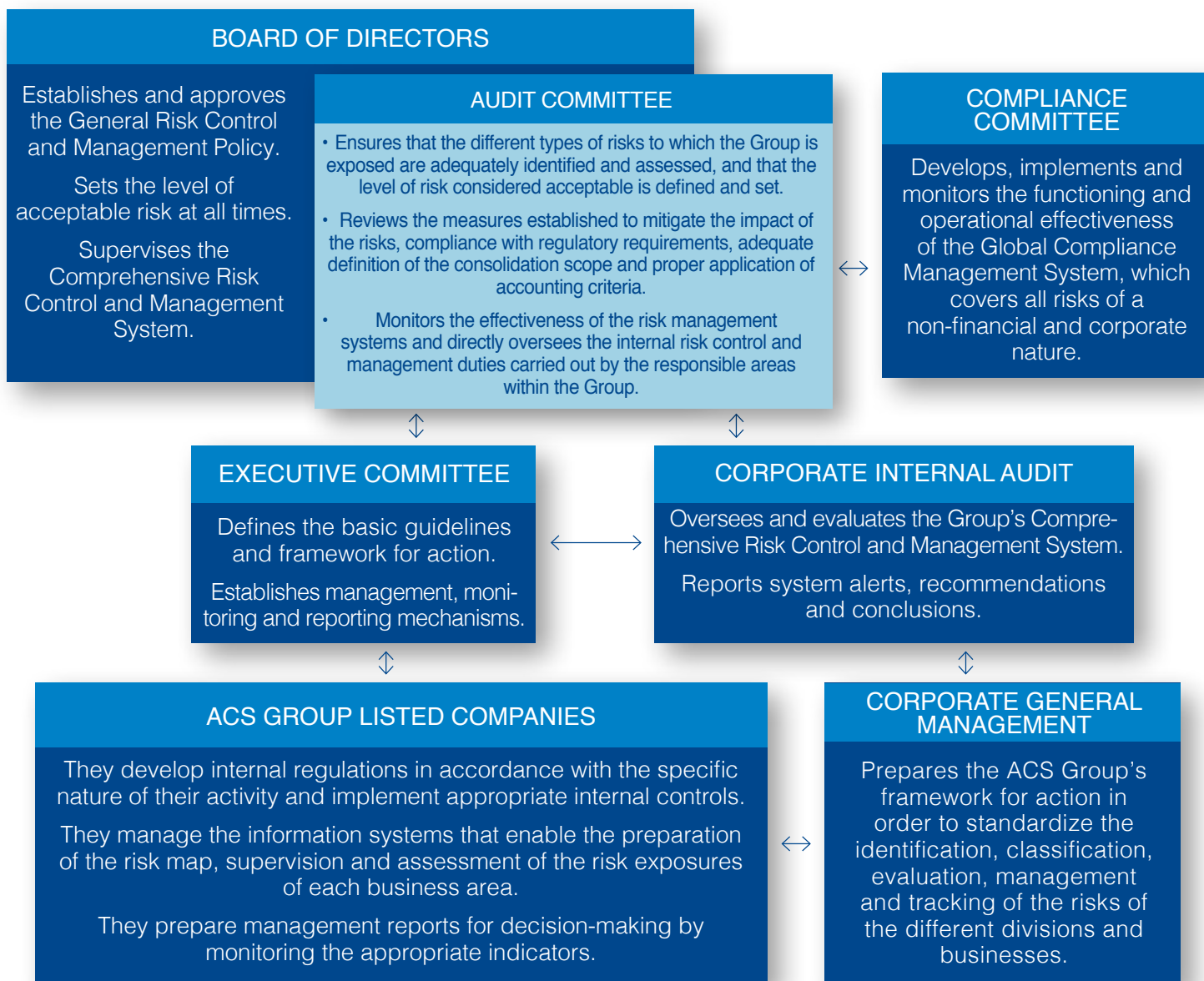
The General Risk Control and Management Policy and its basic principles are implemented through a Comprehensive Risk Control and Management System supported by all the components of the governance model, and through procedures, methodologies and support tools in line with the different stages and activities of the system:



COMPREHENSIVE RISK CONTROL AND MANAGEMENT SYSTEM



GOVERNANCE OF THE RISK FUNCTION



The ACS Group Risk Management System identifies, evaluates and updates the various risk scenarios in accordance with the categories of financial and non-financial risk to which the Group is exposed (including contingent liabilities and other off-balance sheet risks), considering the following taxonomy:



STRATEGIC

Risks associated with key long-term objectives of the Business and the ACS Group; they may arise from the Group's own actions, from other key market participants (customers, competitors, regulators, investors or others), from changes in the competitive setting or from the business model itself.



ENVIRONMENTAL

Risks linked to potential environmental impacts, including climate change, which could cause harm to society, the environment and the Group, loss of competitiveness, compensation and reparations or could halt works, services or projects in progress.



OPERATIONAL

Risks associated with the activities carried out by the Group, including all risks related to processes and operations.



POLITICAL

Risks associated with political changes that may affect legal certainty and the legal framework applicable to the Group's business.



TECHNOLOGICAL

Risks linked to the technologies and systems used by the Business and the ACS Group, which could render it unable to efficiently and effectively support present and future needs or possible cyber-attacks.



REPUTATIONAL

Risks linked to the deterioration of the image and perception of the ACS Group, which may result from conduct by the companies that falls below the expectations created among its stakeholders, by the actions of third parties related to the Group or in other areas over which the Group has no control.



LEGAL, CRIMINAL AND ANTI-BRIBERY

Risks arising from non-compliance or lack of oversight and monitoring of regulations applicable to the Group across the jurisdictions in which it operates, or relating to non-compliance with criminal and anti-bribery regulations, which could give rise to liability for the ACS Group and lead to legal action, penalties, fines or the partial or total stoppage of its activities.



RELATED TO CORRUPTION

Risks related to the Organization obtaining an undue advantage of any value (which may be of a financial or non-financial nature) directly or indirectly, in violation of applicable regulations.



SOCIAL

Risks linked to the social rights of employees and individuals related to the Business or the ACS Group, as well as the socio-economic setting in which it operates.



FINANCIAL

Risks related to the economic and financial management of the Business and the ACS Group, the variability of the financial parameters to which it is exposed and the financial reporting processes.



Financial risks description, see:
4. Financial Management in 2020



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



3. ACS GROUP ACTIVITIES

- 3.1. INFRASTRUCTURE
- 3.2. INDUSTRIAL SERVICES
- 3.3. SERVICES





3.1. INFRASTRUCTURE

THIS AREA COMPRISES CONSTRUCTION ACTIVITY THROUGH DRAGADOS AND HOCHTIEF, AND CONCESSIONS ACTIVITY, PRIMARILY THROUGH IRIDIUM AND THE STAKE IN ABERTIS.





LEADERS IN INFRASTRUCTURE

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

These projects are carried out either through direct construction models for public and private

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

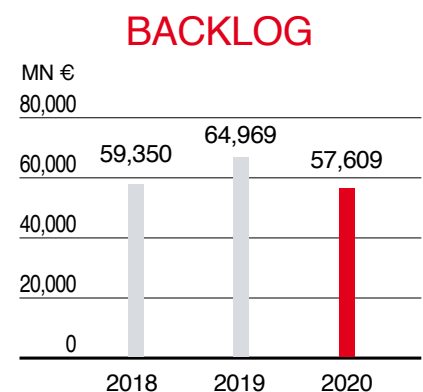
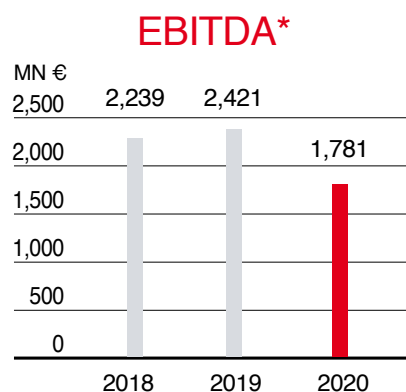
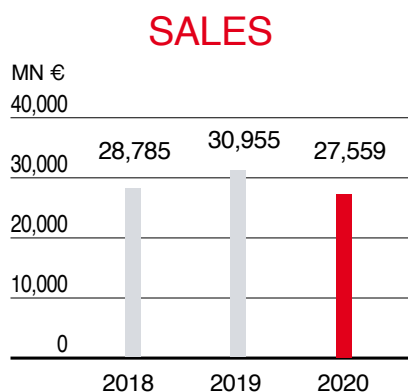
This activity seeks to maximize the operational efficiency and profitability of each project. The decentralized structure of the Infrastructure activity, together with the specialization and complementary nature of each company, enables the ACS Group to take on larger and more complex projects in a more flexible and customer-focused way.

SALES
27,559
MILLION EURO

BACKLOG
57,609
MILLION EURO

EBITDA*
1,781
MILLION EURO

NET PROFIT
99
MILLION EURO



*From 2018–2020, EBITDA includes the “Operational activities equity method”: the result corresponding to the partners (including Abertis’ contribution to the Group) and joint ventures that make up ordinary activity.

88.70%
EMPLOYEES COVERED BY
OHSAS 18001 OR ISO 45001

93.6%
LOCAL EMPLOYEES

10,776,649
-10.5% COMPARED TO 2019
ENERGY CONSUMPTION (MWH)

81.8%
LOCAL SUPPLIERS

4,684,354
-19.6% COMPARED TO 2019
TOTAL EMISSIONS (TONS OF CO₂)

5.4 MN€
INVT. IN SOCIAL ACTION

CONSTRUCTION

DRAGADOS

Dragados is a leading construction company founded in the early 20th century, whose activity is oriented toward the development of Civil Works infrastructure (highways, railways, maritime, hydraulic and airport works) and both residential and non-residential Building construction. Dragados is a global leader in the Construction sector, having participated in the creation of more than 7,000 km of highways, 3,500 km of roads, 1,500 bridges, 1,380 km of tunnels, 545 maritime works, 250 dams and hydroelectric plants, 2,700 km of railways, rail transportation and numerous railway facilities and 70 million sq. km of different buildings types, such as airports, hospitals, museums, high-rise buildings and residential buildings.

Dragados is the leading construction company in Spain, with a number of national subsidiaries specializing in different areas. Dragados is also a global leader in construction, in addition to being one of the world's largest contractors in public-private partnerships (PPP), having designed and built more than 100 concession projects worldwide.

Dragados is developing major infrastructure projects in other European countries, such as the United Kingdom, Ireland and Poland, where it is established through its subsidiary, Polaqua. Over the past few years, Dragados has fomented its activity in the United States and Canada thanks to its position and the solid growth of its activity through its North American subsidiaries, Schiavone, Pulice, John P. Picone, Prince Contracting and J.F. White Contracting, and its head companies on the North American continent, Dragados USA and Dragados Canada. Dragados also has extensive experience in the execution of projects in Latin America, with a presence spanning over thirty-five years, especially in Chile and Argentina, where Dycasa operates.

Dragados' position in selected countries allows it to face the immediate future, marked by the COVID-19 pandemic, with a solid base that serves as the foundation for future growth in markets that we expect to have immediate growth once the current situation is overcome.

SALES
4,518
MILLION EURO

BACKLOG
11,769
MILLION EURO

NET PROFIT
107
MILLION EURO



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

For almost 150 years, HOCHTIEF has carried out highly complex projects for its customers in its primary area of activity, the construction industry. The Group has also undertaken geographic diversification of its activities and has increased its experience through engineering, mining and maintenance service projects, as well as through public-private partnership and concession projects in both the development phase (Greenfield) and

the operation and maintenance phase (Brownfield). Today, HOCHTIEF is a leader in infrastructures in developed markets, and is involved in the entire value chain of the infrastructure sector. This diversification both in terms of activities and markets gives HOCHTIEF a balanced business profile with regard to cash flow visibility, capital intensity and margins.

HOCHTIEF's strategy is to further strengthen its position in its core geographic areas, focusing on the growth opportunities offered by the market, as well as investing in assets that offer strategic growth opportunities for the company, thereby creating sustainable value for all stakeholders.

SALES
22,954
MILLION EURO

BACKLOG
45,840
MILLION EURO

NET PROFIT
REPORTED
427
MILLION EURO

ACS GROUP CONTRIBUTION TO
NET PROFIT REPORTED
220
MILLION EURO



HOCHTIEF AMERICAS

HOCHTIEF Americas comprises companies that are primarily focused on the areas of building and transportation infrastructure development. Its main companies are Turner, Clark Builders, Flatiron and E.E. Cruz.

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

In 2020, Turner was once again named by Engineering News-Record (ENR) as the leading contractor in the United States and in Green Building, in addition to leading the ranking in other building segments, thanks to its focus on developing efficient, high-quality projects based on innovation and implementing new technologies, such as Building Information Modeling (BIM).

Clark Builders is focused on building projects, primarily in western and northern Canada, often in collaboration with Turner, including institutional, commercial and healthcare projects, as well as sports facilities.

Colorado-based Flatiron specializes in transportation and infrastructure projects, including bridges, roads, railways/transit, airports, and water storage and treatment facilities. Flatiron is also regularly featured in ENR rankings, where it achieves leading positions in the roads, bridges and transportation categories.

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

The overall market outlook is largely stable in North America, with the construction sector as a whole registering 0.4% growth in 2020 despite the impact of COVID-19. Assuming a broadly stable year in 2021, IHS Markit expects a slight growth of 0.8% in 2022. This represents a positive trend in infrastructure projects in 2022, along with a stabilization in building construction volume and residential construction growth.

HOCHTIEF ASIA PACIFIC

The activities of the HOCHTIEF Asia Pacific division are carried out by the CIMIC Group (in which HOCHTIEF has a 78.58% stake as of December 2020). The CIMIC Group is a leader in construction engineering, mining, services, and public-private partnership contracts, with the expertise to deliver value throughout the entire life cycle of infrastructure and mining assets.

In December 2020, CIMIC completed the sale of a 50% stake in Thiess's share capital. Thiess is a CIMIC subsidiary that provides mining services by developing and managing open-pit and underground mining projects in Australia, Asia, Africa and the Americas. It currently provides services to 25 projects.

The main companies through which CIMIC operates are: CPB Contractors, Sedgman, UGL, Pacific Partnerships and EIC Activities.

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

Sedgman is a market leader in the design, construction and operation of state-of-the-art mineral processing plants and in all infrastructure related to mining activity.

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

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

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

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

In compliance with sustainability criteria for construction projects, CIMIC is undertaking environmental building and infrastructure projects in Australia.

After strict coronavirus containment measures led to a decline in activity in HOCHTIEF-relevant countries in the Asia-Pacific region, future prospects for the market environment are positive. IHS Markit expects a return to strong growth rates exceeding 4% from 2021, with the greatest potential for growth in infrastructure construction.

HOCHTIEF EUROPE

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

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

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

Construction activity in HOCHTIEF-relevant European countries declined by 2.7% in 2020. At the country level, the main driver of this trend was the severity of restrictions to contain the coronavirus pandemic. The outlook for subsequent years is positive, with growth rates of 2.2% in 2021 and 2.5% in 2022. The highest growth rates during this period are expected in the infrastructure sector, with 2.5% in 2021 and 3.1% in 2022. The non-residential building construction sector is expected to be strong, with growth rates between 1.0% and 2.6% between 2021–2022.

SALES
14,676
MILLION EURO

NET PROFIT
237
MILLION EURO

SALES
6,886
MILLION EURO

NET PROFIT
230
MILLION EURO

SALES
1,271
MILLION EURO

NET PROFIT
40
MILLION EURO

CONCESSIONS



IRIDIUM Concesiones de Infraestructuras is the ACS Group company that focuses its international activity on the infrastructure sector, primarily transportation. As such, stakes in around 50 concession projects, representing an aggregate investment of more than € 30,000 million, are managed through IRIDIUM, primarily involving roads and highways (47% of the investment and more than 1,100 km), and subways and railways (47% of this investment and about 300 km of track under management). Geographically, around 64% of this investment is located in the United States and Canada across 16 projects (10 highways and 6 railway/subway projects), while Europe accounts for more than 20% of this investment across 14 road and highway projects, 4 railway and subway projects, and 12 projects involving public services and facilities, hospitals, parking lots, transportation hubs, etc.

The challenge of fiscal year 2020, continuing on from the previous year, was the management of this

portfolio, with the completion of construction, while at the same time many projects faced processes involving the start of operations, refinancing, the need to rotate certain assets, and general management in the context of the health crisis caused by COVID-19. This objective was largely achieved to the extent that:

- The following projects were successfully commissioned: Toll Lanes on State Highway 288 in Texas (USA) and the N25 in Ireland (Europe).
- Two projects were refinanced in Spain: Line 9 Section 4 of the Barcelona Metro and EMESA (Empresa Mantenimiento y Explotación M-30, S.A.) in Madrid.
- There was partial divestment from projects in Spain: Autovía de la Mancha, Inversora de la Mancha, Santiago Brión, Autovía de los Pinares and Autovía del Pirineo, justifying the asset rotation strategy set out by the company. This operation led to a significant reduction in demand-side risk exposure, which is of particular importance in a context of declining mobility due to the COVID-19 crisis.

SALES

87

MILLION EURO

NET PROFIT

33

MILLION EURO



Iridium's Concessions Backlog (more information in Annex 7.4.2.)



Abertis is one of the leading international operators in toll road management, with over 8,600 km of high-capacity, high-quality roads in 16 countries across Europe, America and Asia. Abertis is the leading national highway operator in countries such as Spain, Chile and Brazil, and also has a major presence in France, Italy, Puerto Rico and Argentina. The company has stakes in the management of more than 200 km of roadway in France, the United Kingdom and Colombia.

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

For Abertis, safety is a priority. The company continually invests in technology and intelligent engineering to ensure that its customers have a

safe, comfortable, fast and easy journey when they choose the Group's highways Committed to research and innovation, Abertis combines advances in high-capacity infrastructure with new technologies to drive innovative solutions that meet the challenges of the mobility of the future.

Abertis has been significantly affected by the lockdown and mobility restriction measures implemented in most countries where it operates since the second half of March, causing a 21% decline in average daily traffic and significantly impacting its earnings.

Turnover fell by € 1,300 million and EBITDA by 23% in comparable terms; therefore it has had a negative contribution to ACS's net profit of € (35) million, i.e. € 280 million less than the previous year. Abertis has continued its strategic plan for international expansion by investing in new concessions, trusting that the pandemic situation is short-term, by investing in the purchase of Red de Carreteras de Occidente in Mexico and acquiring Elizabeth River Crossings in Hampton Roads in the United States.

SALES

4,054

MILLION EURO

NET PROFIT

-392

MILLION EURO

ACS GROUP CONTRIBUTION TO NET PROFIT

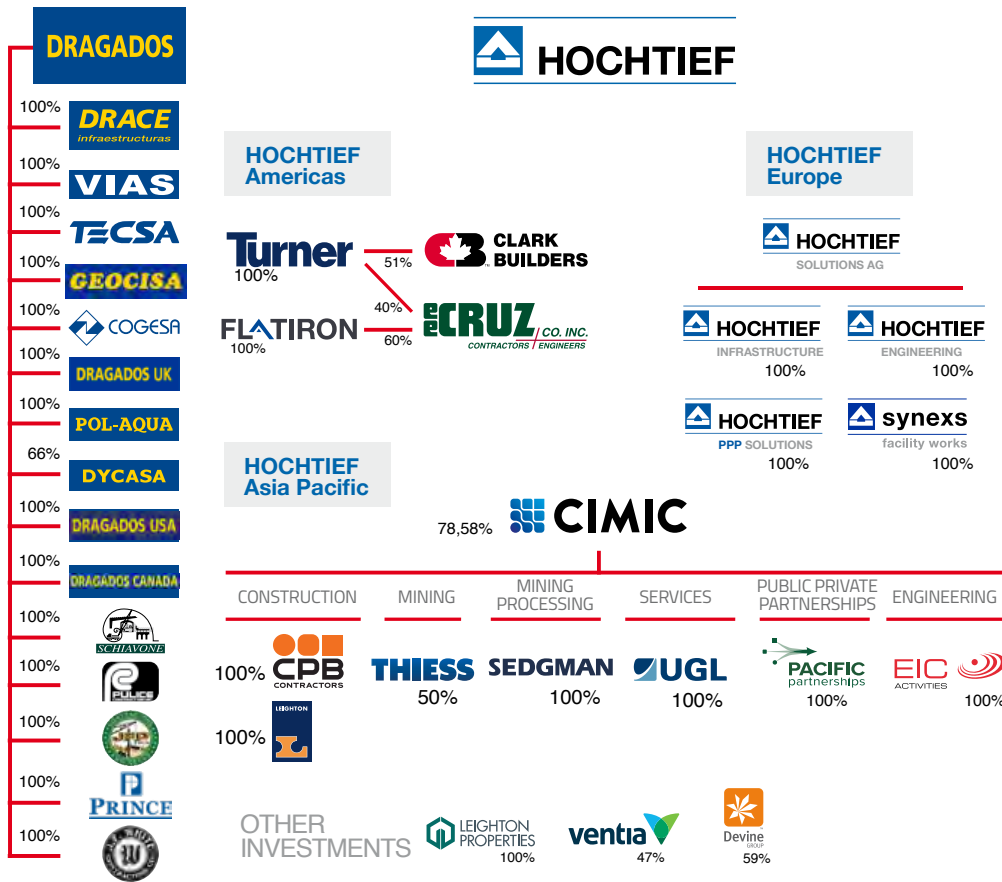
-35

MILLION EURO

INFRASTRUCTURE

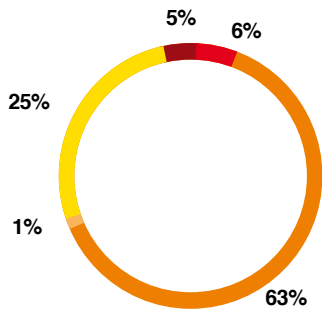
CONSTRUCTION

CONCESSIONS



INFRASTRUCTURE ACTIVITY IN 2020

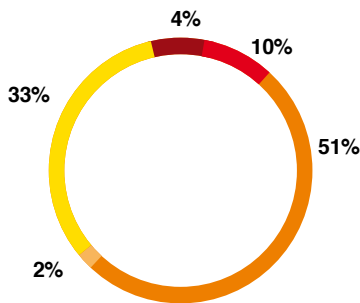
REVENUES BREAKDOWN BY GEOGRAPHICAL AREAS



- SPAIN 1,366 MN €
- REST OF EUROPE 1,707 MN €
- NORTH AMERICA 17,313 MN €
- SOUTH AMERICA 324 MN €
- ASIA PACIFIC 6,763 MN €
- AFRICA 86 MN €



BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



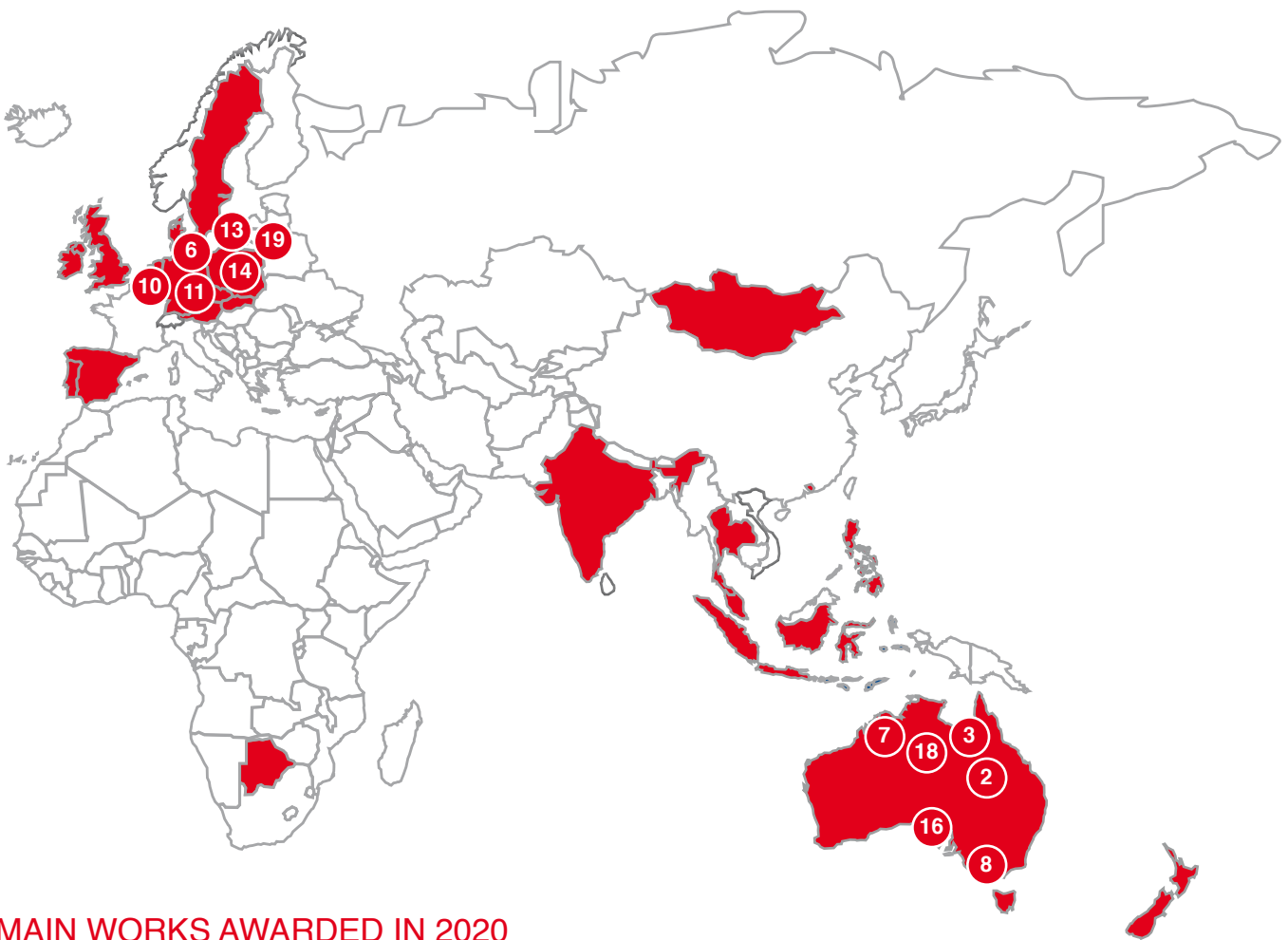
- SPAIN 2,238 MN €
- REST OF EUROPE 5,975 MN €
- NORTH AMERICA 29,619 MN €
- SOUTH AMERICA 856 MN €
- ASIA PACIFIC 18,921 MN €
- AFRICA 0 MN €

2020 REVENUES BREAKDOWN BY COUNTRY (EURO MILLION)

UNITED STATES	15,684
AUSTRALIA	5,054
CANADA	1,627
SPAIN	1,366
GERMANY	857
INDONESIA	561
HONG KONG	549
POLAND	395
NEW ZEALAND	293
CHILE	206
U.K.	188
OTHERS	778

- CIVIL WORKS
- CONSTRUCTION
- MINING
- SERVICES

MAIN COUNTRIES WHERE THE ACS GROUP IS DEVELOPING CONSTRUCTION ACTIVITY



MAIN WORKS AWARDED IN 2020

<p>1 UNITED STATES Construction of a new 1.2 million-square-foot 30-gate terminal at San Diego International Airport, California</p>	<p>VALUE 2,004 MILLION EURO</p>	<p>8 ASIA-PACIFIC Maintenance service contracts for UGL customers in the oil and gas sector in Western Australia and Victoria, Australia</p>	<p>VALUE 277 MILLION EURO</p>	<p>15 UNITED STATES Design and construction to adapt Stony Brook University into an alternative care facility for COVID patients in New York, United States</p>	<p>VALUE 142 MILLION EURO</p>
<p>2 ASIA-PACIFIC Five-year extension of the contract with the Jellinbah Group for mining services at the Lake Vermont coal mine in Queensland, Australia</p>	<p>VALUE 1,539 MILLION EURO</p>	<p>9 UNITED STATES Construction of an 8-mile access pipeline to the waste water treatment plant in Cedar Creek, United States</p>	<p>VALUE 220 MILLION EURO</p>	<p>16 ASIA-PACIFIC Contract for the development of the Joy Baluch AM Bridge expansion in Port Augusta; the Port Wakefield overpass and highway expansion and the road planning project between Port Augusta and Port Wakefield, Australia</p>	<p>VALUE 139 MILLION EURO</p>
<p>3 ASIA-PACIFIC Development of the ASMTI facilities project for the Australian Government's Department of Defense in North Queensland, Australia</p>	<p>VALUE 493 MILLION EURO</p>	<p>10 EUROPE Design and construction of the new section of the Highway A15 project and additional lanes along stretches of Highway A12/A15 in Arnhem, Netherlands</p>	<p>VALUE 195 MILLION EURO</p>	<p>17 UNITED STATES Building renovation at Austin State Hospital (ASH) in Texas, United States</p>	<p>VALUE 126 MILLION EURO</p>
<p>4 UNITED STATES Construction of a new tower and clinical services center attached to the current Wexner Medical Center Hospital. The contract also includes demolition of current premises and parking lots and the construction of two new parking garages in Columbus, Ohio, United States</p>	<p>VALUE 400 MILLION EURO</p>	<p>11 EUROPE Construction of the new A40 bridge over the Rhine River in Duisburg-Neuenkamp, Germany</p>	<p>VALUE 185 MILLION EURO</p>	<p>18 EUROPE Construction of 7.8 miles (12.49 km) of Highway A2 between Warsaw and Kukuryki, on the stretch between Gręzów and Swoboda, Poland</p>	<p>VALUE 123 MILLION EURO</p>
<p>5 UNITED STATES Construction of new premises to house all current entities of the Department of Transportation and Volpe Center in a single 13-story, 400,000-square-foot building in Cambridge, Massachusetts, United States</p>	<p>VALUE 376 MILLION EURO</p>	<p>12 UNITED STATES Contract for refurbishment of terminals A, B and C at Denver Airport, Colorado, United States</p>	<p>VALUE 182 MILLION EURO</p>	<p>19 UNITED STATES Contract for rehabilitation and improvement of a stretch of Route 210 in Los Angeles, California, United States</p>	<p>VALUE 123 MILLION EURO</p>
<p>6 EUROPE Contract for the construction of the 1.4-mile (2.2-km) Altona noise-reduction tunnel on Hamburg's Highway A7, including the access and exit roads, in Germany</p>	<p>VALUE 376 MILLION EURO</p>	<p>13 EUROPE Design and construction of 12.1 miles (19.46 km) of Highway S-61 between Prodborze and Sniadowo, Poland</p>	<p>VALUE 176 MILLION EURO</p>	<p>20 UNITED STATES Reconstruction of Taxiway C at Dallas Love Field Airport in Dallas, Texas, United States</p>	<p>VALUE 113 MILLION EURO</p>
<p>7 UNITED STATES Contract to extend and rehabilitate 53.6 miles of roadway on Highway 50 between Watt Avenue and Interstate 5 in Sacramento, California, United States</p>	<p>VALUE 351 MILLION EURO</p>	<p>14 EUROPE Design and construction of 10.6 miles (17 km) of Highway S-3 Swinoujscie-Tronszyn between Swinoujscie and Dargobadz, Poland</p>	<p>VALUE 157 MILLION EURO</p>		

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

ACTIVITY IN 2020

In construction and infrastructure development activity, development of the business model has continued through an increasingly integrated model with a more controlled risk profile based on the following key points:

1. Position in strategic markets

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

Accordingly, infrastructure sales in 2020 stood at € 27,559 million with North America (United States and Canada) and Australia together accounting for more than 83% of this, while Europe accounted for 11.2% of sales primarily due to activity in Spain (5%) and Germany (3%).

In the United States and Canada, the ACS Group carries out its construction activities through Dragados, focused on developing civil works projects, and HOCHTIEF Americas' subsidiaries: Turner, the market leader in Construction Management; and Flatiron, which is dedicated to civil works. Sales in this region fell by 5.3% year-on-year to € 17,313 million. At the end of 2020, the backlog in this area stood at € 29,619 million, decreasing by 7.7% year-on-year, primarily impacted by the depreciation of the US dollar.

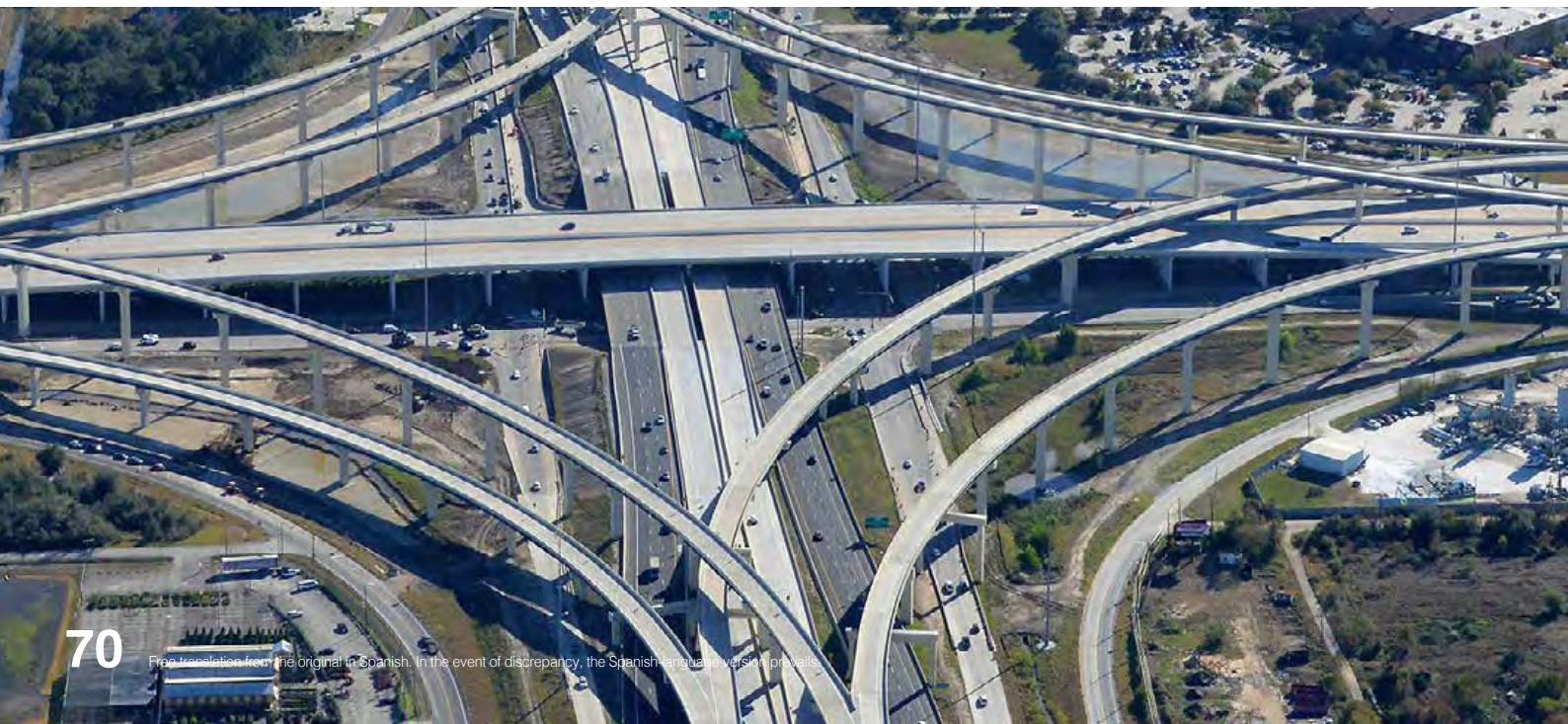
In the Asia-Pacific region, the Group operates primarily through CIMIC, a HOCHTIEF subsidiary that is listed in Australia. During 2020, sales in the region amounted to € 6,763 million, while the backlog stood at € 18,921 million at year-end, being primarily affected by the stoppage of activity and the widespread delay in the pace of awarding new projects due to COVID-19.

In Europe, the Group operates through Dragados and the HOCHTIEF Europe division, which carry out civil engineering and construction activities, as well as building activities. Sales amounted to € 3,072 million and the backlog stood at € 8,213 million, remaining practically stable due to a 20.6% growth in German production and the stability of activity in Spain (+0.5%) year-on-year.

2. Value chain integration

The Group has maintained a leadership position within the infrastructure development sector for more than 10 years, with solid positioning throughout the entire value chain in the development and operation of infrastructure, especially transportation.

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





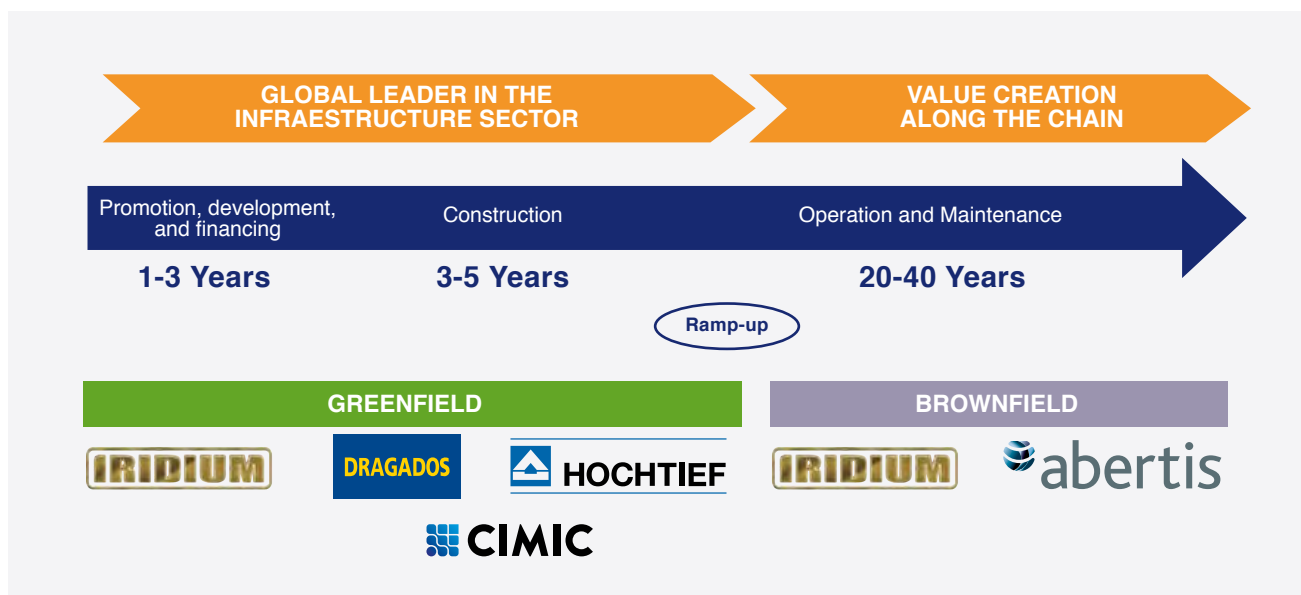
Throughout 2020, the “Greenfield” infrastructure development companies, i.e. Iridium, HOCHTIEF PPP and Pacific Partners, continued to seek development opportunities in more specialized markets, primarily North America, Northern Europe and Australia, where there is higher growth and greater stability. For example, in North America, Iridium has an aggregate investment of more than € 18,000 million and is prequalified for 10 projects in 2021 (7 in Canada and 3 in the US), which include the Quebec City Tramway Project in Canada and the expansion of the State Route 400 freeway in Georgia and the expansion of the North Corridor Metrorail in Miami, Florida in the United States.

Abertis, supported by its strategic partners Atlantia, HOCHTIEF and ACS, completed the acquisition of Mexico’s RCO (Western Highway Network) in

June. In December 2020, Abertis and Manulife Investment Management completed the acquisition of 100% of Elizabeth River Crossings (ERC) in Hampton Roads, Virginia, for approximately € 1,000 million, leaving Abertis with a 55.2% stake in the purchasing consortium. The integration of this asset will strengthen Abertis’s growth platform in the United States and facilitate the analysis of future opportunities.

As of 2020, the Group’s backlog has 90 concession assets, of which approximately 70% are in operation.

These assets represent a total managed investment of over € 53,000 million and the investment committed by the ACS Group in these projects amounts to € 1,000 million, approximately two thirds of which has already been disbursed.



ACS GROUP INFRASTRUCTURE CONCESSION BACKLOG

CONCESSIONS

90

70% EXPLOITATION /
30% CONSTRUCTION

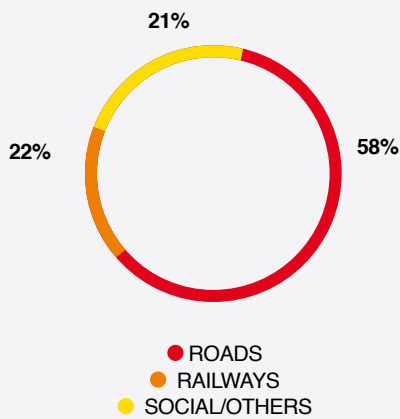
TOTAL INVESTMENT MANAGED

53,400 €MN

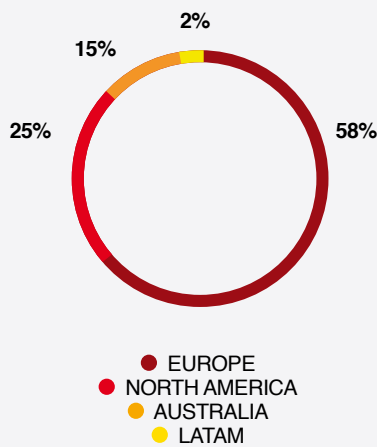
COMMITTED EQUITY

1,000 €MN

COMMITTED EQUITY BY
TYPOLOGY
(NUMBER OF CONCESSIONS)



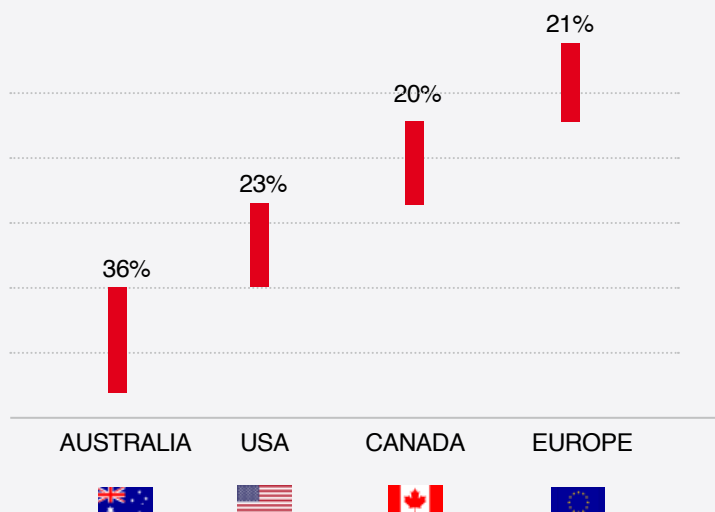
COMMITTED EQUITY BY
GEOGRAPHY
(NUMBER OF CONCESSIONS)



The ACS Group has also identified a pipeline of more than 150 PPP projects with a total value of € 225,000 million to be developed over the next four years. These projects are located in the Group's

strategic regions where it has a greater presence, and have a very positive growth outlook for the infrastructure sector.

2020 PPP PROJECTS PIPELINE BREAKDOWN



+150
IDENTIFIED PPP
INFRASTRUCTURE
PROJECTS

225,000 €MN

FEATURED PROJECTS

N25 NEW ROSS BYPASS

CLIENT

Transport Infrastructure Ireland (TII) / N25 New Ross Bypass PPP Co

PROJECT EXECUTION DATES

January 2016–January 2020

LOCATION

New Ross, County Wexford. Ireland

CONTRACT TYPE

Dragados: Highway

Iridium: Concession with availability payments

AMOUNT

146 million euros

COMPANIES INVOLVED IN THE PROJECT

DRAGADOS IRELAND LTD

50% - BAM CIVIL 50% -

IRIDIUM

The APP N25 New Ross Bypass project consists of a 14-km highway with two lanes in each direction serving as a beltway around the city of New Ross in southeast Ireland. It was built by the construction company “New Ross Bypass J.V.” (50% DRAGADOS), with an investment of € 146 million. IRIDIUM, with a 50% stake in the concession holder, is responsible for the financing, construction and operation of the N25 New Ross Bypass project. IRIDIUM has the same percentage stake in the operating company.

The beltway begins at a junction with the current N25 in Glenmore, Co. Kilkenny before crossing the Barrow River. The project’s unique feature is the Barrow River Bridge, whose official name is the Rose Fitzgerald Kennedy Bridge, in memory of the mother of President John F. Kennedy, whose

family was originally from the area where this unique structure is located. It is a 3-tower, extradosed bridge spanning approximately 900 m from Pink Point in Kilkenny County to Stokestown in Wexford County, and continues on to link to the N30 at Corcoran’s Cross. It is not only the longest bridge in the Republic of Ireland, with its two 230-m central spans, it set the world record for the bridge with the longest span.

The project began operation in January 2020, when the concession holder began receiving monthly availability payments from Transportation Infrastructure Ireland (TII). IRIDIUM, together with its partner BAM Civil, has a 50% stake in an operating consortium that is responsible for operation and maintenance activities during the infrastructure project’s 25 years of operation (until 2045).



HAMPTON ROADS BRIDGE-TUNNEL (HRBT) EXPANSION PROJECT

CLIENT

Commonwealth of Virginia
/ Virginia Department of
Transportation (VDOT)

PROJECT EXECUTION DATES

April 2019–November 2025

LOCATION

Cities of Hampton and Norfolk,
Virginia, USA

AMOUNT

2,796.69 million euros.

COMPANIES INVOLVED IN THE PROJECT

Hampton Roads Connector Partners CJV (Dragados - 42%, Vinci Construction - 28%, Flatiron Constructors - 25%, Dodin Campenon Bernard - 5%) and I-64 Design JV (HDR and Mott MacDonald)

The Hampton Roads Tunnel-Bridge (HRBT) Expansion Project is the largest construction project in Virginia's history. Including the construction contract, owner costs, and contingencies, the total project budget is \$ 3,800 million, making it one of the largest transportation infrastructure projects in the United States.

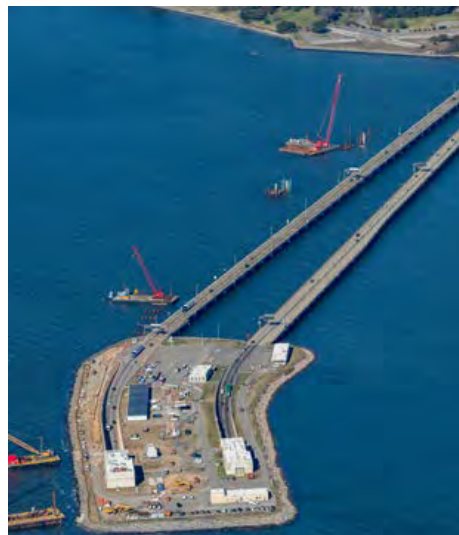
This mega-project is made possible by unprecedented cooperation between the seven independent cities that make up the Hampton Roads region of East Virginia. In April 2019, the Commonwealth of Virginia signed a Financing and Management Project Agreement with the Hampton Roads Transportation Accountability Commission and signed a Comprehensive Agreement with Hampton Roads Connector Partners, the joint venture construction company that will design and build the 10-mile expansion works.

Hampton Roads Connector Partners (HRCP), the joint venture project construction company formed by Dragados, Vinci Construction, Flatiron Constructors and Dodin Campenon Bernard, is currently in the design and pre-construction phase of the project. Construction began in the second quarter of 2020, and is expected to be completed in November 2025.

The I-64 corridor between the cities of Hampton and Norfolk (the latter being home to the largest U.S. Navy base) is one of the most congested in Hampton Roads, with traffic exceeding 100,000 vehicles a day during peak summer hours. The HRBT expansion project was commissioned by the Virginia Department of Transportation (VDOT) to increase capacity, alleviate major traffic jams, improve travel time reliability and safety, update transportation management systems, and support emergency evacuation.

The current Hampton Roads I-64 Tunnel-Bridge is a 3.5-mile structure with two 7,500-foot-long, two-lane submerged tube tunnels connecting artificial islands in the James River with trestle bridges on the banks of Hampton and Norfolk. The first two-lane HRBT tunnel was opened in November 1957 and the second opened in November 1976.

The HRBT expansion project will extend 8 km of the current I-64 four-lane stretches in both Hampton and Norfolk to six lanes plus two part-time shoulder lanes. It will also build two drilled two-lane tunnels west of the current tunnel running eastward and build/replace or expand 27 bridge structures along the project corridor.



SOFI STADIUM



HOME OF NFL TEAMS

Los Angeles Rams and Los Angeles Chargers

PROJECT EXECUTION DATES

November 2016–August 2020

LOCATION

Inglewood, CA, USA

AMOUNT

1,062 million euros

COMPANIES INVOLVED IN THE PROJECT/CONTRACT

Turner/AECOM Hunt JV
(Turner share 50%)

The SoFi Stadium in Inglewood, California was completed in 2020. The state-of-the-art stadium completely reimagines the fans' experience.

In the future, SoFi Stadium will also host other major events with audiences of up to 100,000 people, such as Super Bowl LVI in 2022, and the opening and closing ceremonies of the 2028 Summer Olympics.

The stadium features the world's largest immersive video screen, with 80 million pixels providing a clear view of the action. The display is 110 m long and weighs almost 1,000 tons.

A characteristic feature of the stadium is the open, semi-transparent roof, covering an area of approximately 93,000 sq. m.

3.2. INDUSTRIAL SERVICES

ONE OF THE MAIN GLOBAL COMPETITORS IN APPLIED INDUSTRIAL ENGINEERING SECTOR





AN INDUSTRY LEADER

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

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

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

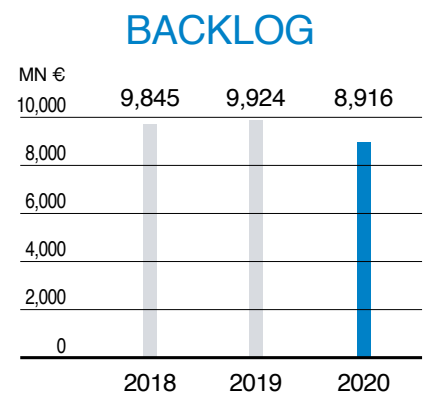
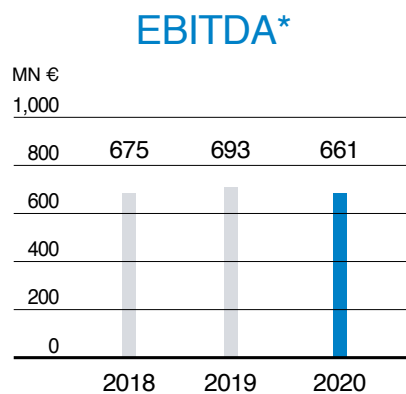
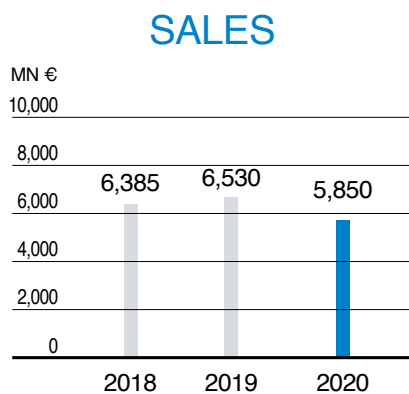
SALES
5,850
MILLION EURO

EBITDA
661
MILLION EURO



BACKLOG
8,916
MILLION EURO

NET PROFIT
312
MILLION EURO



*From 2018–2020, EBITDA includes “Consolidation of operational activities”.

5.84

1.8% COMPARED TO 2019
FREQUENCY INDEX**

32.9 MN€

-21.2% COMPARED TO 2019
INVESTMENT IN HEALTH AND
SAFETY

90.9%

OF EMPLOYEES TRAINED
IN HEALTH AND SAFETY
DURING THE YEAR

2,068,461

-9.2% COMPARED TO 2019
NUMBER OF HOURS OF TRAINING
IN HEALTH AND SAFETY

14.5 MN€

INVESTMENT IN R&D

82

NUMBER OF R&D PROJECTS

**Frequency index: Number of accidents during the workday for every million hours worked.



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

Energy

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

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

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

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

Other Group companies carry out high energy efficiency electromechanical installations in all types of buildings, industries and public spaces, as well as maintenance and, where appropriate, rehabilitation and improvements associated with these installations.

Environment

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

The Group frequently participates in the financial structuring of projects and in the takeover of concession holders' shareholdings, when this is required for executing a project.

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

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

Group companies are working on major innovations for the future of the water cycle and for its interrelationship with energy and food production (NEXUS).

Mobility and Urban Services

The Industrial Group is one of the world’s major mobility leaders, with heavy activity in traffic control centers and facilities, fleet control for public transportation, electric vehicle recharging, road signage, highway control, parking control, etc.

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

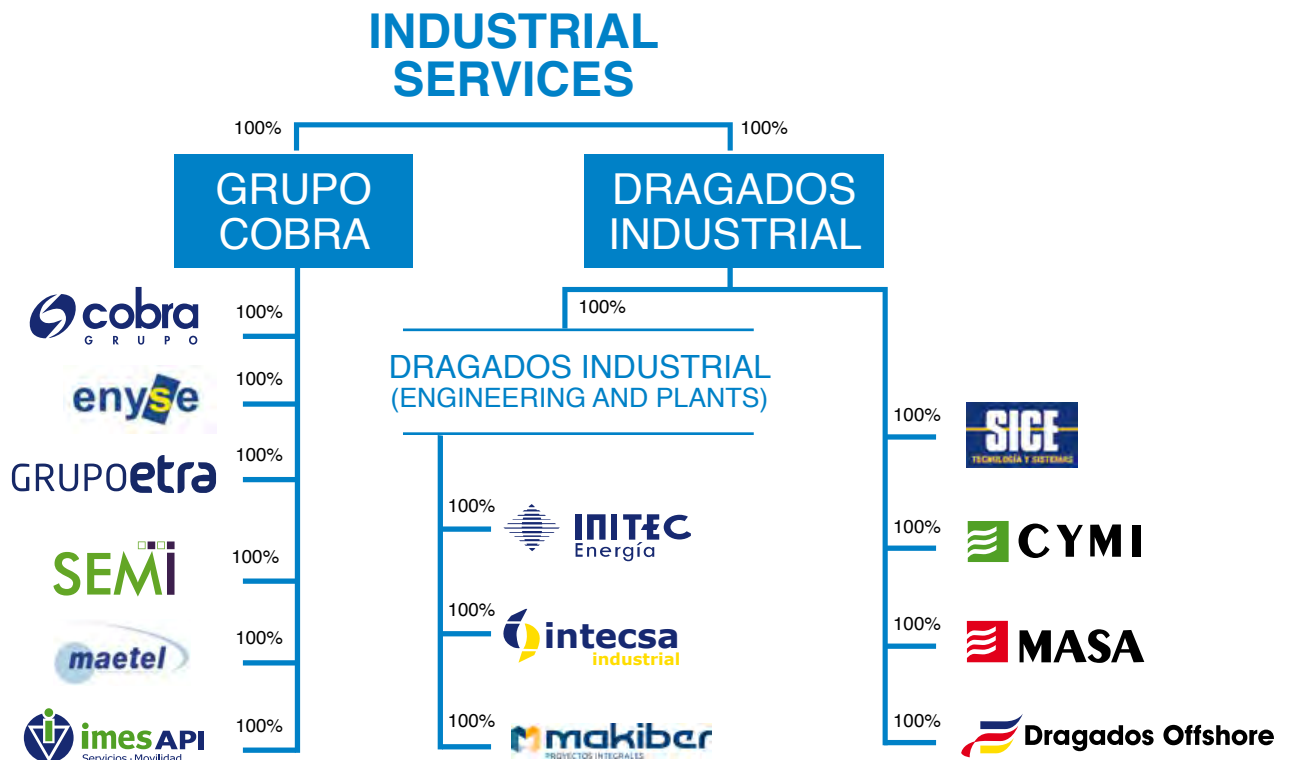
Multi-sectoral Project Development

The Group has activities in Health and Education, through the construction of medium-sized hospitals and educational centers in emerging and developing countries. The companies in the area work for Communications Operators in several countries, as well as in Security and Control Systems.

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

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

These activities are distributed among the different companies that comprise the parent companies of the industrial services activity: the Cobra Group and Dragados Industrial, two leading business groups in their sector with proven experience of over 50 years. For example, 2019 marked one hundred years since the creation of SEMI, and 75 years since the creation of Cobra and 2021 will mark one hundred years since the creation of SICE.

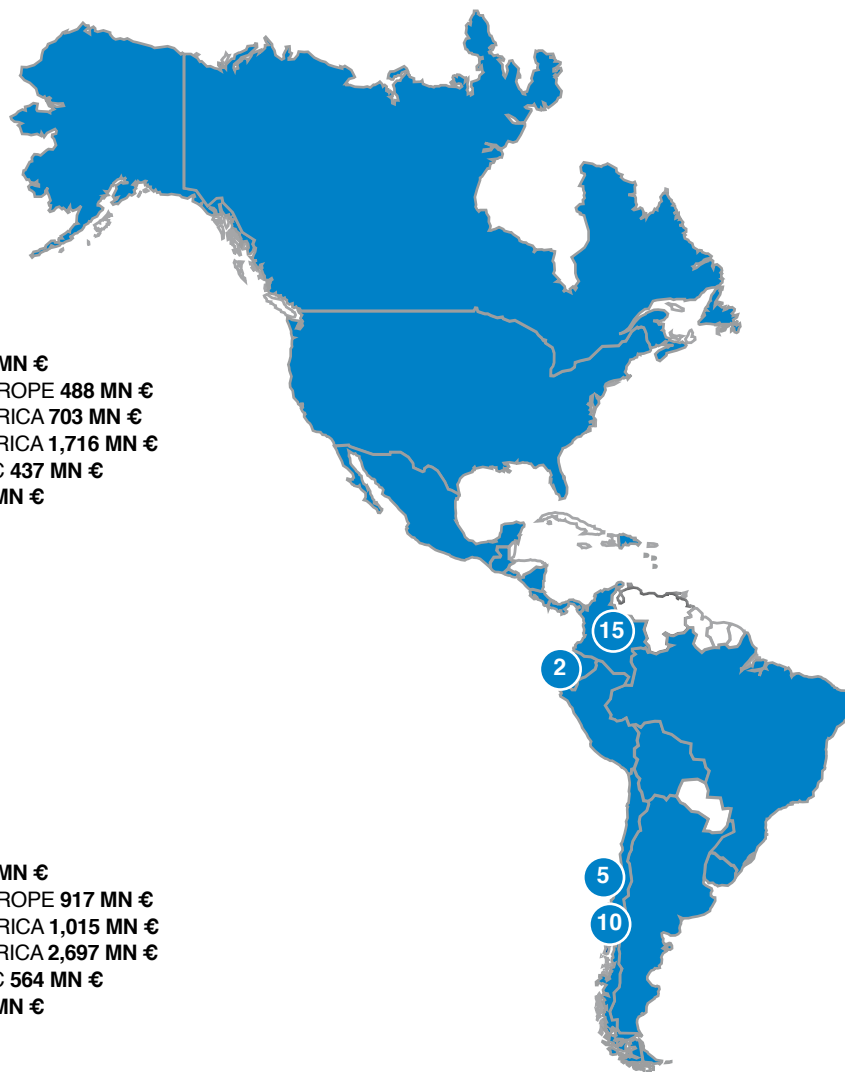
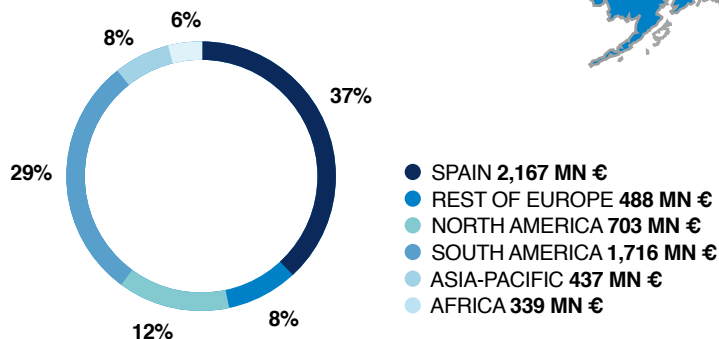


For more information:
4.6. Evolution of the Industrial Services business area

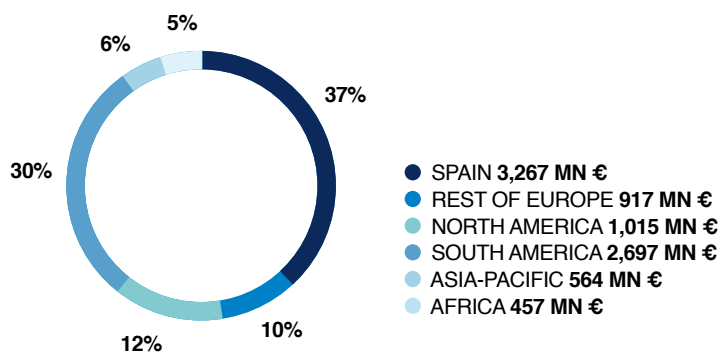


THE ACS GROUP'S INDUSTRIAL SERVICES ACTIVITY IN 2020

REVENUES BREAKDOWN BY GEOGRAPHICAL AREAS



BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS

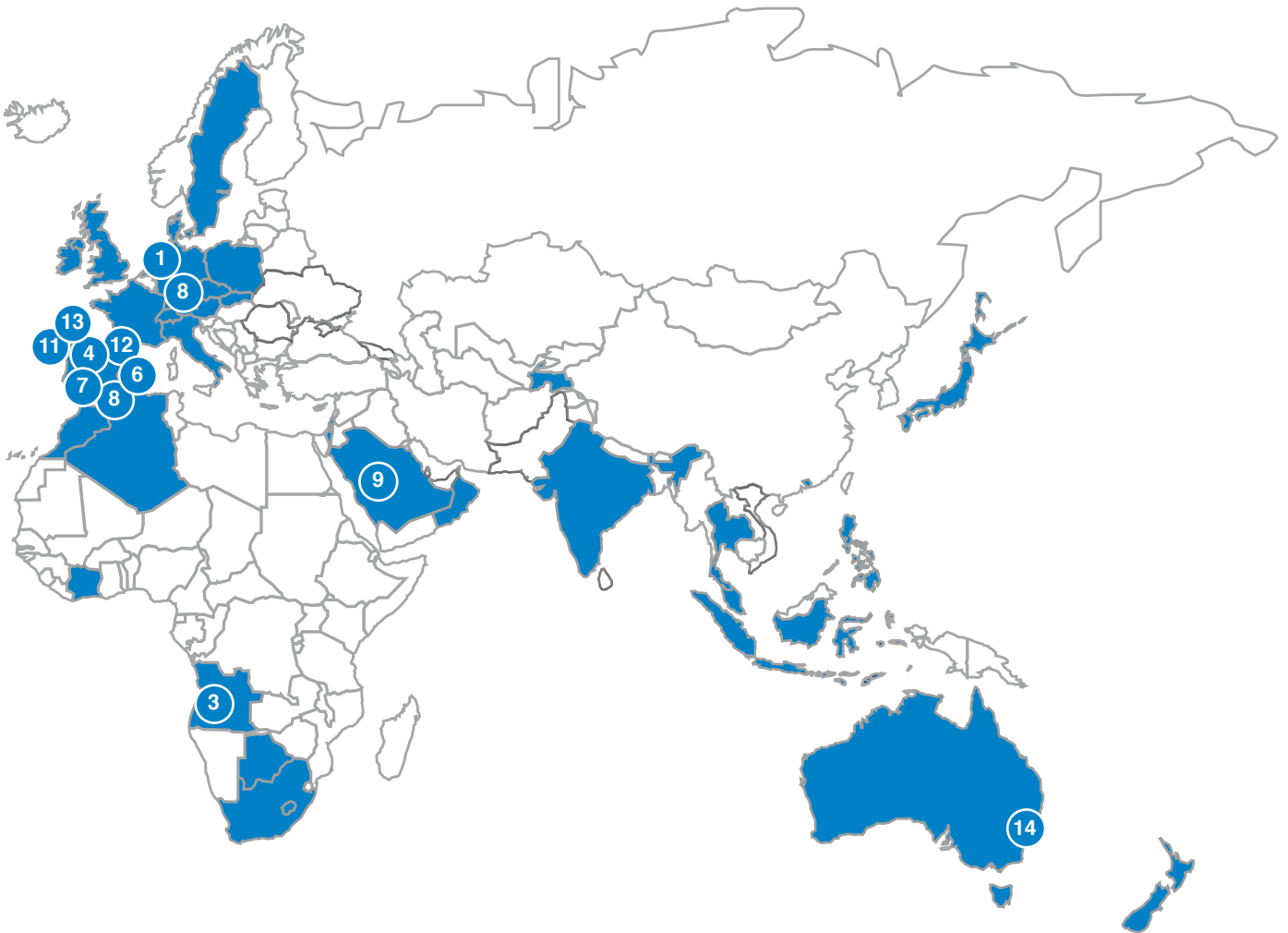


2020 REVENUES BREAKDOWN BY COUNTRY (MN EUROS)

SPAIN	2,167
BRAZIL	816
MEXICO	618
PERU	416
UNITED KINGDOM	180
CHILE	150
ISRAEL	136
PORTUGAL	133
MOROCCO	108
JAPAN	107
IVORY COAST	101
GERMANY	98
ARGENTINA	82
SOUTH AFRICA	80
UNITED STATES	62
COLOMBIA	52
SAUDI ARABIA	48
OTHERS	496

- EPC PROJECTS
- SPECIALIZED FACILITIES
- CONTROL SYSTEMS
- NETWORKS

MAIN COUNTRIES WHERE THE ACS GROUP IS DEVELOPING INDUSTRIAL SERVICES ACTIVITIES



MAIN WORKS AWARDED IN 2020

1 	EUROPE Development of the Borwin 5 project consisting of an offshore platform that converts wind power to electric power (HVDC) in the North Sea (Germany)	VALUE 364 MILLION EURO	6 	SPAIN Construction of a logistics center for the P3 Logistic Park in Onda, Castellón, Valenciá (Spain)	VALUE 30 MILLION EURO	11 	SPAIN Contract with Vodafone to rollout its 5G cellular network in Spain	VALUE 20 MILLION EURO
2 	LATIN AMERICA Installation of the 110-MW Villonaco Wind Farm in Loja, (Ecuador)	VALUE 125 MILLION EURO	7 	EUROPE Contract with Telxius Towers for the planning and construction of telecommunications base transceiver stations (BTS) (Germany)	VALUE 27 MILLION EURO	12 	SPAIN Contract for mechanical installations, air conditioning and other projects in two Amazon warehouses in Fuesca and Zaragoza, (Spain)	VALUE 18 MILLION EURO
3 	AFRICA Design, construction, setup and maintenance of two new Provincial Hospitals in Cuanza, (Angola)	VALUE 102 MILLION EURO	8 	SPAIN Maintenance contract and auxiliary works for the electrification facilities on Spain's ADIF conventional rail network (Spain)	VALUE 26 MILLION EURO	13 	SPAIN Contract for gas meter reading service in Spain	VALUE 17 MILLION EURO
4 	SPAIN A complete service contract with Naturgy for the construction and maintenance of distribution networks, the reading of meters and service orders (Spain)	VALUE 42 MILLION EURO	9 	ASIA AND THE MIDDLE EAST System for the operation and maintenance of electric buses at King Saud Bin Abdulaziz University in Riyadh, (Saudi Arabia)	VALUE 23 MILLION EURO	14 	ASIA-PACIFIC Contract for the design, supply, testing and commissioning of Intelligent Transport Systems (ITS) for the Rozelle Interchange project, encompassing approximately 4.3 miles (7 km) of tunnels included in the WestConnex project in Sydney, Australia	VALUE 17 MILLION EURO
5 	LATIN AMERICA Contract to carry out installation work for the 156-MW De Puelche Wind Farm (Chile)	VALUE 32 MILLION EURO	10 	LATIN AMERICA Contract to expand the capacity of transmission lines between Monterrico-Cocharcas and Charrúa-Chillán, (Chile)	VALUE 22 MILLION EURO	15 	LATIN AMERICA Loop contract for line and internet installation with Telefonía (Colombia)	VALUE 15 MILLION EURO

ACTIVITY IN 2020

The strategy of the Industrial Services area is based on three fundamental points that have continued to contribute to the advancement and consolidation of the leadership of these companies in their sectors in 2020, despite the inevitable impact of the COVID-19 pandemic. These key points are:

1 TERRITORIAL DIVERSIFICATION

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

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

Accordingly, in addition to having a strong presence on the Iberian Peninsula, the group is also expanding in other European countries, both in developing unique projects and in recurrent activities, especially in the United Kingdom, Italy, Germany, Romania and other Eastern European countries.

In the Americas, it sustains a high level of activity in Mexico, the Andean Zone, Brazil, the Southern Cone and in Central America, while continuing its consolidation in the Caribbean.

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

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

2 PERMANENT ADAPTATION TO THE ACCELERATED EVOLUTION OF TECHNOLOGY AND MARKETS

One of the main business drivers in the world of industrial engineering is energy and environmental sustainability, among which are the accelerated development of renewable energies, energy efficiency services and flexibility services for the balancing of electrical systems and the reliability of electricity supply. In this regard, the Industrial Services area occupies a privileged strategic position as a leading company in the implementation of integrated onshore and offshore wind energy projects, and has a growing presence in major thermosolar and photovoltaic projects around the world. It is also one of the leading regional hydroelectric companies in Latin America.

In addition, in the coming years, the sector will benefit from the evolution and implementation of new technologies. The Industrial Services area is in a good starting position thanks to several of its business units, whose activity is closer to ICTs, Big Data, Artificial Intelligence, advanced communications, etc. The monitoring and implementation of these technological advances, both to improve internal processes and to deliver greater value to customers, are the main challenges the Group is working on. Our companies are creating Innovation and Technology groups, and even specialized subsidiaries, and are participating in dozens of Innovation Projects, in many cases with financial support from the European Commission or from national or regional programs in the territories where we operate. Increased budget allocations to support innovation should serve to assist our companies in accelerating their progress in this field.

3 CONCESSIONAL ACTIVITIES

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

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

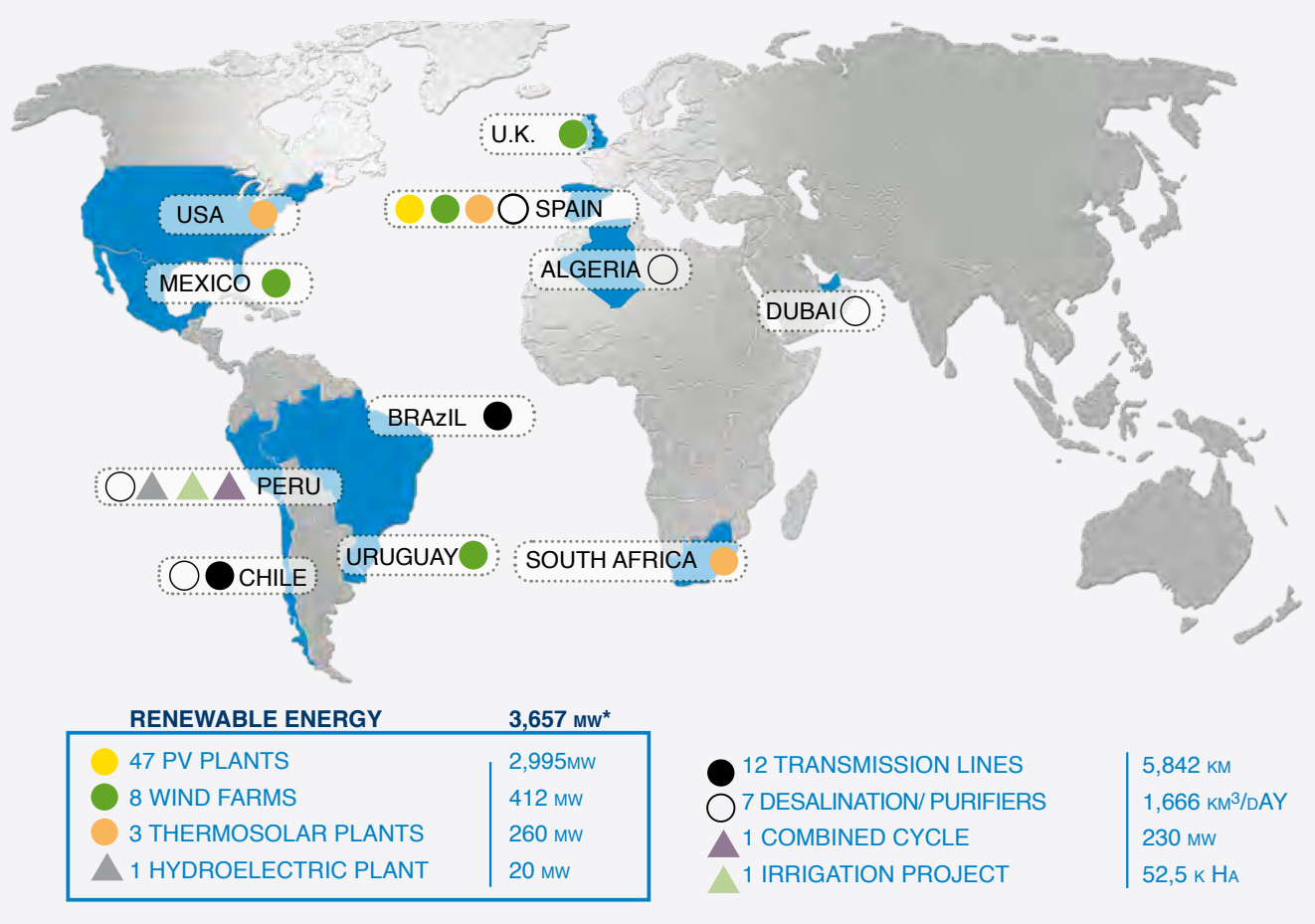
Following the sale of a large part of our renewable portfolio to GALP, the Industrial Group continues to develop a significant pipeline of renewable energy generation projects, some of them already committed for sale upon completion. In addition to renewable energy generation projects, transmission line concessions, desalination, irrigation and water purification projects, and other energy and environmental assets are being developed.

The group's policy is very flexible in terms of earmarking these assets, always aimed at maximizing shareholder value.

COMPETITIVE POSITION IN THE ENERGY SECTOR

TOTAL INVESTMENT **5,513** €MN

ACS CONTRIBUTION **1,380** €MN

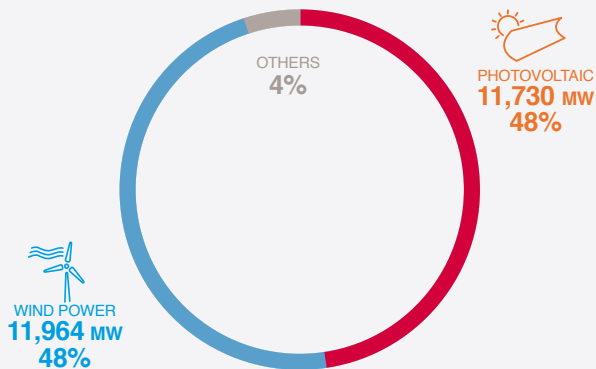


* Includes assets sold to Galp in January 2020.

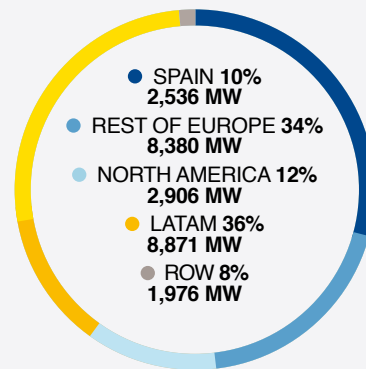
GROWING SECTORS: PIPELINE IN THE RENEWABLES MARKET*

25 GW OF PROJECTS UNDER DEVELOPMENT

BREAKDOWN BY TYPOLOGY



BREAKDOWN BY GEOGRAPHY



* After renewable's sale operation.

FEATURED PROJECTS

BORWIN5 OFFSHORE HVDC CONVERTER STATION AND JACKET

CLIENT
Tennet

PROJECT EXECUTION DATES
August 2020–May 2025

LOCATION
North Sea, Germany

CONTRACT TYPE
EPCIC

AMOUNT
363.84 million euros

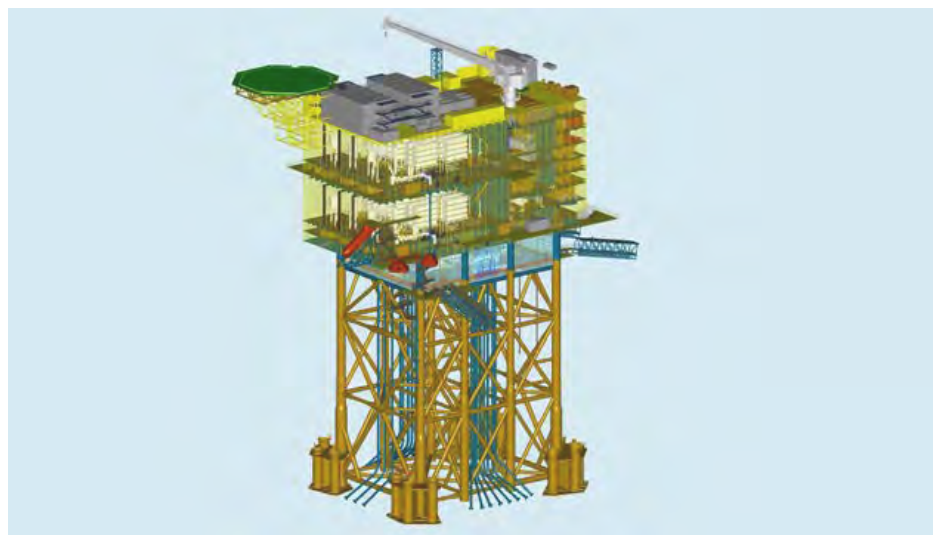
COMPANIES INVOLVED IN THE PROJECT
Dragados Offshore, S.A.

PROJECT DESCRIPTION
EPCIC project in partnership with Siemens for a HVDC substation platform for Tennet's BorWin5 project.

The 900-megawatts offshore substation converts the electrical power from the wind turbines supplied via 66-kV alternating-current high-voltage lines into 320-kV high-voltage direct current, which is sent to the

onshore substation via a 110-km long underwater line.

Dragados Offshore is responsible for the offshore platform (detail and design engineering, supply, manufacturing and construction, transportation and installation of the platform and the jacket), while Siemens is responsible for the design and supply of the onshore HVDC substation. The combined projects weight approximately 12,000 tons, while the jacket supplied by Dragados Offshore weighs approximately 7,000 tons.





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

VEREDAS TRANSMISSORA DE ELETRICIDADE S.A

CLIENT

Veredas Transmissora de Eletricidade S.A. (consorcio CYMI Construções e Participações con Quantum-Brookfield)

PROJECT EXECUTION DATES

February 2017–February 2021

LOCATION

Brazil: Minas Gerais, Goiás y Bahia

CONTRACT TYPE

EPC (Engineering, Procurement and Construction)

AMOUNT

164.67 million euros

COMPANIES INVOLVED IN THE PROJECT

CYMI Construções e Participações, CYMI do Brasil, SETEC y CYMI-TECH.

PROJECT DESCRIPTION

Turnkey contract for the expansion of the power grid. The project services consists of preliminary studies, environmental licenses,

expropriations, basic and executive projects, supply of all materials, civil/electromechanical construction, testing and commissioning of:

- A three-phase, 500-kV transmission line between Rio das Éguas and Arinos II C1 spanning 219 km in a single circuit with six conductors per phase.

- A three-phase, 500-kV transmission line between Arinos II and Pirapora II C1 spanning 216 km in a single circuit with six conductors per phase.

- A new 500-kV Arinos II substation.

- Expansion of the Rio das Éguas Substation (500-kV sector).

- Expansion of the Pirapora II Substation (500-kV sector).

New drone-based technologies are being deployed in order to carry out the project in its different phases and to ensure minimal impact on the area's ecosystem. These are being used to prevent deforestation of both protected areas and areas of high ecological value when run-

ning lines between towers. They were also used to protect natural obstacles, such as rivers, swamps, etc. In addition, drones were used in order to cross lines and pass them over existing electrified lines.

In line with our commitment to the environment, the most cutting-edge procedures were used for pruning and selective cutting of vegetation.

In order to do this, special machinery was used (forestry defragmentation) for the selective felling of trees, thus removing as little vegetation as possible, increasing the yield of the deforestation operation while minimally impacting the remaining vegetation and promoting conditions for the subsequent regrowth of vegetation. The machine shreds removed vegetation and spreads it on the ground, thus producing a layer of plant material on which the work vehicles and machinery can operate, helping to mix it in with the existing surface soil. Subsequently, rain will cause the vegetation to sprout, resulting in environmental recovery of the area.



3.3. SERVICES

ESSENTIAL, PROFESSIONAL,
HIGH-QUALITY SERVICES





PROFESSIONALISM, COMMITMENT AND INNOVATION

CLECE, ON THE FRONT LINE OF THE CORONAVIRUS CRISIS

Clece is Spain's leading multi-services company with over 27 years of experience. The company has a portfolio of services with over 30 different activities, grouped into three large blocks: services for buildings, services for the environment and services for people, and has also consolidated its activity in countries such as Portugal and the United Kingdom. Clece's success is based on a diversified and constantly growing business model, which is linked to its ability to respond to the ever-evolving needs of citizens and organizations, such as the COVID-19 health crisis.

SALES
1,555
MILLION EURO

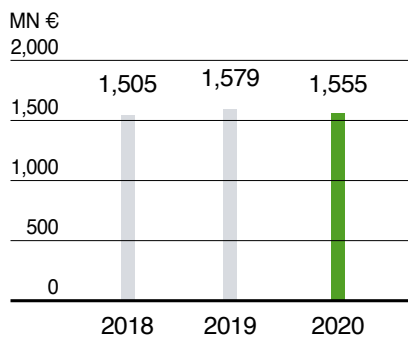
EBITDA
61
MILLION EURO



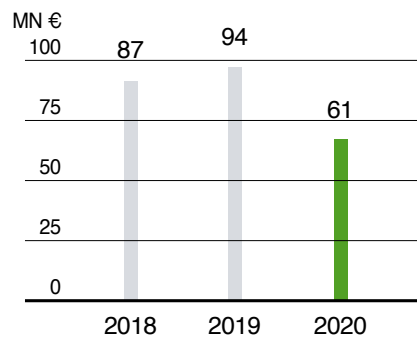
BACKLOG
2,701
MILLION EURO

NET PROFIT
18
MILLION EURO

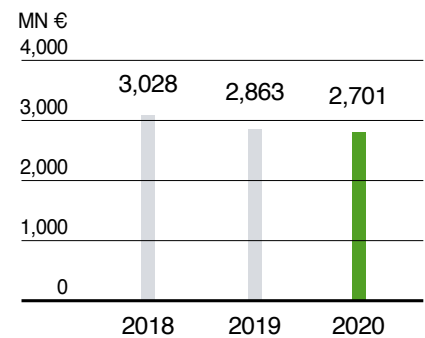
SALES



EBITDA



BACKLOG



11.7%
OF EMPLOYEES BELONG TO
VULNERABLE GROUPS

>125,000
PEOPLE RECEIVED TREATMENT
FROM THE SAD SERVICE

179
CENTERS FOR
VULNERABLE GROUPS

130
NURSERY
SCHOOLS

183
HOSPITALS

>1,693
MEDICAL CENTERS

>145,000
TESTS PERFORMED ON
USERS AND WORKERS

SERVICES FOR PEOPLE

These cover the needs and assistance resources for certain groups, such as the elderly, dependents, persons with disabilities or children aged 0 to 3 years, including services such as elderly care, management of schools for children and social food programs.

SERVICES FOR BUILDINGS

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

SERVICES FOR THE CITY AND SURROUNDING AREA

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

People are the core of Clece's activity. They are the driving force of a business that responds to the needs of citizens and organizations, with a significant human capital including 76,462 individuals, of which 9,027 come from vulnerable groups (people with functional diversity, victims of gender-based violence, people at risk of social exclusion and unemployed youth). In this health crisis, now more than ever, it has become apparent that the services provided by Clece

are fundamental, as they are aimed at caring for people and their surroundings, improving users' quality of life, and helping them where and when they need it most. In particular, 90% of these services are considered essential to society: Care for the elderly and dependents, cleaning and disinfection of hospitals, and surveillance and security of facilities; the professionals at Clece provide essential services for society, especially during these difficult times.



HEALTHCARE FIELD

Clece currently provides services to 183 hospitals and more than 1,693 medical centers throughout Spain with its team of 12,433 cleaning and disinfection professionals who perform vital work in hospitals and medical centers.

But, now more than ever, it is also vital that healthcare infrastructures work properly. A large team of maintenance technicians is in charge of this and helps maintain more than 380 health centers.

Another key activity during this crisis has been the safety and security of facilities. Clece has more than 850 health service security guards whose work has come to be regarded as an essential service, providing protection, peace of mind and the security required as a result of the COVID-19 crisis.

During this pandemic, some infrastructure has been adapted to be used for healthcare. Clece

has been selected to provide its services in 4 field hospitals, one of which is IFEMA hospital in Madrid, which is considered to be the largest temporary hospital in the country with a maximum capacity of 5,500 beds. In addition, the company has served in 32 hotels used to provide medical services and another 19 hotels used to accommodate healthcare workers throughout Spain.

Together with health cleaning professionals, Clece has extended the use of the most efficient technology to disinfect healthcare premises using Xenex, a robot with ultraviolet light that is capable of destroying the SARS-CoV-2 virus, which causes COVID-19 infection, with an effectiveness of up to 99.99% in just two minutes. Clece currently has 37 Xenex robots in different health centers in Spain and has also set in place 101 ozone machines that significantly improve disinfection levels, a crucial step in the fight against the pandemic.



SOCIAL SERVICES

In this dramatic situation affecting the health and lives of so many people, especially the elderly and dependents, the extraordinary work being done by social services professionals throughout Spain is evident.

Clece's responsibility to clients, and particularly service users, is to ensure that the service remains operational, and therefore, in addition to strictly complying with the safety protocols required by health authorities, it goes one step further, applying a number of additional measures in elderly care facilities, such as using its own machines to carry out biweekly PCR testing on service users and workers. So far, more than 145,000 tests have been performed on service users and workers.

This effort to prevent and protect against coronavirus has led Clece's elderly care facilities to be awarded AENOR's "Certification

of Protocols against COVID-19" for its measures to ensure the health and safety of its workers and service users.

The company has also launched the first elderly care facility in Barcelona to accommodate and care for more than 200 patients with coronavirus.

Another pioneering measure was the acquisition of a mask machine that can produce 60,000 masks a day. In addition to these masks, Clece supplies all workers with the appropriate protective equipment for their work (gloves, coveralls, PPE, etc.). Every day we provide our professionals with 70,854 surgical masks, 1,479 FFP2 masks, 567 gowns/coveralls, 70 pairs of protective glasses, 75,422 gloves and 234 liters of alcohol gel.

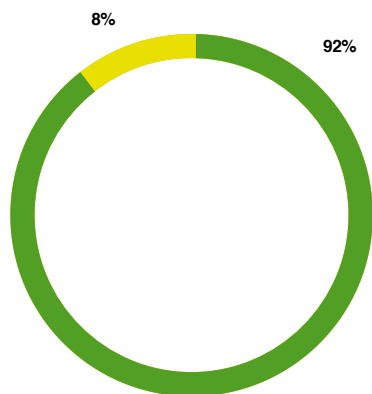
Since the start of the pandemic, Clece has purchased approximately 14 million surgical masks, nearly 2 million FFP2 masks, 246,000 protective gowns, 21,300 pairs of glasses and has carried out more than 145,000 tests for workers and service users. Under the current circumstances of this health and social emergency, the Home Care Service (HCS) has become essential for many dependents. Clece has ensured that care is provided to service users in coordination with Public Administrations that have determined the scope of services. More than 21,000 professionals have continuously covered the essential basic needs of more than 125,000 service users.

In addition, in the 130 nursery schools run by Clece that currently have 9,354 students, the safety protocols for public entities have been strengthened by applying more stringent measures to ensure the health and safety of both workers and pupils.



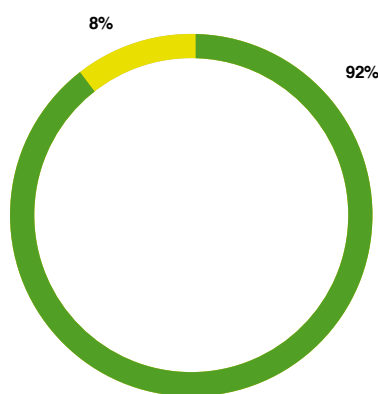
SERVICE ACTIVITY OF THE ACS GROUP IN 2020

REVENUES
BREAKDOWN BY
GEOGRAPHICAL AREAS



● SPAIN 1,437 MN €
● REST OF EUROPE 118 MN €

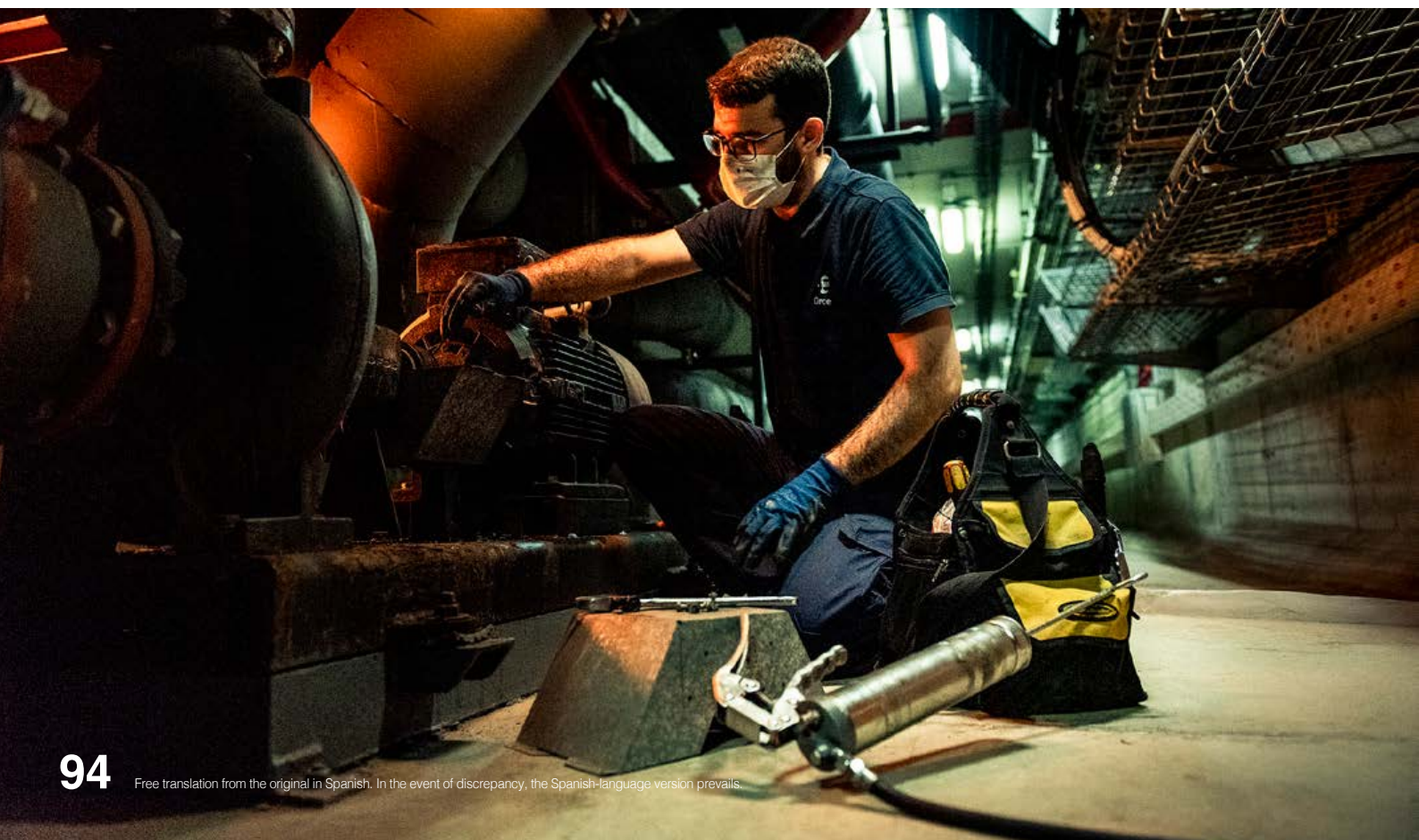
BACKLOG
BREAKDOWN BY
GEOGRAPHICAL AREAS



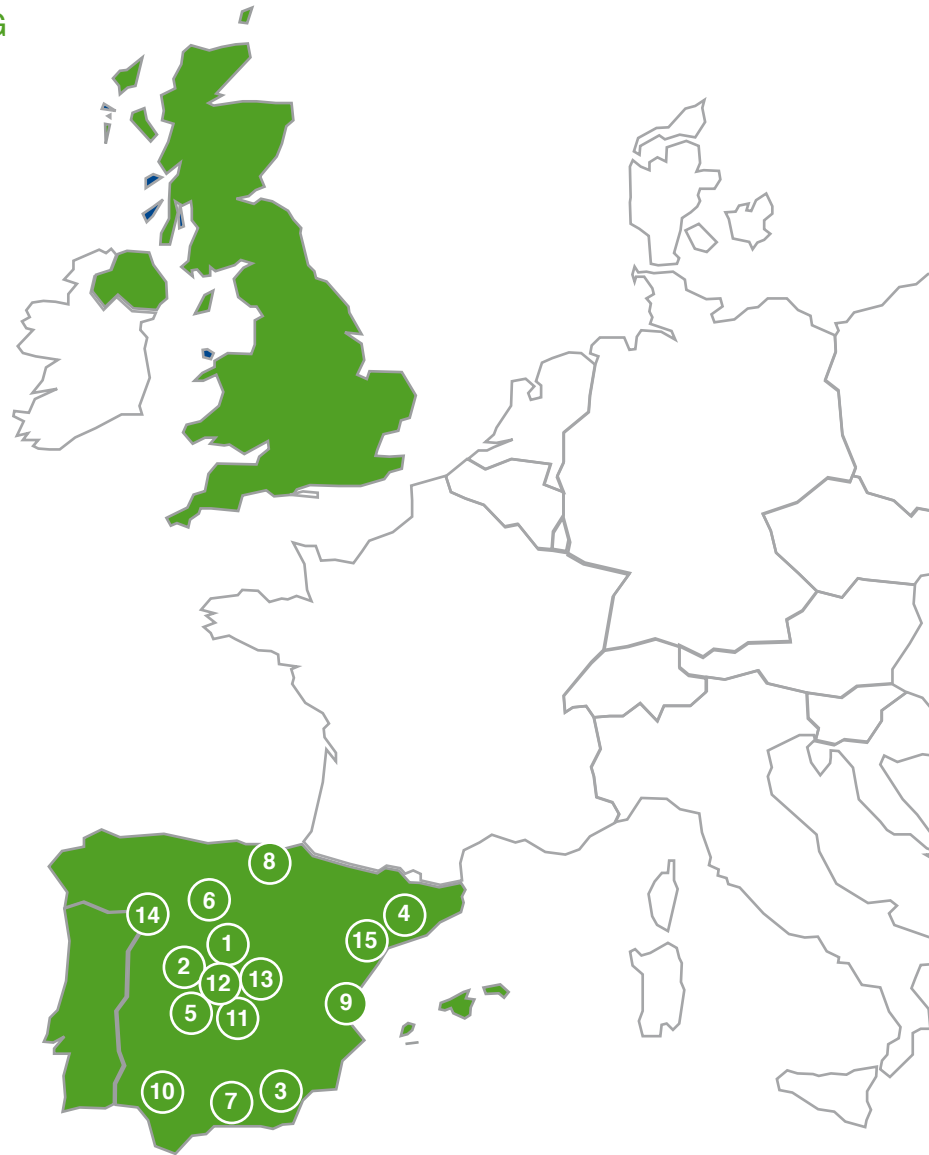
● SPAIN 2,490 MN €
● REST OF EUROPE 211 MN €




2020 REVENUES BREAKDOWN BY COUNTRY (MN €)

SPAIN	1,437
UNITED KINGDOM	98
PORTUGAL	20



MAIN COUNTRIES WHERE THE ACS GROUP IS DEVELOPING SERVICES ACTIVITIES



-  SERVICES FOR PEOPLE
-  SERVICES FOR BUILDINGS
-  SERVICES FOR THE CITY AND THE ENVIRONMENT



MAIN WORKS AWARDED IN 2020

<p>1 SPAIN  Renewal of the home assistance services contract for the City Council of Madrid, Spain</p>	<p>VALUE 245 MILLION EURO</p>	<p>6 SPAIN  Renewal of the Home Assistance Services contract and its modalities for the City Council of Valladolid, Spain</p>	<p>VALUE 19 MILLION EURO</p>	<p>11 SPAIN  Extension of the cleaning contract at the facilities of the Ministry of Defense in Spain</p>	<p>VALUE 14 MILLION EURO</p>
<p>2 SPAIN  Contract for cleaning Ministry of Defense bases, barracks and military units nationally within Spain</p>	<p>VALUE 87 MILLION EURO</p>	<p>7 SPAIN  Extension of the cleaning service contract at the hospital facilities for the Virgen de las Nieves and San Cecilio hospitals in Granada, Spain</p>	<p>VALUE 18 MILLION EURO</p>	<p>12 SPAIN  Extension of the hospital cleaning and disinfection service for the Community of Madrid, Spain</p>	<p>VALUE 14 MILLION EURO</p>
<p>3 SPAIN  Renewal of the home assistance services contract for the City Council of Almeria, Spain</p>	<p>VALUE 36 MILLION EURO</p>	<p>8 SPAIN  Cleaning and gardening service contract at Hospital de Basurto in Bilbao, Spain</p>	<p>VALUE 18 MILLION EURO</p>	<p>13 SPAIN  Extension of the cleaning and disinfection service contract for hospitals in the Community of Madrid, Spain</p>	<p>VALUE 13 MILLION EURO</p>
<p>4 SPAIN  Renewal of the cleaning service contract in the primary care centers and the corporate center of Institut Català de La Salut in Spain</p>	<p>VALUE 32 MILLION EURO</p>	<p>9 SPAIN  Extension of the cleaning contract for the facilities of the Regional Government of Valencia, Spain</p>	<p>VALUE 17 MILLION EURO</p>	<p>14 SPAIN  Home assistance services contract for the Provincial Council of Zamora, Spain</p>	<p>VALUE 13 MILLION EURO</p>
<p>5 SPAIN  Extension of the cleaning and disinfection service for the Police Directorate (DGP) and Civil Guard in Spain</p>	<p>VALUE 24 MILLION EURO</p>	<p>10 SPAIN  Extension of the home assistance service for the City Council of Seville, Spain</p>	<p>VALUE 15 MILLION EURO</p>	<p>15 SPAIN  Extension of the cleaning and disinfection service at the Vall D'Hebron Hospital in Catalonia, Spain</p>	<p>VALUE 12 MILLION EURO</p>

ACTIVITY IN 2020

The outbreak of the pandemic and the declaration of a state of emergency in March affected the company's activities in different ways. Diversification and the tremendous efforts of personnel meant that the significant impact that the pandemic has had on the Spanish economy was not passed on in full to the company: Clece's turnover fell by only 1.5% compared to 2019, with some activities growing and others declining. Growth was predominantly seen in the areas of Interior Cleaning and Safety in Spain and Social Services in England. The pandemic had a significant impact on Airport Services, Elderly Care Facilities, Nursery Schools and the Food Service industry due to the lockdowns.

Clece's services are primarily concentrated in the Public Administration sector, accounting for approximately 40% of turnover and with very positive performance compared to the previous year, with growth of 5.1% despite the pandemic. This is followed by the Social Services sector, which accounts for almost 35% of sales and has remained stable compared to last year.

Buildings Services continue to be the services that the company provides most, with this trend continuing in 2020 along the growth trajectory that began in 2018, and, as in the past, these remain the driver of the company's growth, posting an increase of almost 9%.

Clece continues to have a very high penetration in almost all activities in which it competes, despite the fact that the domestic market is in an adjustment phase given the current situation caused by COVID.

SOCIAL COMMITMENT

Clece's commitment to employment remains steady. The company has worked intensively to minimize the impact of temporary layoffs ("ERTE").

Despite this difficult situation, Clece has continued to support and care for vulnerable people and for those at risk of exclusion. In this regard, it provides vocational development opportunities for more than 9,027 people from disadvantaged groups (people with functional diversity, victims of gender-based violence, people at risk of social exclusion and unemployed youth).

During the pandemic, it is worth highlighting the solidarity and aid projects of the non-profit association Corazón y Manos, which is comprised of Clece employees and whose objective is to help those facing social emergency situations. The actions of the association are primarily reflected in solidarity projects, such as the collection of 60 tons of food for vulnerable families, employment inclusion programs and direct aid in specific cases.



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

HOME CARE SERVICE OF THE MADRID CITY COUNCIL



For more information:
Website (www.grupoacs.com)

CLIENT

Madrid City Council

CONTRACT TYPE

Home care service (SAD)

LOCATION

Madrid, Spain

AMOUNT

244.8 Million euro

COMPANIES INVOLVED IN THE PROJECT/ CONTRACT

CLECE

After more than eight years at the head of Madrid's home care service, Clece has a proven track record in offering high-quality services provided by highly qualified professionals. It provides home care service in eight City Council districts in Madrid: Retiro, Usera, Puente de Vallecas, Moratalaz, Villaverde, Villa de Vallecas, Vicálvaro and San Blas de Canillejas.

Clece provides a personalized care service through a person-centered model that adapts care and attention to the user's own profile. In order to do this and be a leading company in the sector, it has a multidisciplinary team made up of professionals in psychology, occupational therapies, podiatry, hairdressing and many others who help tailor the service to the specific needs of each user. In addition, home care service has an ethics committee that carefully studies cases that could be treated outside of the service.

Similarly, there is a mentor team that cares for and guides the home care service workers as well as dedicated care teams for cases where users may require some kind of reinforcement and have designed an itinerary-based training program that uniquely qualifies workers based on the assessment of several competencies.

Clece uses technological innovation to facilitate the lives of both users and home care service workers themselves, such as virtual assistants, peripheral devices, presence validation systems, etc.

In addition, during 2020 and early 2021, the health crisis has corroborated the professionalism of the nearly 3,900 Madrid City Council home care service workers, who currently serve nearly 30,000 service users.

Even in the worst times of the pandemic and in the months during the national lockdown, no home care service user was left unattended and everyone received the services that they needed, especially those that tested positive for COVID and needed special support to overcome the illness. To this end, protective equipment was distributed to workers, staff were trained to handle this equipment properly, and a suspected and confirmed case tracking team was established to focus on daily monitoring calls for both workers and service users.

Finally, it should be noted that Clece hired a team of 5 healthcare workers (doctors and nurses) and is conducting tests on an ongoing basis for all staff that make up the Madrid City Council home care service. A Pandemic Management Team was also created, which, in coordination with occupational risk prevention professionals, studies possible close contacts and coordinates traceability. A poster was designed with recommendations for services users and workers, and a mixed system of in-person and remote working was implemented for office staff in order to minimize personal interaction and thereby reduce the risk of infection.

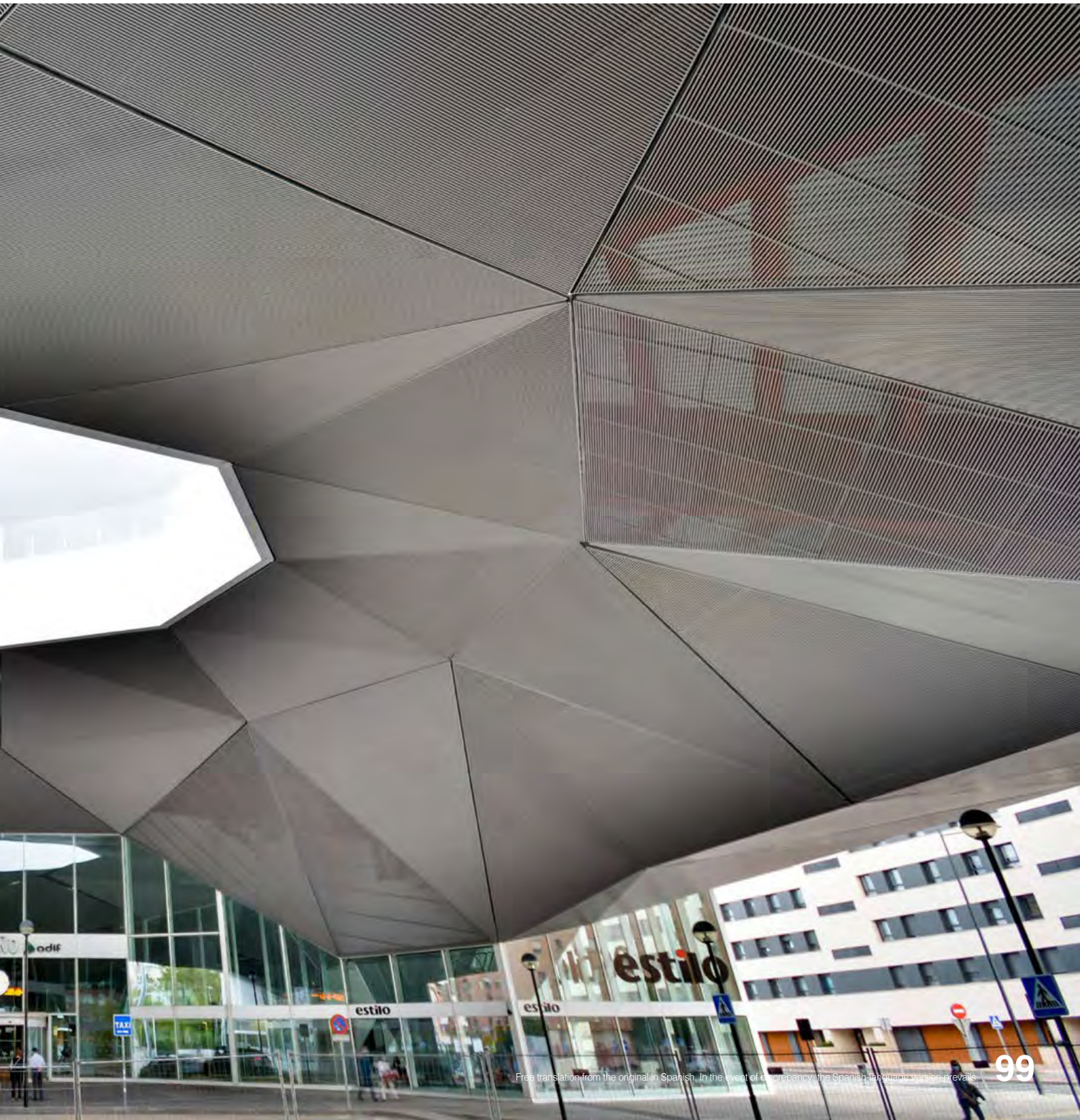
3,900
WORKERS FROM
THE MADRID CITY
COUNCIL HOME
CARE SERVICE
SERVE NEARLY
30,000
USERS



4. THE FINANCIAL MANAGEMENT IN 2020

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





4.1 INCOME STATEMENT

NOTE: In response to the request of the Spanish securities market supervisor (CNMV), and without this meaning that the Board of Directors of ACS shares the final conclusion of its analysis, in 2020 the ACS Group has modified the consolidation method applied to BICC and is now fully consolidated. Additionally, it has been considered as a discontinued operation in the financial information as of 31 December 2020 and the comparative figures for 2019 have been restated in the same sense. However, for management purposes, the reported figures of BICC have no material impact on the analysis of the Group's operating and financial performance detailed in this report.

CONSOLIDATED INCOME STATEMENT					
EURO MILLION	2019		2020		Var.
Net Sales	39,049	100.0 %	34,937	100.0 %	-10.5%
Other revenues	323	0.8 %	215	0.6%	-33.5%
Total Income	39,372	100.8 %	35,152	100.6 %	-10.7%
Operating expenses	(28,383)	(72.7 %)	(24,779)	(70.9 %)	-12.7%
Personnel expenses	(8,394)	(21.5 %)	(8,126)	(23.3 %)	-3.2%
Operating Results from Equity Method*	553	1.4 %	197	0.6 %	-64.4%
Operating Cash Flow (EBITDA)	3,148	8.1 %	2,444	7.0 %	-22.4%
Fixed assets depreciation	970	2.5 %	968	2.8 %	-0.1%
Current assets provisions	53	0.1 %	4	0.0 %	-92.6%
Ordinary Operating Profit (EBIT)	2,126	5.4 %	1,480	4.2 %	-30.4%
Impairment & gains on fixed assets	290	0.7 %	(38)	(0.1 %)	n.a
Other operating results	(69)	(0.2 %)	(32)	(0.1 %)	-53.0%
Operating Profit	2,346	6.0 %	1,409	4.0 %	-39.9%
Financial income	188	0.5 %	151	0.4 %	-19.7%
Financial expenses	(497)	(1.3 %)	(423)	(1.2 %)	-15.0%
Ordinary Financial Result	(310)	(0.8 %)	(272)	(0.8 %)	-12.2%
Foreign exchange results	4	0.0 %	(51)	(0.1 %)	n.a
Changes in fair value for financial instruments	30	0.1 %	78	0.2 %	n.a
Impairment & gains on financial instruments	3	0.0 %	109	0.3 %	n.a
Net Financial Result	(272)	(0.7 %)	(137)	(0.4 %)	-49.8%
Non Operating Results from Equity Method*	5	0.0 %	11	0.0 %	n.a
PBT of continued operations	2,079	5.3 %	1,283	3.7 %	-38.3%
Corporate income tax	(409)	(1.0 %)	(387)	(1.1 %)	-5.2%
Net profit of continued operations	1,670	4.3 %	896	2.6 %	-46.4%
Profit after taxes of the discontinued operations	(241)	(0.6 %)	0	0.0 %	n.a
Consolidated Result	1,429	3.7 %	896	2.6 %	-37.3%
Minority interest	(467)	(1.2 %)	(322)	(0.9 %)	-31.0%
Net Profit Attributable to the Parent Company	962	2.5 %	574	1.6 %	-40.3%

*Corresponds to BICC's contribution, net of minority interests.



SALES AND BACKLOG

Sales during the period accounted for € 34,937 million, decreasing by 10.5%, 5.6% adjusted by Gorgon's impact and exchange rate. The COVID-19 health measures implemented in 2020 in most countries had an impact on sales performance, with the greatest impact in the Asia Pacific and European regions.

Sales breakdown by geographical areas showed the diversification of the Group's revenue sources, where North America represented 52% of total sales, Asia Pacific 21%, Europe 21%, from which Spain represented 14%, and the remaining regions 7%.

SALES PER GEOGRAPHICAL AREAS

EURO MILLION	2019		2020		Var.
Europe	7,655	19.6 %	7,256	20.8%	-5.2%
North America	19,377	49.6 %	18,016	51.6%	-7.0%
South America	2,171	5.6 %	2,040	5.8%	-6.0%
Asia Pacific	9,569	24.5 %	7,200	20.6%	-24.8%
Africa	278	0.7 %	425	1.2%	+53.1%
TOTAL	39,049		34,937		-10.5%

SALES PER COUNTRIES

EURO MILLION	2019		2020		Var.
USA	16,932	43.4 %	15,746	45.1%	-7.0%
Australia	7,286	18.7 %	5,389	15.4%	-26.0%
Spain	5,419	13.9 %	4,943	14.1%	-8.8%
Canada	1,629	4.2 %	1,650	4.7%	+1.3%
Germany	751	1.9 %	955	2.7%	+27.2%
RoW	7,032	18.0 %	6,253	17.9%	-11.1%
TOTAL	39,049		34,937		-10.5%

North America remained stable thanks to the USA and Canadian markets' resilience, which in comparable terms, i.e. adjusted by exchange rate, showed slight variations in sales.

The activity in South America decreased by 6.0% after the impact of the exchange rate variation of Latam currencies; without these, growth was 12.6%.

Asia and Europe were more affected by the restrictions applied across almost all countries. In particular, activity in Europe decreased by 5.2%, mainly due to Spain that dropped 8.8% while Germany grew by 27.2%.

Sales' performance in Australia were particularly affected by Gorgon and the exchange rate variation. Without these impacts, sales dropped by 13.8% due to the impact of the pandemic in all activities.

BACKLOG PER GEOGRAPHICAL AREAS

EURO MILLION	Dec-19		Dec-20		Var.
Europe	14,300	18.4 %	15,098	21.8%	+5.6%
North America	33,485	43.1 %	30,634	44.3%	-8.5%
South America	5,001	6.4 %	3,553	5.1%	-29.0%
Asia Pacific	23,271	29.9 %	19,485	28.1%	-16.3%
Africa	1,698	2.2 %	457	0.7%	-73.1%
TOTAL	77,756		69,226		-11.0%

The Group's total Backlog as of December 2020 stood at € 69,226 million, 11.0% less than last year due to the impact of the exchange rate, mainly the U.S. dollar which was depreciated by 9.2%.

Adjusted by currency rate effects and perimeter changes, the Group's total Backlog decreased by 3.7% compared to the previous year, mainly in the Australian and Asian markets.

BACKLOG BY COUNTRIES

EURO MILLION	Dic-19		Dic-20		Var.
USA	28,319	36.4 %	26,700	38.6%	-5.7%
Australia	19,365	24.9 %	17,724	25.6%	-8.5%
Spain	7,464	9.6 %	7,995	11.5%	+7.1%
Canada	3,859	5.0 %	3,056	4.4%	-20.8%
Germany	3,008	3.9 %	3,493	5.0%	+16.1%
RoW	15,740	20.2 %	10,256	14.8%	-34.8%
TOTAL	77,756		69,226		-11.0%

The US' Backlog went up by 3.0% in local currency while the Spanish Backlog increased by 7.1% thanks to the entry of new renewable energy projects under promotion. The remaining countries in Europe grew by 3.9%, mainly supported by the German Backlog.

Australia's Backlog was affected by the severe national restrictions resulting from the pandemic, which led to delays in new projects awards.

OPERATING RESULTS

OPERATING RESULTS			
EURO MILLION	2019	2020	Var.
EBITDA	3,148	2,444	-22.4%
<i>EBITDA Margin</i>	<i>8.1%</i>	<i>7.0%</i>	
Depreciation	970	968	-0.1%
<i>Infrastructures</i>	<i>(843)</i>	<i>(834)</i>	
<i>Industrial Services</i>	<i>(88)</i>	<i>(94)</i>	
<i>Services</i>	<i>(37)</i>	<i>(39)</i>	
<i>Corporation</i>	<i>(1)</i>	<i>(1)</i>	
Current assets provisions	53	4	-92.6%
EBIT	2,126	1,480	-30.4%
<i>EBIT Margin</i>	<i>5.4%</i>	<i>4.2%</i>	

The Group's EBITDA, affected by the non-recurring impacts of CIMIC and the negative contribution of Abertis, amounted to € 2,444 million. Excluding these effects, EBITDA fell by 8.0%. The margin over sales, ex Abertis, stood at 7.3%, slightly lower than the previous year due to the change in the business mix.

EBIT reached € 1,480 million, decreasing by 30.4%. Adjusted by the same impacts on EBITDA, EBIT decreased by 7.6% and, the margin over sales, ex Abertis, stood at 4.7%, similar to the previous year.

The breakdown of the contribution to operating profit according to the consolidation method was as followed:

MAIN OPERATING FIGURES DETAIL

EURO MILLION	2019	2020	Var.
Backlog	77,756	69,226	-11.0%
Direct	72,781	59,774	-17.9%
Proportional ⁽¹⁾	4,975	9,452	+90.0%
Work Done	40,003	36,533	-8.7%
Direct	39,049	34,937	-10.5%
Proportional ⁽¹⁾	954	1,596	+67.3%
EBITDA	3,148	2,444	-22.4%
Direct	2,595	2,247	-13.4%
Operating equity method results ⁽²⁾	553	197	-64.4%
EBIT	2,126	1,480	-30.4%
Direct	1,572	1,283	-18.4%
Operating equity method results ⁽²⁾	553	197	-64.4%

1. Refers to the proportional stake of the operating Joint Ventures and projects not fully consolidated in the Group

2. Includes Abertis' contribution

NOTE: Backlog in 2020 reflects change from direct to proportional for Thiess.

FINANCIAL RESULTS

Ordinary financial result decreased by 12.2% thanks to the reduction of financial expenses due to lower average cost of financing.

Foreign exchange results had a substantial negative impact due to main local currencies depreciation, particularly the U.S. dollar. On its side, the impact on changes in fair value for financial instruments was due to derivatives linked to ACS' shares.

FINANCIAL RESULTS			
EURO MILLION	2019	2020	Var.
Financial income	188	151	-19.7%
Financial expenses	(497)	(423)	-15.0%
Ordinary Financial Result	(310)	(272)	-12.2%
Infrastructures	(213)	(190)	-10.7%
Industrial Services	(71)	(62)	-12.3%
Services	(7)	(4)	-40.8%
Corporation	(19)	(16)	-18.6%

EURO MILLION	2019	2020	Var.
Ordinary Financial Result	(310)	(272)	-12.2%
Foreign exchange results	4	(51)	
Changes in fair value for financial instruments	30	78	
Impairment & gains on financial instruments	3	109	
Net Financial Result	(272)	(137)	-49.8%

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NET PROFIT ATTRIBUTABLE

The Group's Net Profit in 2020 reached € 574 million. However, this figure included the impact of extraordinary non-operating results of € 28 million, related to the sale of Thiess in Australia and other non-recurring results. Adjusted by these impacts, the Group's net income in 2020 amounted to € 602 million, 37.4% less compared to the previous year.

This drop is mainly due to Abertis' performance, whose traffic was strongly affected by the COVID-19 confinement measures. Excluding the impact of Abertis, the Group's ordinary net profit decreased by 11.2%.

The effective corporate tax rate, excluding non-recurring impacts, stood at 29.3%, compared to 26.4% in the prior year.

NET PROFIT BREAKDOWN

EURO MILLION	Ordinary Result			Adjustments		Reported Result		
	2019	2020	Var.	2019	2020	2019	2020	Var.
Infrastructures ⁽¹⁾	613	321	-47.6%	(420)	(222)	193	99	-48.6%
Construction	358	322	-10.0%	(420)	(222)	(62)	100	n.a.
Concessions	255	(1)	n.a.			255	(1)	n.a.
Industrial Services ⁽²⁾	350	312	-10.8%	250		600	312	-48.0%
Services	38	18	-53.9%			38	18	-53.9%
Corporate HQ ⁽³⁾	(40)	(49)	23.6%	170	194	131	145	11.0%
TOTAL Net Profit	962	602	-37.4%	0	(28)	962	574	-40.3%

(1) The adjustments in 2019 relate to the provision for the exit of BICC, while in 2020 it is due to the amortization of Thiess goodwill.

(2) Capital gains on the sale of renewables.

(3) Reversal of provisions and results from financial derivatives.



4.2 CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET					
EURO MILLION	Dec-2019		Dec-2020		Var.
FIXED and NON-CURRENT ASSETS	14,544	36.6 %	13,019	34.9 %	-10.5%
Intangible Fixed Assets	4,284		3,784		-11.7%
Tangible Fixed Assets	2,763		2,072		-25.0%
Equity Method Investments	4,411		4,480		+1.5%
Non-current financial assets	971		776		-20.1%
Financial instrument debtors	7		18		n.a
Deferred Taxes Assets	2,106		1,889		-10.3%
CURRENT ASSETS	25,151	63.4 %	24,315	65.1 %	-3.3%
Non-Current Assets Held for Sale	2,111		3,181		+50.7%
Inventories	916		715		-21.9%
Accounts receivables	12,397		10,498		-15.3%
Other current financial assets	1,339		1,355		+1.2%
Financial instrument debtors	11		251		n.a
Other Short Term Assets	246		233		-5.1%
Cash and banks	8,131		8,081		-0.6%
TOTAL ASSETS	39,695	100.0 %	37,334	100.0 %	-5.9%
NET WORTH	5,506	13.9%	4,276	11.5 %	-22.3%
Equity	4,777		4,197		-12.1%
Value change adjustments	(356)		(669)		+87.7%
Minority Interests	1,085		747		-31.1%
NON-CURRENT LIABILITIES	9,533	24.0%	10,606	28.4 %	+11.3%
Subsidies	3		3		+29.2%
Long Term Provisions	1,380		1,276		-7.5%
Long Term Financial Liabilities	6,839		8,370		+22.4%
Bank loans and debt obligations	6,556		8,180		+24.8%
Project Finance	122		73		-40.1%
Other financial liabilities	161		117		-27.2%
LT Operating Lease liabilities	687		473		-31.2%
Financial Instruments Creditors	72		50		-31.1%
Long term deferred tax liabilities	383		320		-16.3%
Other Long Term Accrued Liabilities	169		113		-33.1%
CURRENT LIABILITIES	24,656	62.1%	22,452	60.1 %	-8.9%
Liabilities from Assets Held for Sale	1,187		2,246		+89.2%
Short Term Provisions	1,326		921		-30.5%
Short Term Financial Liabilities	3,651		2,886		-20.9%
Bank loans and debt obligations	3,470		2,781		-19.8%
Project Finance	19		16		-12.9%
Other financial liabilities	162		89		-45.4%
ST Operating Lease liabilities	321		192		-40.2%
Financial Instruments Creditors	28		155		n.a
Trade accounts payables	17,586		15,824		-10.0%
Other Short Term liabilities	556		227		-59.2%
TOTAL EQUITY & LIABILITIES	39,695	100.0%	37,334	100.0 %	-5.9%

NON-CURRENT ASSETS

Intangible assets, which amounted to €3,784 million, included goodwill from past strategic transactions. From these, the most relevant are € 743 million that came from ACS and Dragados Group merger in 2003, and € 1,144 million from HOCHTIEF's acquisition in 2011. The rest corresponded to the integration of various companies in the Group, mainly HOCHTIEF's companies.

Investment balance held by the Equity Method included the stake in Abertis held by ACS and HOCHTIEF, holdings from HOCHTIEF's associated companies, Iridium concessions and certain energy assets from Industrial Services. Concretely, ACS stake (30%) accounted for € 1,715 million, while HOCHTIEF's (20% minus one share) amounted to € 1,153 million. Therefore, total impact on ACS Group balance sheet stood at € 2,868 million.

WORKING CAPITAL

WORKING CAPITAL EVOLUTION

EURO MILLION	Dec-19*	Mar-20	Jun-20	Sep-20	Dec-20
Infrastructures	(5,862)	(3,613)	(3,926)	(2,979)	(4,579)
Industrial Services	(1,350)	(1,199)	(1,274)	(1,213)	(1,399)
Services	(31)	(2)	(35)	19	(31)
Corporation	128	(36)	(5)	(33)	395
TOTAL	(7,116)	(4,849)	(5,241)	(4,206)	(5,614)

* Excluding BICC.

Net working capital in 2020 decreased its balance by € 1,502 million. This is due, on one side, to the payments related to the exit from BICC (€ 844 million) and, on the other side, to the lesser

use of factoring, which decreased by € 767 million (including € 274 million from the sale of Thiess) to € 1,438 million.

NET WORTH

ACS Group Net worth accounted for € 4,276 million at period-end.

The impact on adjustments from value changes was mainly due to the Australian dollar depreciation and other Latin-American currencies during the period, as well as impacts from coverages.

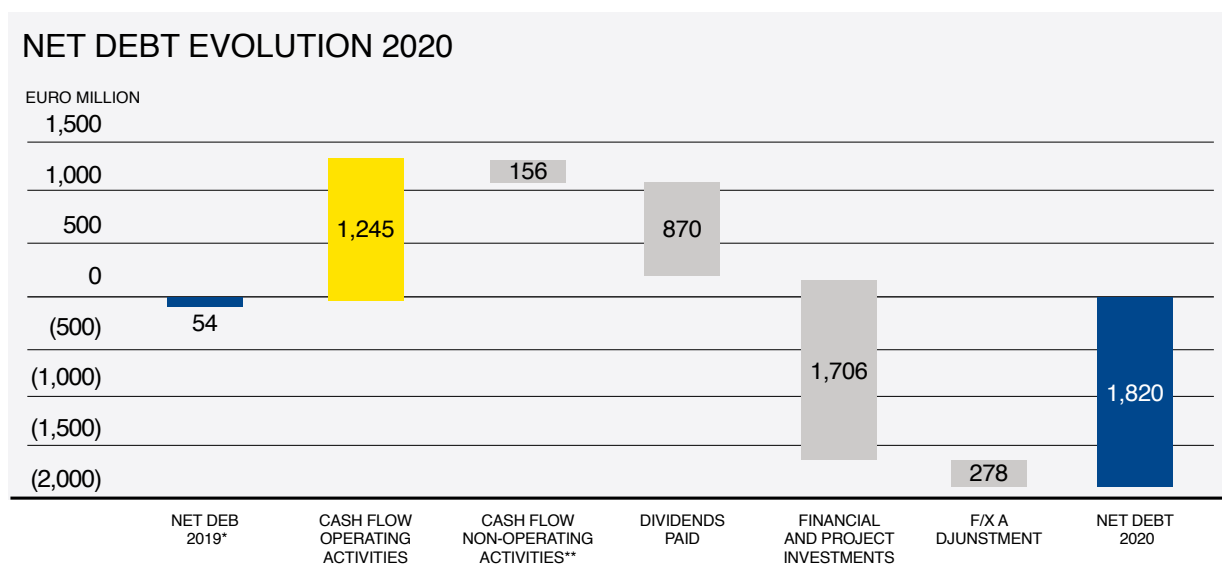
The reduction in the minority interest's balance was due to the purchase of treasury shares in HOCHTIEF and CIMIC as well as HOCHTIEF's dividend payments.

NET WORTH

EURO MILLION	Dec-19	Dec-20	Var.
Shareholders' Equity	4,777	4,197	-12.1%
Adjustment s from Value Changes	(356)	(669)	+87.7%
Minority Interests	1,085	747	-31.1%
Net Worth	5,506	4,276	-22.3%

NET DEBT

The Group maintained a € 1,820 million net debt position as of December 31st 2020, 0.7x annualized EBITDA.



* Excluding the net debt balance of BICC.

** Referring to proceeds from the sale of 50% of Thiess, payments for BICC's exit, reduction of the factoring balance and the cost of derivatives in Corporation.

This figure was € 1,766 million higher than a year ago after the Group dedicated more than € 1,700 million to capital investments in projects (€ 908 million), mainly in renewable energy, and to financial investments (€ 798 million), basically the increase in Hochtief's and Cimic's stake for € 443 million and the increase in ACS treasury stock for € 355 million.

ACS Group has intended € 870 million for the distribution of dividends among its shareholders (€ 626 million, of which 59% in ACS shares) and its minority shareholders (€ 244 million), mainly from Hochtief.

NET DEBT (31 DECEMBER 2020)

NET DEBT (€ MN)	Infrastructures	Industrial Services	Services	Corporation	Adjust.	ACS Group
LT loans from credit entities	3,029	27	198	1,789	0	5,043
ST loans from credit entities	1,080	494	112	152	0	1,838
Debt with Credit Entities	4,109	521	310	1,940	0	6,880
Bonds	1,881	794	0	1,406	0	4,081
Non Recourse Financing	86	4	0	0	0	89
Other financial liabilities	148	24	1	0	0	173
Total External Gross Debt	6,224	1,343	310	3,346	0	11,224
Net debt with Group's companies & Affiliates	19	16	0	0	(3)	32
Total Gross Financial Debt	6,243	1,359	310	3,346	(3)	11,256
ST & other financial investments	766	473	1	119	(3)	1,355
Cash & Equivalents	6,432	1,365	136	147	0	8,081
TOTAL CASH AND EQUIVALENTS	7,198	1,838	137	266	(3)	9,436
(NET FINANCIAL DEBT) / NET CASH POSITION	955	479	(173)	(3,081)	0	(1,820)

4.3 NET CASH FLOWS

NET CASH FLOWS*						
EURO MILLION	2019			2020		
	Total	HOT	ACS exHOT	Total	HOT	ACS exHOT
Funds from Operating activities	2,164	1,330	834	1,454	889	565
Dividends from Abertis	432	173	259	432	173	259
Cash Flow from Operating Activities before Working Capital	2,596	1,503	1,093	1,886	1,061	824
Factoring var.**	(21)	31	(52)	(493)	(355)	(137)
WC var. ex factoring	(196)	69	(265)	(220)	37	(257)
Net CAPEX	(659)	(518)	(141)	(485)	(371)	(114)
Net Operating Cash Flow from continuing activities**	1,720	1,084	636	689	372	317
Financial Investments/Disposals	(690)	(221)	(468)	350	663	(313)
Operating Leases (IFRS16)	(387)	(301)	(86)	(380)	(299)	(81)
Payments to BICC	(246)	(246)	n.a	(844)	(844)	n.a
Other Financial Sources	(33)	(0)	(33)	(84)	(0)	(84)
Free Cash Flow	364	315	49	(269)	(108)	(161)
Dividends paid	(486)	(285)	(201)	(490)	(234)	(256)
Intra group Dividends	0	(177)	177	0	(207)	207
Treasury Stock	(568)	0	(568)	(736)	0	(736)
Total Cash Flow Generated / (Consumed)	(689)	(147)	(542)	(1,495)	(549)	(946)
Perimeter change (Increase)/decrease	567	78	488	(5)	(187)	182
Exchange rate (Increase)/decrease	66	35	30	(266)	(175)	(91)
Total Net Debt variation in the Balance Sheet	(57)	(33)	(24)	(1,766)	(911)	(855)

*This statement of net cash flows does not include the contribution of BICC, consolidated in the annual accounts of ACS as a discontinued operation, but does include the payments made by Cimic in relation to its exit from BICC.

**The variation in factoring is considered as a financial flow. Excluding this, the Adjusted Free Cash Flow amounts to € 1,181 million.





CASH FLOW FROM OPERATING ACTIVITIES

In 2020, the ACS Group's activities generated a total of € 1,245 million, thanks to the good performance of the American and European markets, the funds generated from the rotation of concessional and energy assets and the dividends received from Abertis. The diversification of cash generation sources and efficient control of working capital explain this positive development.

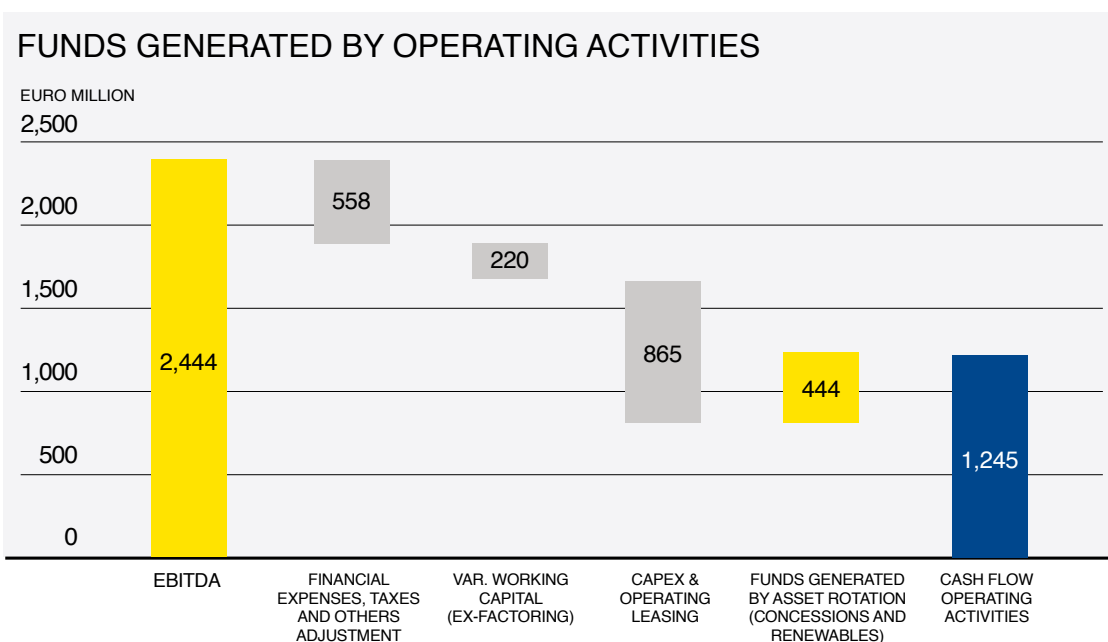
Cash flow from operating activities before working capital variations amounted to € 1,886 million.

2020 operating working capital ex factoring variation resulted in a € 220 million cash outflow, with a € 1,300 million inflow in the last quarter of the year, in line with the seasonality of ACS' activities.

The ACS Group's capital expenditure (CAPEX) and operating lease payments amounted to € 865 million in 2020, broken down as follows:

- Net operating investments stood at € 485 million and corresponded to the acquisition of machinery and equipment for the Group's various projects, mainly in the mining, civil works and industrial installations areas.
- Financial leasing payments related to the use of industrial machinery and vehicles amounted to € 380 million.

The cash flows generated by renewable assets' and infrastructure concessions' rotation corresponded to the partial sale of photovoltaic assets in Spain to Galp for an amount of € 336 million, and to Iridum from the sale of interests in shadow toll concessions in Spain (€ 108 million).





CASH FLOW FROM INVESTMENTS

ACS Group total net investment accounted for in 2020, amounted to € 304 million.

Financial and Project net investment reached € 180 million and are detailed as follows:

- Infrastructure's area invested around € 784 million, from which € 443 million were devoted to the purchase of HOT and CIMIC shares and, € 276 million corresponded to investments in PPP projects and JV in America. On its side, divestments included the sale of Thies for € 1,342 million.
- Industrial Services area devoted gross € 838 million (€ 561 million equity and remaining with

project debt) to the development of energy assets, which included:

- Thermosolar and photovoltaic plants in America and Spain (€ 274 million).
- Floating and onshore wind farms (€ 256 million), including the Kincardine floating offshore wind farm in Scotland (€ 206 million) and onshore wind farms in Latin America (€ 50 million).
- Offshore platform KA-KU-A1 for a gas extraction and compression station in Mexico (€ 120 million).
- Water treatment plant in Chile (€ 79 million).
- High voltage lines in Brazil (€ 50 million).
- Other energy projects (€ 59 million).

INVESTMENTS BREAKDOWN 2020

EURO MILLION	Operating Investments	Operating divestments	NET Operating CAPEX	Project / Financial Investments	Financial Divestments	Net Project / Financial invesments	Total Net Investments
Infrastructures	461	(51)	409	784	(1,642)	(858)	(448)
Dragados	63	(25)	38	(0)	(0)	(0)	38
Hochtief	397	(26)	371	743	(1,406)	(663)	(292)
Iridium	0	0	0	42	(236)	(194)	(194)
Industrial Services	65	(6)	59	838	(166)	672	731
Services	19	(3)	16	5	(0)	5	21
Corporation	0	0	0	(0)	(0)	(0)	0
TOTAL	545	(61)	485	1,628	(1,808)	(180)	304

OTHER CASH FLOWS

Dividends paid in cash by the Group during the last 12 months amounted to € 490 million. Likewise, during the term ACS allocated € 736 million to share's buyback, which were mostly intended for scrip dividend purposes.

CIMIC payments related to BICC amounted to € 844 million during the period.

Furthermore, "other financial resources" item worth € 84 million corresponded mainly to premiums from derivatives over treasury shares in ACS Corporation.

4.4 DESCRIPTION OF MAIN RISKS AND UNCERTAINTIES

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

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

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

a) Risks arising from changes in the cash flow interest rates are mitigated by ensuring rates through financial instruments which may cushion its fluctuation.

b) Risk management related to exchange rates is carried out by taking debt in the same functional currency as that of the assets that the Group finances overseas. To cover net positions in currencies other than the euro, the Group arranges various financial instruments in order to reduce such exposure to exchange rate risks.

c) The most important aspects impacting the financial risks of ACS during 2020 are:

- ACS, Actividades de Construcción y Servicios, SA, has renewed the Euro Commercial Paper (ECP) program for a maximum amount of € 750 million, the Negotiable European Commercial Paper program (NEU CP) for a maximum amount of € 300 to € 500 million, and the debt issuance program called Euro Medium Term Note Program (EMTN Program) for a maximum amount of € 1,500 million. From this last one, a total amount of € 750 million has been issued in 2020 first half with a request that has doubled the issuing amount.



- The AGM held on May 8th 2020 agreed to delegate to the Board of Directors the power to increase, once or several times, the Company's share capital by a maximum amount of up to 50% of the capital, within a maximum term of five years from the date of the aforementioned AGM.
- In March 2021, the rating agency Standard and Poor's (S&P) awarded ACS, Actividades de Construcción y Servicios, S.A. a long-term corporate credit rating of BBB- and a short-term rating of A-3, with a stable outlook. Likewise, Hochtief and Cimic have obtained the same credit rating.

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

For the next six months, from the closing date of the accounts referred to in this document, ACS Group, based on information currently available, does not expect to deal with situations of risk and uncertainty significantly different to those of the last year, particularly those derived from the internationalization of the Group's activities, but particularly the ones derived from the uncertainty about the duration and degree of incidence on COVID 19 pandemic. Therefore, depending on, among others, the possible restrictions on the free movement of people (quarantine or lockdown), temporary closure of industries and/ or customs, etc. that different authorities could impose in countries where the Group operates, the impact of which, to the present date, cannot be foreseen neither in the economies of those countries nor on the operations of ACS Group in particular.



4.5 EVOLUTION OF THE INFRASTRUCTURE BUSINESS AREA

INFRASTRUCTURES			
EURO MILLION	2019	2020	Var.
Turnover	30,955	27,559	-11.0%
EBITDA	2,421	1,781	-26.4%
<i>Margin</i>	<i>7.8%</i>	<i>6.5%</i>	
EBIT	1,538	964	-37.3%
<i>Margin</i>	<i>5.0%</i>	<i>3.5%</i>	
Net Profit	192	99	-48.3%
<i>Margin</i>	<i>0.6%</i>	<i>0.4%</i>	
Backlog	64,969	57,609	-11.3%
<i>Months</i>	<i>24</i>	<i>24</i>	

NOTE: Infrastructures includes Construction and Concessions activities.

Sales in Infrastructure reached € 27,559 million, meaning 11.0% decrease compared to the previous year. This figure included the negative impact of the arbitration of the Gorgon project in Australia, reducing the sales figure by € 725 million. Adjusted by this accounting effect and the currency effect, sales fell by 6.4%, especially due to the performance in Australia (-23% in local currency), whose market was more affected due to the activity stoppage caused by COVID-19. On the other side, production in Europe (+0.8%) and North America (-2.6% in local currency) was more stable.

Operating results were impacted by Abertis, whose contribution to the Group was negative € 43 million. Excluding Abertis, EBITDA accounted for € 1,824 million and EBIT reached € 1,006 million, decreasing by 13.8% and 18.5%, respectively.

Net Profit, not considering Abertis' impact contribution, reached € 134 million.

Backlog at period-end stood at € 57,609 million, equivalent to two years of production.

Backlog decreased by 7.7% in North America, mainly affected by U.S. dollar depreciation. Adjusted by currency effects, US' Backlog grew by around 4% compared to the previous year.

In Asia Pacific, Backlog went down by 15.2%. The impact of the pandemic on the Asia Pacific region caused a general delay in new project awards.

EURO MILLION	SALES PER GEOGRAPHICAL AREAS					BACKLOG PER GEOGRAPHICAL AREAS				
	2019	% weight	2020	% weight	Var.	Dec-19	% weight	Dec-20	% weight	Var.
Spain	1,359	4.4%	1,366	5.0%	+0.5%	2,333	3.6%	2,238	3.9%	-4.1%
Rest of Europe	1,690	5.5%	1,706	6.2%	+1.0%	5,959	9.2%	5,975	10.4%	+0.3%
North America	18,276	59.0%	17,313	62.8%	-5.3%	32,073	49.4%	29,619	51.4%	-7.7%
South America	374	1.2%	324	1.2%	-13.4%	1,272	2.0%	856	1.5%	-32.7%
Asia Pacific	9,200	29.7%	6,763	24.5%	-26.5%	22,311	34.3%	18,921	32.8%	-15.2%
Africa	56	0%	86	0.3%	n.a.	1,021	1.6%	0	0.0%	n.a.
TOTAL	30,955	100%	27,559	100%	-11.0%	64,969	100%	57,609	100%	-11.3%

CONSTRUCTION

CONSTRUCTION	DRAGADOS			HOCHTIEF (ACS CONTR.)			ADJUSTMENTS		TOTAL		
	2019	2020	% Var.	2019	2020	Var.	2019	2020	2019	2020	Var.
EURO MILLION											
Sales	5,015	4,518	-9.9%	25,852	22,954	-11.2%	0	0	30,867	27,472	-11.0%
EBITDA	293	264	-10.1%	1,893	1,750	-7.6%	(123)	(223)	2,063	1,790	-13.2%
<i>Margin</i>	5.8%	5.8%		7.3%	7.6%		n.a	n.a	6.7%	6.5%	
EBIT	200	216	+7.9%	1,165	1,040	-10.7%	(168)	(268)	1,196	988	-17.4%
<i>Margin</i>	4.0%	4.8%		4.5%	4.5%				3.9%	3.6%	
Net Financial Results	(63)	(67)		(131)	(154)		(0)	(0)	(195)	(221)	
Equity Method	0	0		0	0		0	0	0	0	
Other Results & Fixed Assets	7	10		16	(4)		0	(0)	24	5	
EBT	144	158	+9.7%	1,050	882	-16.0%	(168)	(268)	1,025	772	-24.7%
Taxes	(28)	(50)		(258)	(332)		14	40	(272)	(343)	
Minorities	(0)	(1)		(482)	(329)		80	2	(402)	(329)	
Profit after taxes of the discontinued operations				(414)			0		(414)		
Net Profit	117	107	-8.2%	(104)	220	n/a	(75)	(227)	(62)	100	n/a
<i>Margin</i>	2.3%	2.4%		-0.4%	1.0%				-0.2%	0.4%	
Backlog	13,607	11,769	-13.5%	51,362	45,840	-10.8%	n.a	n.a	64,969	57,609	-11.3%
<i>Months</i>	33	31		23	22				24	24	

*Corresponds to BICC's contribution, net of minority interests

Note: The column "Adjustments" includes the removal of Abertis' contribution through HOCHTIEF, PPA adjustments, PPA depreciation, and the derecognition of goodwill attributed to Thiess.

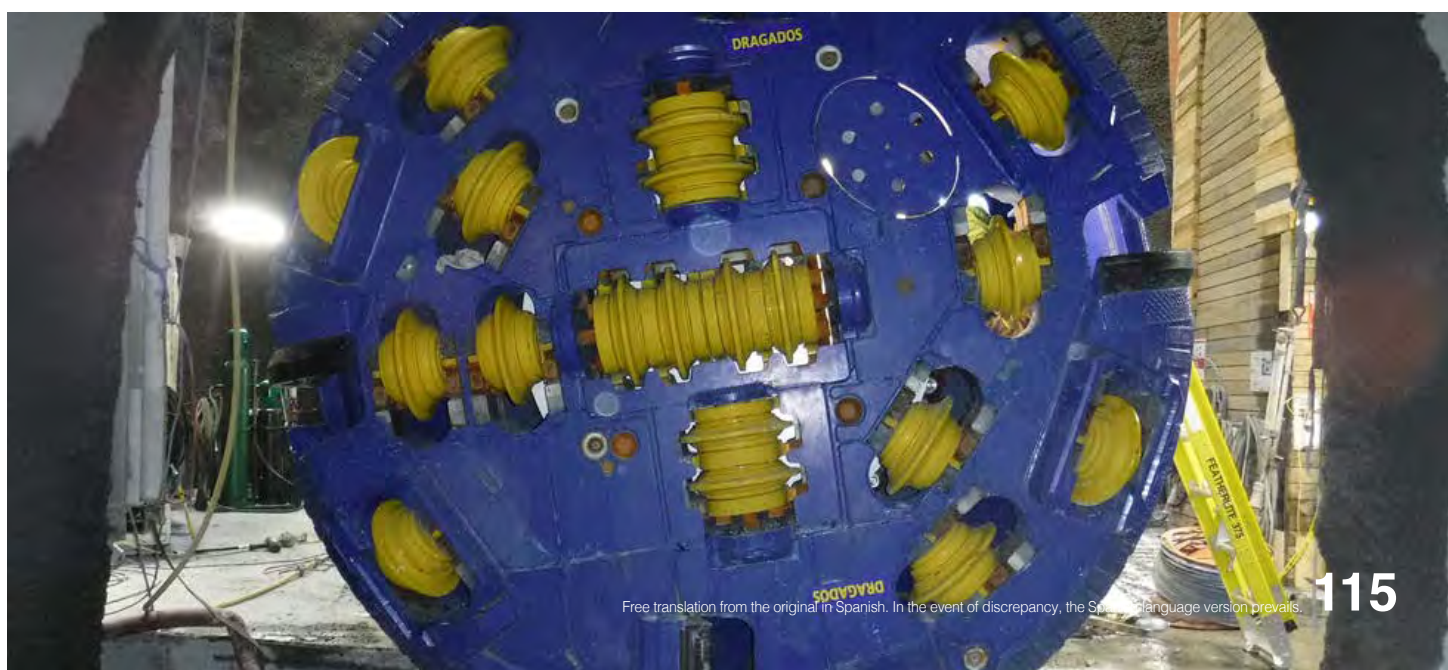
Dragados Net Profit stood at € 107 million despite the impact of the pandemic, which caused sales to fall by 9.9%. The EBITDA margin remained stable, while EBIT improved significantly due to lower project-related provisions compared to the previous year.

Likewise, HOCHTIEF showed resilience while facing the pandemic reaching a Net Profit of € 427 million despite the impact of the pandemic on its main regions and in Abertis' contribution.

Sales reflected the impact from Gorgon; which adjusted by this accounting effect and the impact of

the exchange rate, went down by 6.2%. Operating margins increased in core areas except for Abertis' contribution, which disrupted EBITDA's growth. Nonetheless, the greatest weight of Turner's activity, altogether with a lower risk profile, made business mix vary driving to a slight decrease in operating margins.

HOCHTIEF's Net Profit reached € 427 million, affected by Abertis' negative contribution during the period (€ 17 million). In 2019, provisions for the exit from the Middle East (BICC) were included. Therefore, in comparable terms, net income decreased by 8.9%.



HOCHTIEF AG

	AMERICA			ASIA PACIFIC			EUROPE			HOLDING		TOTAL		
EURO MILLION	2019	2020	VAR.	2019	2020	VAR.	2019	2020	VAR.	2019	2020	2019	2020	VAR.
Sales	15,328	14,676	-4.3%	9,143	6,886	-24.7%	1,233	1,271	+3.1%	148	121	25,852	22,954	-11.2%
EBITDA	398	430	+8.2%	1,334	1,264	-5.3%	97	111	+13.9%	64	(55)	1,893	1,750	-7.6%
<i>Margin</i>	2.6%	2.9%		14.6%	18.3%		7.9%	8.7%				7.3%	7.6%	
EBIT	318	344	+8.4%	755	698	-7.5%	32	57	+80.5%	61	(60)	1,165	1,040	-10.7%
<i>Margin</i>	2.1%	2.3%		8.3%	10.1%		2.6%	4.5%				4.5%	4.5%	
Net Financial Results	(8)	(16)		(149)	(161)		10	(16)		16	39	(131)	(154)	
Equity Method	0	0		0	0		0	0		0	0	0	0	
Other Results & Fixed Assets	(0)	(3)		6	(3)		12	2		(2)	(0)	16	(4)	
EBT	310	326	+5.2%	612	534	-12.7%	54	43	-20.2%	75	(21)	1,050	882	-16.0%
Taxes	(51)	(44)		(185)	(226)		(9)	(4)		(13)	(58)	(258)	(332)	
Minorities	(46)	(45)		(133)	(78)		1	1		0	(0)	(178)	(122)	
Profit after taxes of the discontinued operations				(820)								(820)		
Net Profit	212	237	+11.4%	(526)	230	n/a	45	40	-11.7%	62	(79)	(206)	427	n/a
<i>Margin</i>	1.4%	1.6%		-5.8%	3.3%		3.7%	3.2%				-0.8%	1.9%	

* Corresponds to BICC's contribution, net of minority interests.

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

- HOCHTIEF America's showed resilience in its business with an 11.4% year-on-year growth in Net Profit reaching € 237 million, thanks to the significant improvement in operating margins and the lower tax burden. HOCHTIEF America's sales declined by 4.3%, or 2.7% in local currency, due to the impact of the pandemic, mainly in the US where the Group was experiencing double-digit growth.
- Sales in Asia Pacific (CIMIC) decreased by 14.2% (adjusted by the isolated impact of Gorgon), affected by the impact of COVID-19 in the region, that led to delays in the projects' execution and, by the Australian dollar depreciation. Operating margins, excluding the extraordinary impacts of Gorgon and Thies transaction, improved due to the business mix. Net Profit amounted to € 230 million while in the previous year, net profit reflected the impact of provisions for the Middle East exit (BICC).
- Europe showed a positive sale's evolution despite COVID-19; particularly, thanks to the good performance in Germany. Likewise, operating margins improved significantly.
- Holding's Net Profit included Abertis' net contribution in the period from HOCHTIEF's stake amounting to negative € (17) million, in contrast with the positive € 122 million from the last period.



CONCESSIONS

CONCESSIONS			
EURO MILLION	2019	2020	Var.
Sales	88	87	-1.3%
Iridium	88	87	
Abertis	-	-	
EBITDA	358	(9)	-102.6%
Iridium	52	34	
Abertis	306	(43)	
EBIT	341	(24)	-107.0%
Iridium	36	19	
Abertis	306	(43)	
Net Profit	255	(1)	-100.4%
Iridium	10	33	
Abertis	245	(35)	

IRIDIUM

The sale of 74% of the capital of a holding that had all the stake in six shadow toll concession in Spain was agreed in 2019 last quarter. This transaction was completed in 2020 first half.

Iridium, apart from holding 26% stake in the company owner of the concessions, continues managing and operating these assets.

ABERTIS

Abertis' contribution to the Group's Net profit amounted to negative € 34.5 million, from which € 25.6 million corresponded to ACS direct stake, and the remaining € 8.9 million, corresponded to the indirect stake through HOCHTIEF, once minority interests were deducted.

Abertis was substantially affected by the lockdown and mobility restrictions introduced in most of the countries where it operates, causing drastic falls in the average daily traffic since mid-March 2020, with sharp declines in the second quarter of the year. Abertis' revenues dropped by 24% and EBITDA by 30%; therefore it had a negative contribution to ACS's net profit € (35) million, i.e. € 280 million less than the previous year.

Abertis paid € 875 million in dividends to its shareholders in 2020, of which ACS received a total amount of € 432 million.

In June, Abertis completed the acquisition of Red de Carreteras de Occidente (RCO) in Mexico, one

of the largest highway operators in the country. The 53% investment rose up to € 1,477 million.

Moreover, in December 2020, Abertis and Manulife Investment Management closed the acquisition of 100% of Elizabeth River Crossings (ERC), in Hampton Roads (Virginia), for approximately € 1,000 million, leaving Abertis with a 55.2% stake in the acquiring consortium. The integration of this asset would strengthen Abertis' growth platform in the United States, and would facilitate the analysis of future opportunities.

ABERTIS			
EURO MILLION	2019	2020	Var.
Sales	5,361	4,054	-24%
EBITDA	3,737	2,628	-30%
Net Profit (Pre PPA)	1,101	375	-66%
Net Debt	21,017	23,626	+12%

4.6 EVOLUTION OF THE INDUSTRIAL SERVICES BUSINESS AREA

Sales in Industrial Services accounted for € 5,850 million, decreasing by 10.4%, 2.8% adjusted by exchange rate effects.

EBITDA in 2020 amounted to € 661 million, 4.6% less. However, EBITDA adjusted by exchange rate increased by 5.5% due to American currencies depreciation against the euro. Margin over sales was 11.3%, 70 b.p. higher than the previous year due to the business mix, given the good

performance of higher margin activities, such as renewables and specialized products.

Net profit accounted for € 312 million, 48.0% lower than in 2019. The decline is due to the capital gain on the sale of the photovoltaic plants located in Spain to Galp recorded in 2019, amounting to € 250 million. Excluding this non-recurring impact, net profit on Industrial Services area decreased by 10.9% compared to the previous year.

INDUSTRIAL SERVICES			
EURO MILLION	2019	2020	Var.
Turnover	6,530	5,850	-10.4%
EBITDA	693	661	-4.6%
<i>Margin</i>	<i>10.6%</i>	<i>11.3%</i>	
EBIT	594	557	-6.2%
<i>Margin</i>	<i>9.1%</i>	<i>9.5%</i>	
Net Profit	600	312	-48.0%
<i>Margin</i>	<i>9.2%</i>	<i>5.3%</i>	
Backlog	9,924	8,916	-10.2%
<i>Months</i>	<i>18</i>	<i>18</i>	



EURO MILLION	SALES PER GEOGRAPHICAL AREAS			BACKLOG PER GEOGRAPHICAL AREAS		
	2019	2020	Var.	Dec-19	Dec-20	Var.
Spain	2,612	2,167	-17.0%	2,531	3,267	+29.1%
Rest of Europe	430	488	+13.4%	615	917	+49.2%
North America	1,102	703	-36.2%	1,412	1,015	-28.1%
South America	1,796	1,716	-4.5%	3,729	2,697	-27.7%
Asia Pacific	368	437	+18.5%	960	564	-41.3%
Africa	222	339	+52.7%	677	457	-32.5%
TOTAL	6,530	5,850	-10.4%	9,924	8,916	-10.2%

Backlog amounted to € 8,916 million, equivalent to 19 months, 1.8% less adjusted by exchange rate. International Backlog represented 63.4% of total.

The good evolution of new awards stood out in the European market, mainly in Spain, thanks to the entry of new renewable energy projects.

TURNOVER BREAKDOWN BY ACTIVITY			
EURO MILLION	2019	2020	Var.
Support Services	3,714	3,729	+0.4%
Networks	680	569	-16.3%
Specialized Products	2,125	2,304	+8.4%
Control Systems	909	855	-5.9%
EPC Projects	2,783	2,073	-25.5%
Renewable Energy: Generation	42	53	+25.7%
Consolidation Adjustments	(9)	(5)	
TOTAL	6,530	5,850	-10.4%
International	3,919	3,683	-6.0%
% over total sales	60.0%	63.0%	

BACKLOG PER ACTIVITY			
EURO MILLION	Dec-19	Dec-20	Var.
Support Services	5,339	4,664	-12.7%
Networks	628	599	-4.6%
Specialized Products	3,323	2,719	-18.2%
Control Systems	1,388	1,346	-3.1%
EPC Projects	4,534	4,176	-7.9%
Renewable Energy: Generation	51	77	n.a
TOTAL BACKLOG	9,924	8,916	-10.2%
International	7,393	5,649	-23.6%
% over total backlog	74.5%	63.4%	



4.7 EVOLUTION OF THE SERVICES BUSINESS AREA

The impact of COVID outbreak on Services' activity was uneven. On the one hand, there was a reinforcement of some cleaning and disinfection of critical facilities such as hospitals or public dependencies. On the other hand, there was a drastic reduction of cleaning services of social infrastructure that temporarily ceased their activity such as schools, leisure centres, non-essential facilities and air transport. The impact on margins was due to a cost overrun of specific materials for users and workers' health safety and the social coverage of the latter.

EBITDA for Services area reached € 61 million, down by € 33 million as a result of the substantial increase in costs arising from the COVID-19 related occupational health and safety action plans, mainly during the second quarter of the year.

Likewise, Clece contributed its technical and human resources to the services of society, carrying out various activities altruistically.

SERVICES			
EURO MILLION	2019	2020	Var.
Turnover	1,579	1,555	-1.5%
EBITDA	94	61	-34.8%
<i>Margin</i>	<i>5.9%</i>	<i>3.9%</i>	
EBIT	57	21	-63.0%
<i>Margin</i>	<i>3.6%</i>	<i>1.3%</i>	
Net Profit	38	18	-53.9%
<i>Margin</i>	<i>2.4%</i>	<i>1.1%</i>	
Backlog	2,863	2,701	-5.6%
<i>Months</i>	<i>22</i>	<i>21</i>	

Services Backlog reached € 2,701 million, equivalent to over 21 months of production.

SALES PER GEOGRAPHICAL AREAS			
EURO MILLION	2019	2020	Var.
Spain	1,463	1,437	-1.8%
United Kingdom	92	98	+5.6%
Portugal	23	20	-12.3%
TOTAL	1,579	1,555	-1.5%

BACKLOG PER GEOGRAPHICAL AREAS			
EURO MILLION	Dec-19	Dec-20	Var.
Spain	2,600	2,490	-4.2%
United Kingdom	186	136	-26.6%
Portugal	77	75	-2.9%
TOTAL	2,863	2,701	-5.6%



5. CONSOLIDATED NON-FINANCIAL STATEMENT

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





5.0 ACS GROUP BUSINESS MODEL

The ACS Group is a worldwide reference in the construction and services business. As a global company, it participates in developing key sectors for the world economy, while at the same time maintaining a commitment to the economic and social progress of the countries in which it operates.

The ACS Group has consolidated a business model characterised by its broad geographic and activity diversification. The main areas of the Group are divided into:

a) Infrastructure

This area comprises the Construction and Concession activities through the companies Dragados, HOCHTIEF (including CIMIC), Iridium and the stake in Abertis, and is aimed at executing all types of civil works, building projects, as well as activities related to the mining sector (carried out by CIMIC, mainly in the Asia Pacific region), and developing and operating transport concessions.

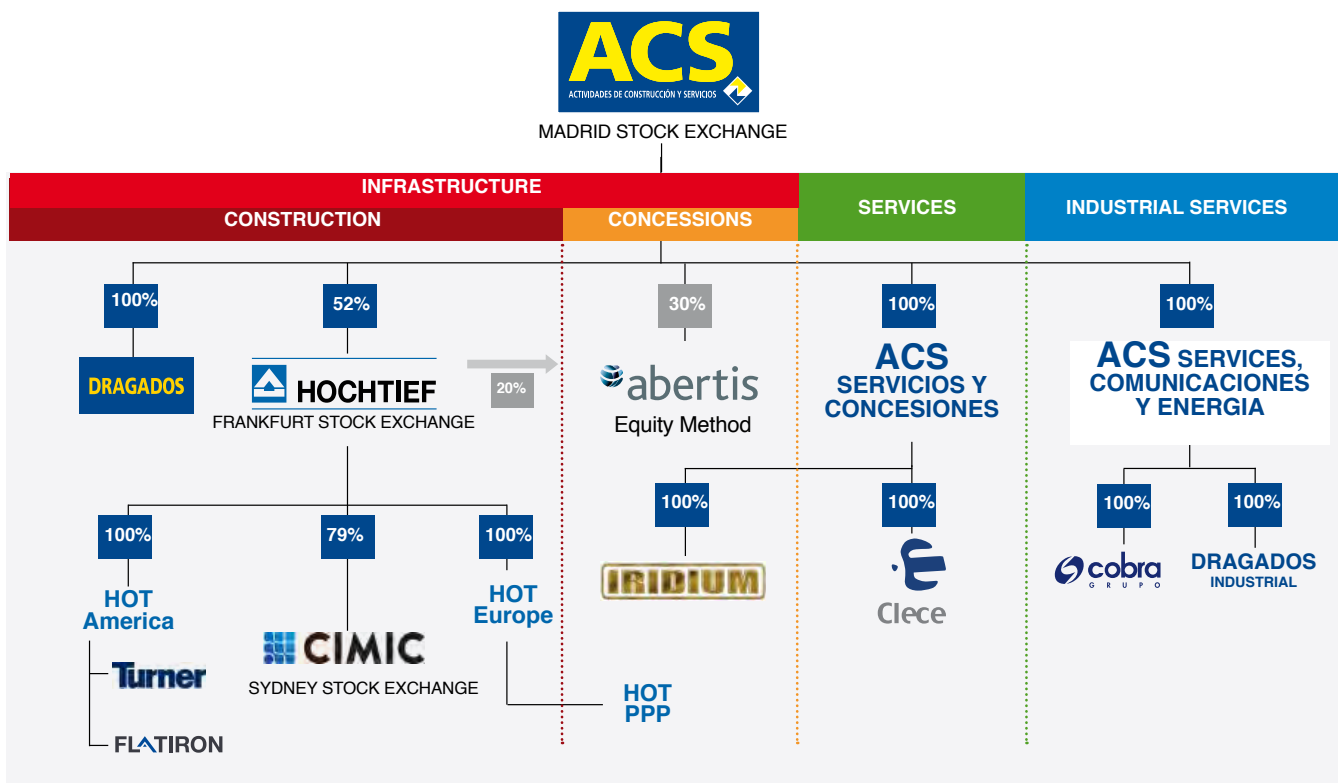
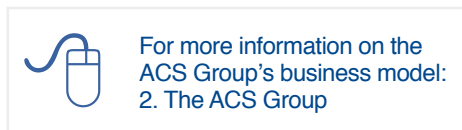
The geographic regions with the greatest exposure in this area are North America, Asia Pacific and Europe, mainly operating in developed and secure markets at geopolitical, macro-economic and legal levels.

b) Industrial Services

In the area of applied industrial engineering, ACS carries out construction and maintenance activities and operates energy, industrial and mobility infrastructure through an extensive group of companies headed by the Cobra Group and Dragados Industrial. This area is active in more than 50 countries, with a predominant exposure of the Mexican, Brazilian and Spanish markets, although with growth in new Asian and Latin American countries.

c) Services

It covers the activity of Clece, which offers comprehensive maintenance services for buildings, public places or organisations, as well as assistance to people. This area is developed mainly in Spain, although with emerging growth in the European market.





5.0.1. STRATEGY AND TRENDS

The ACS Group's context of operational decentralisation requires it to adapt its strategy to the challenges and opportunities presented in a more complex and competitive sector. The Group's strategy is focused on the fact that all companies share common values and culture, while at the same time operating independently, individually contributing a multitude of valid and profitable management formulas that generate shared knowledge and best practices.

The ACS Group is positioned as one of the world's leaders in the construction and services industry, with a clear and defined mission: to pursue global leadership, optimise the return on resources used and promote sustainable development, while generating shared value for all of its stakeholders and promoting sustainable and profitable growth for its shareholders.

These commitments are implemented through the Group's Sustainability Policy, approved by the ACS Board of Directors in December 2020. This policy defines the principles of action for the ACS Group in this area, as well as the Group's relationship with its environment.

As part of the Group's commitment to information transparency, the description of the existing policies in regard to non-financial issues, as well as the results of the policies, including key performance indicators, is presented throughout this Consolidated Non-Financial Statement. In order to ensure maximum rigour and transparency, this document was prepared following the requirements

established by the international standards in the area of reporting, such as the *GRI Standards*. The related indicators have been verified by an independent third party in accordance with the standard (ISAE) 3000.

The content of the report was selected based on a preliminary analysis that identified the most relevant issues for the company and its principal stakeholders. This analysis also identified the main factors and trends that could affect the evolution of the Group's activity, as well as the main risks associated with them.

The detailed conclusions of this analysis can be consulted in section 7.2., but as a summary, the future scenario in which the ACS Group will carry out its activity in the coming years will be marked by the following factors:

- Geopolitical and regulatory changes.
- Population growth and urbanisation.
- Health crisis.
- New financing models.
- Digitisation and data management.
- Growing demand for resilient infrastructure.
- Climate change and decarbonisation.
- Circular economy and efficient use of resources.
- Sustainable production model.
- New work and human resource management models.



For further information:
2.3. Based on a consolidated corporate strategy that creates shared value



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



7.2. Identification of relevant issues

5.0.2. RISKS

In regard to risk management, the ACS Group carries out its activities in different industries, countries and socio-economic and legal environments, which entails exposure to different levels of risk inherent to the businesses in which it operates.

In 2020, the ACS Group approved the update of **General Risk Control and Management Policy**, as well as the Integrated Risk Control and Management System, in line with the update of the Good Governance Code of Listed Companies in June of the same year.

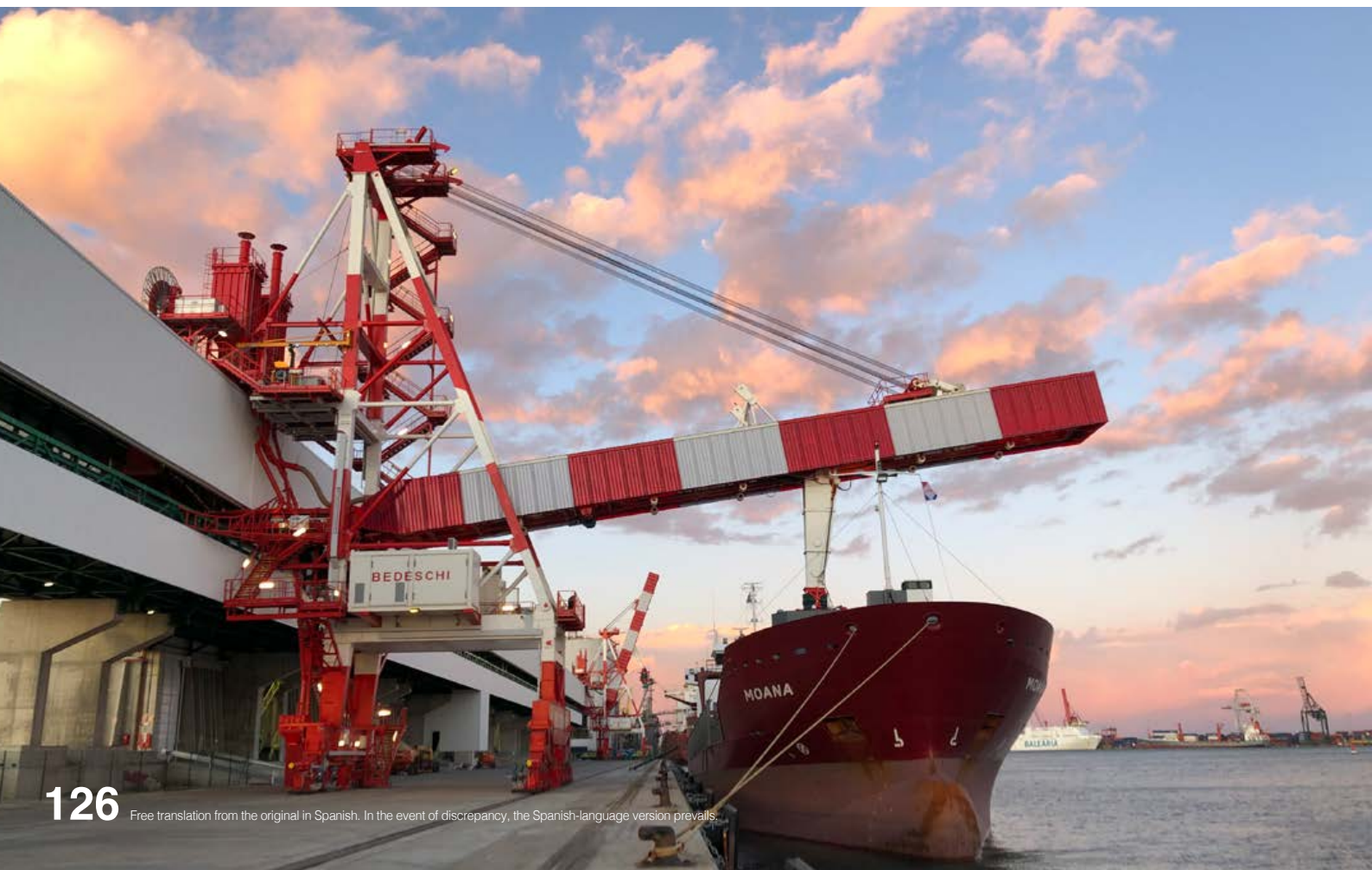
The ACS Group's risk control system is based on a range of strategic and operational actions designed to mitigate these risks and achieve the objectives established by the Board of Directors. The Corporate Unit is responsible for determining the basic guidelines for the purpose of unifying the operating criteria in each of the divisions to guarantee an adequate level of internal control. The companies and divisions that form part of the Group are responsible for developing the required and appropriate internal regulations so as to implement internal controls that guarantee the optimum performance thereof based on the particular nature of their activities.

In this respect, the Board of Directors of the Parent Company of the Group has established a framework of appropriate policies and controls to prevent corruption and other irregular practices, as well as to identify, assess, manage and control the risks, both financial and non-financial, as well as the potential impacts associated with them. This process includes full involvement of the Audit Committee, which is responsible for overseeing both the effectiveness of internal control and internal audit, and ensuring the strict application of the policies and controls established.

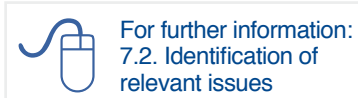
The responsibility of the Board of Directors notwithstanding, the Audit Committee ensures compliance with the transparency obligations of the company and, in particular, because the information included in this Non-Financial Statement (NFS), the Annual Corporate Governance Report (ACGR) and the Annual Directors Remuneration Report (DRR) is sufficient to allow the market and investors to understand the scope and importance of the corresponding facts and risks in the area of Non-Financial Information.



For further information:
2.5. With efficient risk
management



Specifically in relation to non-financial risks, according to the general map updated in 2020, the main risks that were detected that they may pose to the execution of the activity of the company:



SOCIAL

COVID management: refers to the risks related to the impact on operations arising from pandemics or other health crisis and that could lead to delays in projects and labour management issues, among others.

Safety and health risks and occupational risk prevention: due to the activity of the ACS Group, the incidents or accidents that affect the safety and health of employees, whether direct employees or subcontracted workers, are a material issue for the company as it works towards 'zero-accident' operations.

Labour relations: inadequate management of key aspects in human resources, such as collective bargaining, remuneration models, resource planning, absenteeism, training and employment conflicts, which could have a negative impact on meeting business objectives.

Attracting and retaining talent: lack of availability of qualified and trained human resources necessary to carry out the Group's activities. This risk takes into account the entire hiring process: training, professional development and satisfaction.

Ineffective internal communication: lack of communication from management with the teams, which could negatively affect human resource management and employment relationships, and could pose a risk in meeting objectives, developing people and in the work environment.

Procurement and subcontracting processes: contracting external services has associated risks

due to the unavailability of suitable companies or professionals, inadequate selection or lack of capacity to meet the obligations taken on, which could lead to delays, cost overruns or quality failures.

Impact on the economic - social environment: the risk of having a negative economic and social effect as a result of the Group's activity in local communities and responsible supply chain.

Relationship with the client: inadequate management of relationships with clients can have different negative impacts on revenue, as well as the reputation of the business. In addition, there are risks associated with market conditions that are beyond the control of the ACS Group.

Violation of human rights: the risk arising from failure to comply with the ACS Group's business commitment to the UN Global Compact on Human Rights and Labour, as well as the regulations in force in the countries in which the Group operates.

External communication with stakeholders: the risk of improperly communicating financial and non-financial information to the principal stakeholders of the ACS Group (investors, shareholders and voting advisers) such that information requirements for stakeholders are not met.

Information security and cyber-attacks: the existence of cyber-threats could result in the loss of tenders, prolonged halting of operations, uncontrolled access, information leakage and data.

ENVIRONMENTAL

Efficient use of resources and circular economy: inadequate use or failure to take advantage of the natural resources necessary to carry out the activities that do not contribute to a circular economy model can lead to scarcity and depletion of resources.

Climate change and energy efficiency: the occurrence of natural disasters or other events arising from climate change, as well as the failure to comply

with new regulations and environmental and energy efficiency regulations can impact the Group's activities and their cost.

Biodiversity: generating negative impacts on protected areas or areas with high ecological value, as well as performing activities in areas that are already affected, can result in a limitation of resources and opposition from local communities.

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

In accordance with Law 11/2018, this Non-Financial Statement contains the information necessary to understand the evolution, results and situation of the ACS Group, and the impact of its activity with regard, at least, to environmental and social issues, respect for Human Rights and the fight against corruption and bribery, as well as its activities in regard to personnel.

In a year marked by the unprecedented health, economic and social crisis in the COVID-19

pandemic, the ACS Group focused its efforts on ensuring the continuity of its business while taking all of the necessary measures to ensure the health and safety of all its employees and collaborators. The sharp drop in economic activity and the mobility restrictions to combat the spread of the pandemic have affected ACS Group business to a greater or lesser extent, which has had a direct impact on the evolution of the most relevant indicators within the management of the ACS Group.

EVOLUTION OF RELEVANT NFIS INDICATORS

ENVIRONMENTAL ISSUES	2019	2020
Percentage of turnover covered by ISO 14001 Certification	75.6%	74.1%
Hazardous waste (tn)	130,343	389,150
Non-hazardous waste (tn)	12,669,950	15,713,510
Scope 1 emissions (tCO ₂)	3,001,287	2,683,671
Scope 2 emissions (tCO ₂)	277,291	183,375
Scope 3 emissions (tCO ₂)	2,714,878	1,937,759
Total energy consumption (MWh)	12,669,432	11,258,838
Electricity consumption from renewable sources (MWh)	63,323	64,246
SOCIAL AND PERSONNEL ISSUES		
December 31 Workforce	190,431	179,539
% Men workforce	58.5%	57.7%
% Women workforce	41.5%	42.3%
% Mid-level educational degrees and above	17.0%	17.9%
% Non-qualified technicians and Administrative staff	19.7%	18.8%
% Other staff	63.3%	63.3%
% Permanent Contracts	65.4%	67.4%
% Temporary Contracts	34.6%	32.6%
Number of women in management positions	2,322	2,323
% Employees in centres covered by Equality Plans	72.0%	76.6%
% Employees in centres with Universal Accessibility	85.4%	82.6%
Employees belonging to vulnerable groups	10,013	10,047
Total training hours given	2,990,789	2,567,469
Employees participating in training activities	111,383	80,743
Investment in training per employee (of total employees trained) (euros)	311.1	311.5
Percentage of total employees covered by OHSAS 18001 certification (Occupational Health and Safety) or ISO 45001	91.3%	92.0%
Percentage of total employees who have received an occupational health and safety course who have received at least one occupational health and safety course in their professional career	99.2%	99.3%
Investment in occupational health and safety per employee (euros/employee)	778.1	1,196.7
Frequency Rate	10.46	9.06
Severity Rate	0.34	0.31
Incidence Rate	20.84	17.15

EVOLUTION OF RELEVANT NFIS INDICATORS

ETHICS, HUMAN RIGHTS, CONTRIBUTION TO SOCIETY		
Number of employees trained in Human Rights, Ethics, Integrity, Conduct in the year or other compliance policies and procedures	67,260	58,892
Number of courses given with content on Human Rights, Ethics, Integrity, Conduct or other compliance policies and procedures	1,255	840
Funds allocated to Social Action (millions of euros)	13.1	18.9
OTHER INFORMATION ON THE COMPANY		
Companies with formal supplier/subcontractor approval systems	98.6%	98.1%
Weighted average weight for expenses that have the sustainability-related factors (environmental, ethical and social criteria) out of the total factors used in the approval systems	33.0%	38.5%
Frequency Rate (contractors)	2.91	2.94
Severity Rate (contractors)	0.10	0.16
Percentage of turnover from activities certified under the ISO 9001 standard (%)	55.0%	54.4%
Investments and expenses of the Quality Control Department or earmarked to improve quality management processes to turnover (excluding personnel expenses, euros/millions of euros turnover)	2.4	2.8
Number of quality audits per million euros of billings	0.317	0.415
Investment R & D (million euros) ¹	37.8	53.4

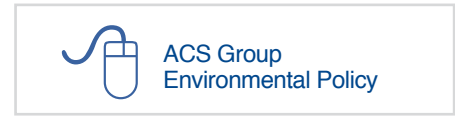
¹ Scope of data in 2019 30.5% of turnover and 26.4% in 2020

The scope of the information included in this NFIS is shown specifically for each indicator in point 7.3.3. Given the Group's size and diversification (in terms of both geography and sector), there may be changes in the information reported from the previous year as a result of changes in scope or perimeter (see Annex 7.3.3) or changes in the format of a report in order to adapt them to national and international requirements. As much as possible, the information

included in this Non-Financial Statement has been organised in such a manner to allow stakeholders to interpret the changes experienced by the ACS Group with respect to previous years. For the sake of comparability of the data, where possible, certain 2019 data were recalculated with the same scope as the data reported in 2020, and in those cases in which the data could not be recalculated retroactively, the historical data is provided for information purposes.



5.1 ENVIRONMENT



The ACS Group integrates efficient resource management and environmental protection into its business objectives, operating under the principles of precaution and conservation of the natural environment to minimise the impact of its operations. Likewise, due to the climate emergency, the ACS Group aims to contribute to the transition to a low carbon economy by promoting products and services that have a smaller impact on the environment and improving the efficiency of processes in its activities.

As a result of these commitments, the company has defined an environmental management framework comprising the Group's **Environmental Policy**, approved by the Board of Directors on 14 November 2018, which is articulated by the different management systems implemented in the Group companies.

For this reason, the main environmental measures implemented by the ACS Group companies are governed by the basic principles of action developed in the policy. These guidelines are flexible enough to accommodate the specific procedures and mechanisms of each of the Group companies. The commitments established in the Environmental Policy are:

1. Compliance with applicable legislation and regulations, as well as other commitments voluntarily accepted by each of the Offices, Delegations, Projects, Works and Services carried out by the ACS Group.
2. Prevention of pollution, based on the assessment of the potential risks to the environment in each of the phases of the project, work or service, with



the aim of designing processes to minimise the environmental impact.

3. Continuous improvement management of its environmental performance, by establishing and monitoring environmental objectives.
4. Transparency in external communication, by periodically publishing information on environmental performance to all stakeholders, based on their demands and expectations, either due to regulatory compliance or voluntarily.
5. Training and increasing awareness, through training and awareness activities for employees, suppliers, clients and other stakeholders.

The company's environmental policy in the Group's companies is implemented through the environmental management systems, which ensure the correct management of environmental risks and

opportunities, as well as the ongoing improvement of the company's performance.

To this regard, 97.4% of the Group's turnover is generated by companies that have management systems certified under ISO 14001 or other certification systems. The Group applies the principle of precaution through these certifications. Likewise, the environmental management systems are verified by an external third party in companies representing a 98.1% the Group's turnover and, in 2020, 1,992 environmental audits.

Thanks to this environmental management and control framework, the ACS Group identifies the main impacts on the environment. In this regard, due to the Group's activity, it the consumption of natural resources, generation of greenhouse gas emissions, production of waste and the possible impact on biodiversity have been identified as key areas in the management of the company.

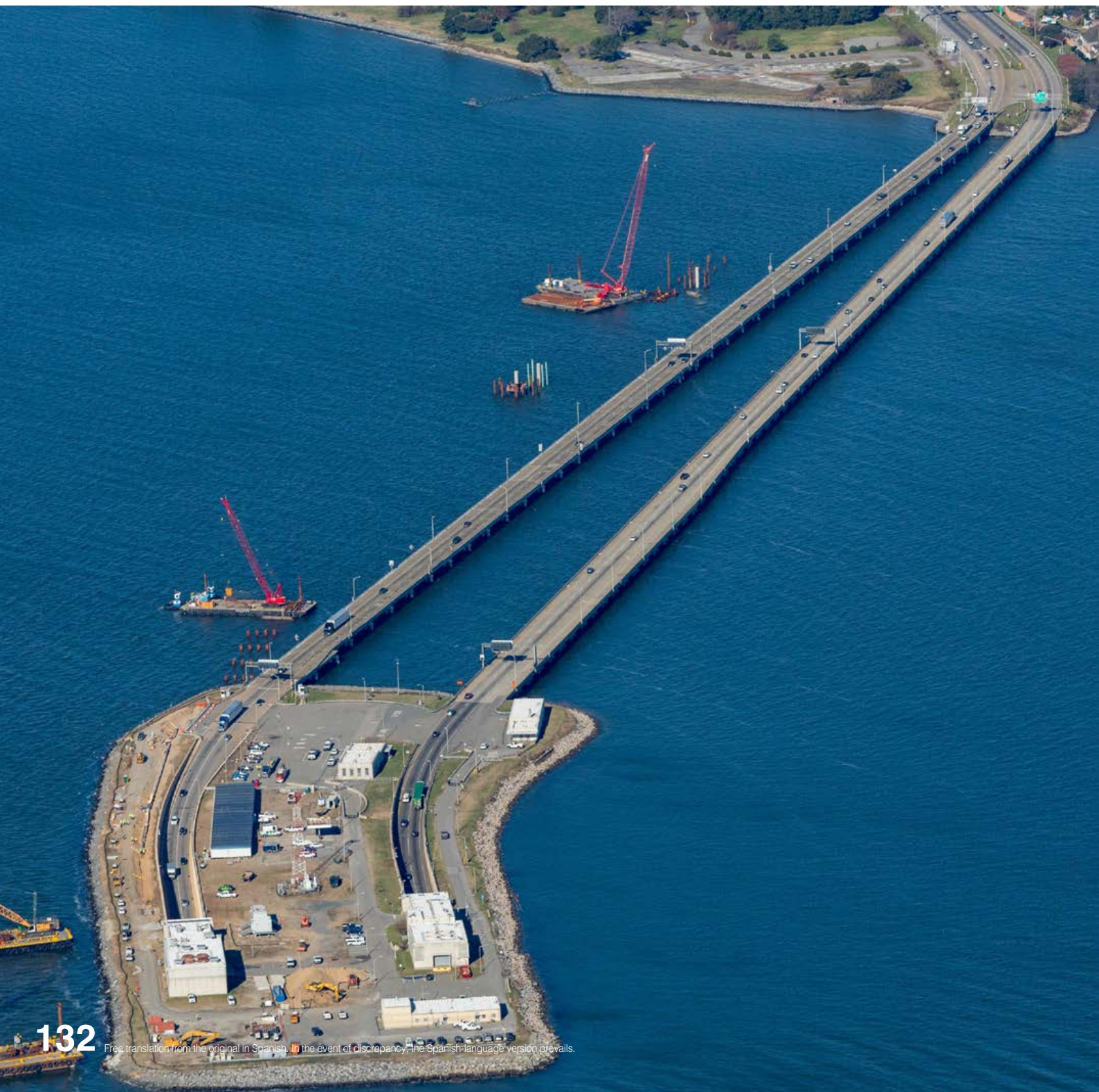
Level of implementation of the environmental management systems in ACS Group companies(expressed as % of turnover)	2019	2020
Implementation of ISO 14001 certification	75.6%	74.1%
Implementation of other certifications	22.4%	23.3%



Based on the management framework described above, the ACS Group has defined four key policy areas for environmental management, focusing specifically and operationally on:

1. Fighting climate change (including energy and emissions).
2. Circular economy.
3. Efficient and responsible use of water resources.
4. Protection of biodiversity.

Lastly, it should be mentioned that 2020 was an unusual year in terms of the ACS Group's environmental performance. The health crisis caused by COVID-19 caused a large number of projects to be halted or delayed, which had a direct impact on the results of the environmental indicators. For the purposes of comparison, the Group's key environmental performance indicators for the period of the last four years are included throughout this chapter, so that their evolution can be referenced and the expected results in a normal situation can be predicted.



5.1.1. THE FIGHT AGAINST CLIMATE CHANGE

Concern about the risks arising from climate change requires Governments and companies to be involved in contributing to a production and consumption model that is less carbon intensive.

As a global company, the ACS Group is aware of the important role it can play in the fight against climate change since the construction sector is considered to be one of the most carbon intensive. For this reason, the ACS Group has included the promotion of energy efficiency and reducing emissions in its business activities as one of its global objectives.

Between 2015-2020, the ACS Group managed to reduce the intensity of scope 1 emissions by 21.9% and scope 2 emissions by 35.0% (relative figures based on turnover), in accordance with the objectives established in the 20-20 Plan.

The basic principles governing the Group's actions in this area are included in the Group's Environmental Policy and focus on:

- Considering and assessing the climate change impacts of its activities, products and services.
- Minimising energy consumption and the emission of greenhouse gases generated by its activities.
- Establishing greenhouse gas emission reduction targets aligned with the latest trends and standards.
- Establishing mechanisms to manage the use of energy and emissions, to objectively measure performance and decision-making.
- Identifying opportunities to promote environmentally-friendly products and services, adapted to the potential impacts of climate change and that contribute to the transition to a low-carbon economy.

In 2020, the Group continued to develop its reporting model to be able to report information relating to risks and opportunities related to climate change in accordance with the recommendations of *Task Force on Climate-Related Financial Dissolution* (TCFD), as well as to be able to establish quantitative reduction objectives in the short-medium term.

GOVERNANCE

The Board of Directors of the ACS Group, as the highest governance body, is responsible for overseeing the overall climate change strategy. Through its functions, it approves the development of the policies required to meet the climate challenges of the business, leaving the Group companies responsible for developing their own management mechanisms depending on the type of activity and geographic area.

In addition, the ACS Group's Audit Committee is responsible for monitoring aspects related to climate change, as it has been given the function of supervising internal regulations, which includes the Sustainability Policy and the Environmental Policy, as well as managing financial and non-financial risks. The Committee's responsibilities include the ongoing review of the implementation and development of the Group's Environmental Policy, of the action plans, procedures and improvement programmes implemented by the Environmental Department of each one of the Group's divisions, with a special focus on climate change issues.

STRATEGY

To meet the challenges of the climate crisis, the ACS Group has given these issues more importance in the Group's governance and management model. In addition to the basic principles of action included in the Group's Environmental Policy, the approval of the Group's Sustainability Policy defines the fight against climate change as one of the basic principles of action and the future 2021-2025 Strategic Sustainability Plan, which will be approved in 2021, will be the backbone of the Group's climate strategy. All aimed at anticipating and managing the risks arising from climate change, as well as identifying new opportunities with the development of new sustainable environmentally-friendly solutions.

The ACS Group also has a risk management system that integrates financial and non-financial risks, including the risks associated with climate change. In this regard, the analyses arising from the risks to which the company is exposed are considered in both the company's decision-making and in the design of the ACS Group's strategy. For this reason, ACS has a strategy that allows it to operate in such a way as to ensure the resilience of its activity in the short, medium and long terms.



MANAGEMENT OF RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

In order to respond to the need for global and standardised risk management, the Corporate Unit has established a model which includes the identification, assessment, classification, valuation, management and follow-up of risks at the Group and operating division levels.

The ACS Group's Risk Management System identifies the risks arising from climate change and assesses different risk scenarios by categorising two types of risks:

- Physical risks, which are expected to give rise to more frequent extreme weather events or natural disasters.
- Transition risks, which are related to regulatory changes and market changes aimed at adapting and mitigating climate change.

The physical risks involve adapting to climate change in the infrastructure design and execution phases to ensure their resilience or reduced productivity

in the event of adverse weather conditions. On the other hand, transition risks have a direct impact on the energy use model and prices for fossil fuels and raw materials.

Likewise, according to the risk map prepared by the Group, specific risks related to climate change have been identified based on their potential relevance for the company's activity, depending on the type of activity, action areas, policies and management approaches. These risks, together with the management and mitigation measures, are covered in section 5.1.5.

In regard to the opportunities identified, the ACS Group has consolidated experience in the development of environmentally friendly products and services, adapted to the impacts of climate change and contributing to the transition to a low-carbon economy. In 2020, through Hochtief, the Green Building and Green Infrastructure projects managed totalled approximately EUR 8,300 million in 2020 (compared to EUR 8,000 million 2019), while, in Dragados, turnover of sustainable certification construction projects exceeded 15% in 2020.

The ACS Group also has a consolidated position in the area of renewable energy and, in 2020, the Group's portfolio of energy projects in development totalled more than 24,668 MW, with 11,730 MW corresponding to photovoltaic plants and 11,964 MW to wind farms. These figures make the Group one of the most dynamic agents in the sector, and growth prospects in this area are positive, as investment in green energy projects is expected to increase to support the decarbonisation process of the global economy.

The ACS Group also participates in the development of innovative applications in the field of transport, energy storage and mobility, as well as in the use of more efficient construction materials and processes within the framework of the fight against climate change.

TARGETS AND MONITORING INDICATORS

To effectively monitor the commitment taken on by the ACS Group in relation to climate change, Greenhouse Gas (GHG) emissions are monitored at all of the Group's levels. In fact, it is increasingly common among the Group companies to have their own carbon footprints certified by an independent external party.

It is important to note that in 2020, the impact of COVID-19 led to a sharp reduction in all of the scopes of GHG emissions as a result of the decline in activity. The evolution of the calculation of the scope 1, 2 and 3 emissions in the last four years of the ACS Group is included below.

CO ₂ emissions by areas of activity (TCO ₂ eq)*	2017	2018	2019	2020
TOTAL ACS GROUP	5,933,726	6,368,019	5,993,456	4,804,804
Scope 1	2,436,364	3,073,384	3,001,287	2,683,671
Scope 2	371,274	265,501	277,291	183,375
Scope 3	3,126,088	3,029,134	2,714,878	1,937,759
Emissions intensity (total emissions/sales)	179	182	158.6	139.7
INFRASTRUCTURE: TOTAL EMISSIONS	5,817,105	6,217,424	5,823,231	4,684,354
Scope 1	2,374,760	2,976,395	2,891,051	2,584,051
Scope 2	339,916	232,939	235,137	174,914
Scope 3	3,102,429	3,008,090	2,697,043	1,925,389
Emissions intensity (total emissions/sales)	226.5	224.9	195.2	171.5
INDUSTRIAL SERVICES: TOTAL EMISSIONS	92,842	124,777	152,132	105,807
Scope 1	47,766	80,574	95,814	86,767
Scope 2	24,807	27,249	41,477	8,444
Scope 3	20,269	16,954	14,841	10,595
Emissions intensity (total emissions/sales)	15.4	20.9	23.7	19.1
SERVICES: TOTAL EMISSIONS	23,779	25,819	18,093	14,644
Scope 1	13,838	16,416	14,423	12,853
Scope 2	6,551	5,313	676	17
Scope 3	3,390	4,090	2,994	1,775
Emissions intensity (total emissions/sales)	16.4	17.9	11.7	9.6

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

In Industrial Services the increase in 2018 is due to the fact that Scope 1 emissions include for the first time data from Cobra companies in Colombia and Scope 2 includes for the first time the electricity consumption of Cobra's division in Peru. In Infrastructure, the scope has been increased, including in 2018-2020 data from Dragados USA and Dragados Canada.

The reduction in Scope 2 emissions in Services since 2018 is due to the purchase of renewable electricity with guaranteed origin. Scope 2 emissions reductions in Infrastructure and Industrial Services are due to the promotion of the use of renewable-sourced electricity.

Scope 3 emissions include those calculated from employee travel. In 2020, HOCHTIEF also includes the calculated emissions from the Supply Chain (Cement, Wood, Waste and Steel). Also, in 2020, the reduction in Scope 3 emissions is due to less employee travel due to the pandemic.



The objectives set by the Group in relation to climate change are the ones established in 20-20 Plan, which includes a commitment to reduce the intensity of Scope 1 and Scope 2 emissions below the levels obtained in 2015 and that, as of the date of the plan, the ACS Group has achieved. In this regard, the Group, aware of the importance of the climate problem, is working on defining

more ambitious targets as part of its new strategic sustainability plan.

Likewise, and notwithstanding the new overall objectives that the Group is defining, on an individual level, the different Group companies have defined quantitative objectives. One example is Turner, which in 2019 committed to reducing its GHG emissions by 50% by 2030.

VIAS, COMMITTED TO REDUCING EMISSIONS

As a result of its commitment to the fight against climate change, in 2020, VIAS renewed its registration in the National Registry of Carbon Footprint, Compensation and CO₂, ('Sections A and C'), created by the Spanish Office of Climate Change (OECC) as a body under the Ministry for Environmental Transition (MITECO). This Registry recognises the efforts by organisations to calculate and reduce the GHG emissions they generate in their activity, while promoting the possibility of completely or partially offsetting their carbon footprint through a series of forestry projects.

Compared to the three-year period 2016-2018, VIAS was able to reduce the intensity of GHG emissions for the three-year period 2017-2019, for scopes 1, 2 and 3, complying with its commitment to reduce emissions. Furthermore, and for the second consecutive year, VIAS once again offset some of its GHG emissions through the REFO-RESTA FASE V absorption project, registered in the 'Section B' of the Carbon Footprint, Compensation and Absorption Projects Registry. Based on the creation of a forest, through the reforestation of an area without forest mass (12.77 hectares) with indigenous species (*Quercus ilex*, *Quercus faginea*, *Pinus nigra*, *Pinus pinea*, *Prunus amygdalus*, *Crataegus monogyna*), it acts as a CO₂ sink the Municipality of Santa María del Campo (Burgos).



This registration enabled VIAS to obtain the 'Calculo - Reduzco - Compenso' stamp as an indication of its commitment to energy and climate change and to certify the additional effort to reduce its emissions annually and partially offset them through CO₂ absorption projects recognised by the Ministry.



In 2020, ACS Group companies carried out initiatives to reduce GHG emissions, with an estimated emission savings of 14,887.5 tonnes of CO₂ in initiatives such as electricity supplies with a guarantee of renewable origin or vehicle replacement and substitution. For example, in the previous year Clece replaced its fleet with Eco vehicles, making it possible for it to obtain recognition of an Ecological Fleet, and in 2020, SEMI continued along this line and introduced 15 LPG/microhybrid

vehicles and 95% of its fleet complied with EURO6 regulations, which has regulated the emissions of pollutant gases in new vehicles since 2015.

The ACS Group has also committed to minimising emissions other than Greenhouse Effect Gases (GHG) emissions, taking into account other pollutant gases (NO_x, SO_x or ozone-depleting substances), noise emissions and other possible disturbances arising from the activity such as light pollution.

SUSTAINABLE CONSTRUCTION

One of the indirect impacts of the ACS Group's activity that can have the greatest impact on climate change is the operation of the infrastructure that is constructed. For this reason, the ACS Group promotes sustainable construction in its projects, following the main standards in this area. HOCHTIEF and its subsidiaries stand out in this area.

Since 2000, a total 852 projects have been registered and certified according to different efficient-construction certifications. By type of certification, in Turner's constructions, the LEED standard

predominates, while CIMIC uses the Australian Green Star Methodology of the GBCA (Green Building Council of Australia) and LEED. The main certifications used by HOCHTIEF Europe are DGNB, LEED and BREEAM. Likewise, since 2013, 4 projects have been certified in terms of efficient infrastructure (CEEQUAL, ISCA and Greenroads).

In 2017, Dragados began to obtain certification for different construction projects certified under LEED and BREEAM, and over the last two years, the objective has been extended to infrastructure projects.

Main sustainable-construction certifications in the ACS Group:



GREEN BUILDINGS EN HOCHTIEF*	2017	2018	2019	2020
HOCHTIEF Americas	605	632	647	676
HOCHTIEF Asia Pacific	65	76	80	80
HOCHTIEF Europe	79	81	92	96
HOCHTIEF GROUP	749	789	819	852

* Number of green buildings within the HOCHTIEF Group (since 2000).

GREEN INFRASTRUCTURE EN HOCHTIEF**	2017	2018	2019	2020
HOCHTIEF Americas	1	1	1	1
HOCHTIEF Asia Pacific	19	22	28	32
HOCHTIEF Europe	7	7	7	7
HOCHTIEF GROUP	27	30	36	40

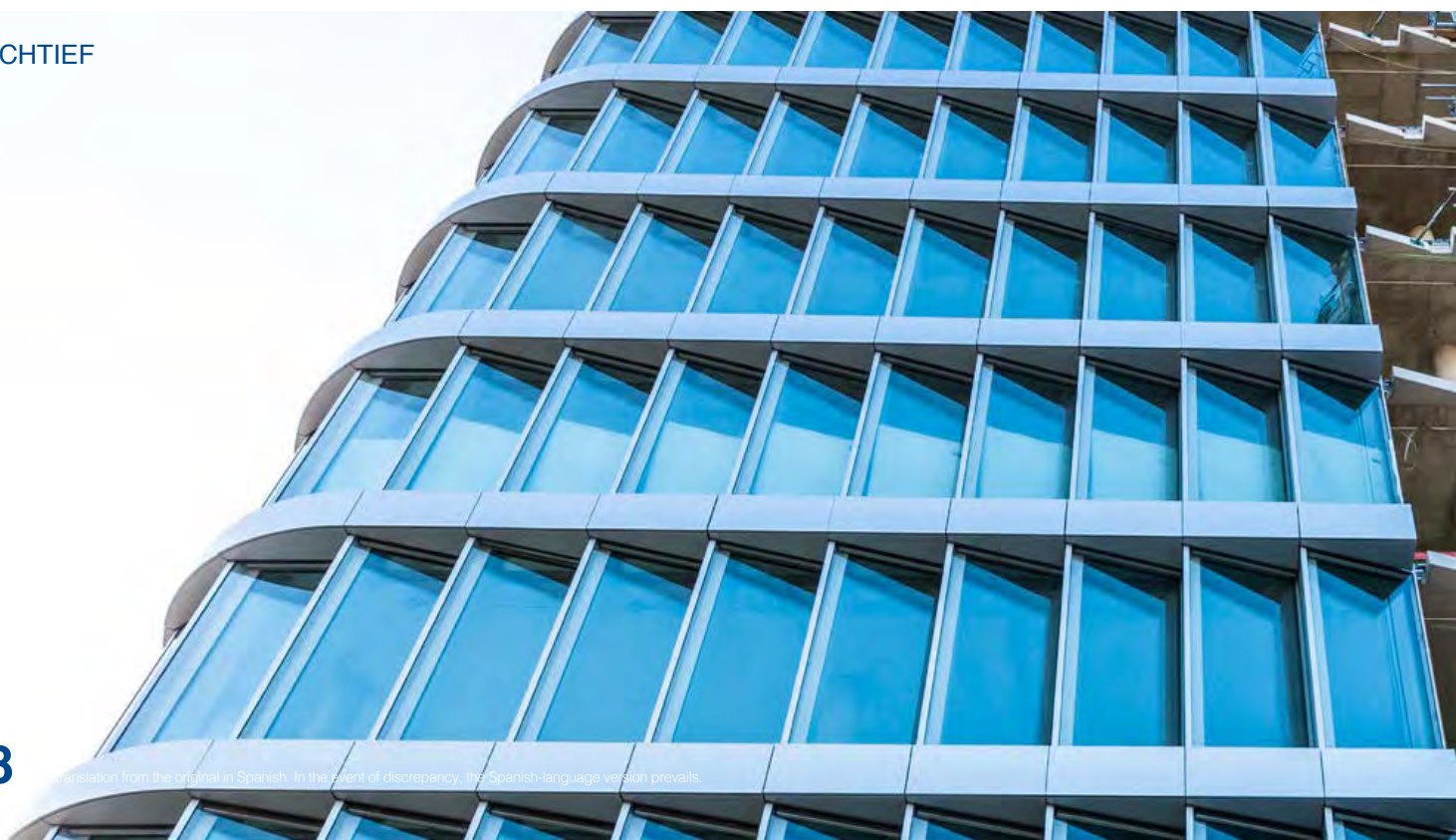
** Number of green infrastructure projects within the HOCHTIEF Group (since 2013).

Construction of sustainable buildings classified as *Green Building* allows emissions to be reduced, during the project execution phase (which is carried out with sustainable materials, works contracts at regional level, etc.), as well as over the life cycle of the project. According to a study conducted by the US Department of Energy⁽¹⁾, buildings with LEED certification consume 25% less energy and 11% less water than conventional buildings, while Australia's *Green Building Council* indicates in a study⁽²⁾ that *Green Star* certified buildings reduce greenhouse gas emissions by 62% and water consumption by 51%.

In addition, and as mentioned above, in the ACS Group companies, one of the fundamental pillars of the R & D area of construction companies is the development of new material projects. The ultimate aim is to identify materials that promote the resilience of the infrastructure in response to increasingly extreme weather events resulting from climate change, as well as the reuse of materials and better use to reduce the consumption of raw materials.

(1) Source: 'Re-Assessing GreenBuilding Performance,' September 2011.

(2) Source: 'The Value of Green Star,' 2013.

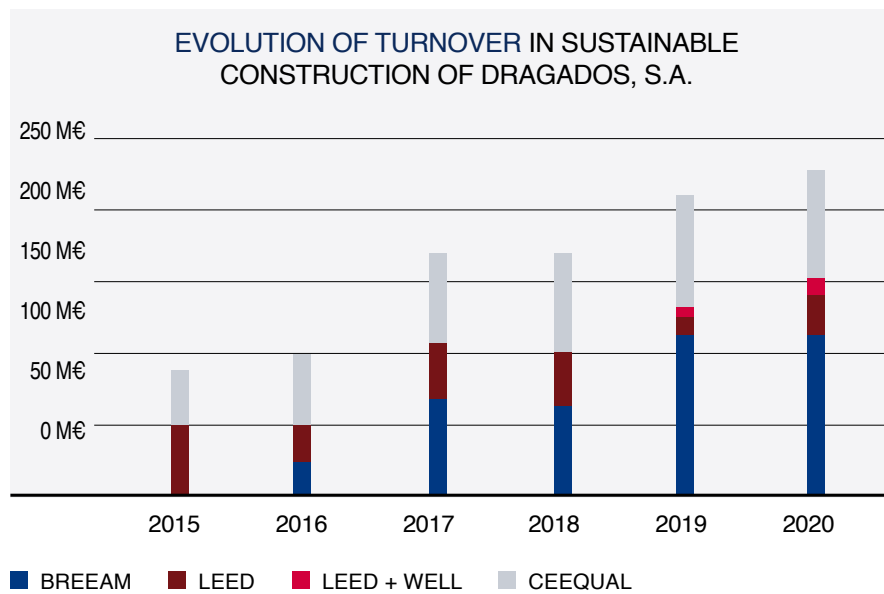


SUSTAINABLE CONSTRUCTION IN DRAGADOS:

The number of projects, both construction and civil works, with some type of sustainable certification is growing year after year. During 2020, the Dragados Group had a total of 30 projects under construction with LEED, BREEAM, WELL, ENVISION or CEEQUAL certification, with a budget of approximately EUR 5,000 million.

In 2020, more than 15% of the turnover of the Dragados Group corresponded to construction projects with sustainable certification, including a new logistics warehouse, a 5-star hotel and two 11-storey housing towers.

The evolution of the turnover of Dragados, S.A. in sustainable construction projects in Spain and the UK is increasing each year, confirming the trend of these types of projects, including the design in some cases.



REZBUILD – (VIAS)

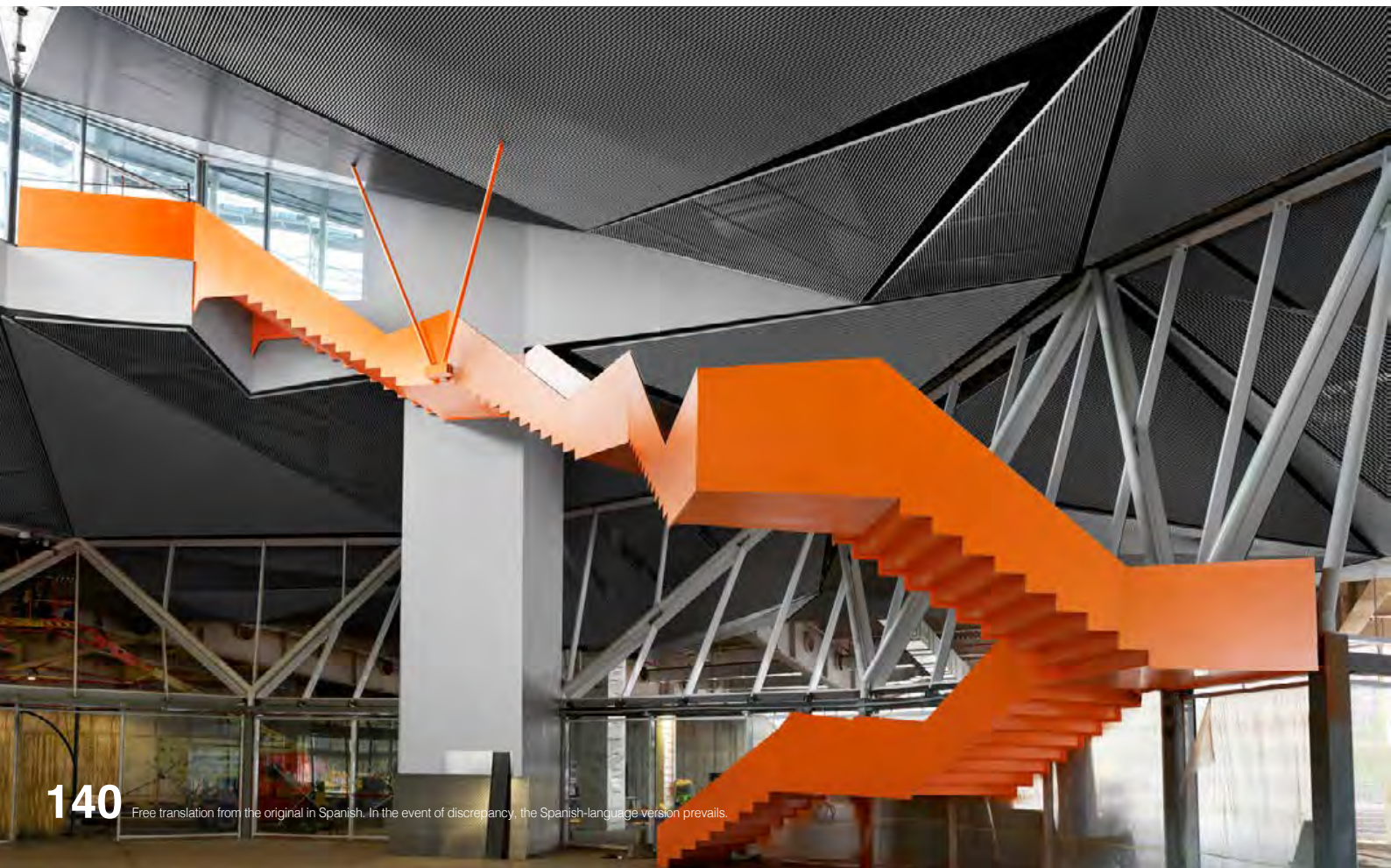
One of the most notable projects to promote sustainable construction in the projects carried out by the ACS Group is the REZBUILD project. Developed by VIAS, together with different partners in the sector, the project consists of developing a decision-making platform for energy renovation of buildings through advanced technologies, in order to achieve almost zero-consumption buildings.

REZBUILD will base its renovation ecosystem on the integration of profitable technologies, business models and the interaction of the life cycle with different types of residential renovation. This innovation will create a multiple-collaboration framework within a rehabilitation methodology managed by an agile project management tool (APM) capable of interconnecting the key steps of a custom-made renovation plan in real time between all of the agents involved in the value chain of building rehabilitation.

This ecosystem will ensure achievement of three KPIs:

- An efficient renovation index: a reduction of at least 60% in primary energy as a result of combining principles of modern sustainable architecture and concepts of NZEB design.
- Shorter installation time: a time reduction of at least 30% compared to a traditional rehabilitation work.
- A fast amortisation period of less than 12 years.

This platform will be communicated with all participants in the housing renovation process, from the designers to the private consumer and the public owners. Likewise, the key agents and local communities will be involved in the project through social-innovation actions.



ENERGY CONSUMPTION

Energy is one of the main resources used by the ACS Group companies and, as part of the fight against climate change, the ACS Group is committed to energy efficiency and renewable energy.

In this regard, the year's highlights in this respect by the ACS Group companies include the

Dragados Energy Policy. Approved in July 2020, it is applicable to its activity in the UK and Ireland, and its main goal is to reduce energy consumption through a commitment to ongoing improvement, focusing on research and development of clean technologies.

DRAGADOS ENERGY POLICY

The basic principles of the policy are:

- Commitment to continuously improving energy performance through research, development and incorporation of best practices and technologies to reduce the use of energy in operations;
- Contact clients and suppliers to devise alternatives that promote the use of renewable energies and clean sources, which reduces energy consumption, reduces the effect on climate change and increases the resilience of projects;
- Design processes and purchase low-consumption products and services;
- Train employees in this area, providing them with the resources necessary to monitor the use of energy and promote energy efficiency on the work sites;
- Define energy objectives and targets for the Company, which are periodically reviewed, documented and reported throughout the business.

The Group's energy consumption is defined annually, to a large extent, based on the weight of the works carried out during the year since, given the Group's high degree of diversification, there are activities with greater energy intensity.

Energy consumption in 2020 decreased by 11.0% with respect to the previous year, and electricity from renewable energy sources totalled 64,246,390 kWh. This decrease in energy consumption was mainly due to the halting or

delay of projects during the year as a result of the COVID-19 pandemic.

Although prior to this year, the ACS Group had been experiencing an upward trend in energy consumption in recent years, it should be noted that this was affected by the increased turnover, which could detract from the measures implemented by the Group to promote energy efficiency. To demonstrate this type of effort, the Group has set itself the goal of reducing the energy intensity ratio each year.

Energy Consumption (kWh)	2017	2018	2019	2020
Total ACS Group	10,004,884,493	12,088,601,722	12,669,431,610	11,258,837,840
Infrastructure ⁽¹⁾	9,640,622,364	11,564,495,211	12,040,646,389	10,776,649,116
Industrial Services	280,709,711	93,594,006	536,619,804	398,223,132
Services	83,552,418	430,512,505	92,165,418	83,965,592
Energy Intensity ACS Group (kWh/mn Euros Sales)	301,914	344,701	335,211	327,437

(1) In Infrastructures, the scope has been increased, from 2018 inclusive, the data of Dragados USA and Dragados Canada. In Industrial Services the increase in 2018 is due to the fact that the fuel consumption of Cobra's companies in Colombia and the electricity consumption of Cobra's division in Peru are collected for the first time.

The different companies that form part of the ACS Group have developed investments and implemented measures to reduce energy consumption, with the implementation of LED

lighting in the main projects, the implementation of systems to control and optimise consumption and the replacement of equipment with less energy intensive equipment.

USE OF ELECTRIC EXCAVATORS (CPB CONTRACTORS)

CPB Contractors, one of the main companies through which the CIMIC Group operates in the Asia Pacific region, is the first contractor in Australia to use an electric excavator in a road project. In Melbourne, CPB Contractor is carrying out the upgrade of the M80, which will extend the current road network and install a new motorway management system along 38 km of road.

The electric excavator, powered by three batteries, produces zero emissions and very low noise levels, which allows it to work near residential areas with minimal environmental impact. The M80 Upgrade team used it to excavate 41 tonnes of earth for the relocation of communications cables.

Using this innovative technology, the M80 Upgrade team ensured that the work was carried out safely while at the same time benefiting the environment and the community.

ENERGY MANAGEMENT SOFTWARE - CLECE

In line with the ACS Group's commitment to energy efficiency, Clece has implemented Energy Management Software. The goal of this is to control and monitor all of Clece's energy consumption (electricity, gas, diesel, propane and biomass), as well as to monitor the investments made in energy efficiency, energy savings and carbon footprint. In addition, this software will serve as a tool to improve the quality of the services provided and increase the award of maintenance contracts and energy services.

Some of the technical advances that the implementation of the Energy Management Software entails for Clece include:

- Geolocalisation of supply points.
- Monitoring of all energy consumption by energy source and centre.
- Monitoring of investments in energy efficiency.
- Definition of savings goals.
- Comparison of consumption between centres.
- Optimisation of power.
- Billing validation.
- Configurable alerts.
- Pre-designed reports.
- Carbon footprint analysis.

In short, thanks to this Software, Clece will be able to manage energy well, enabling it to comply with regulations while generating energy and economic savings.

5.1.2. CIRCULAR ECONOMY: SUSTAINABLE USE OF RESOURCES AND WASTE MANAGEMENT

The promotion of a circular model that prioritises reducing and optimising the use of materials and efficient waste management is another one of the priority action areas of the ACS Group. Consequently, the ACS Group is working to:

- Minimise the impact in regard to use of materials and waste management, taking into account the life cycle of projects and services.
- Promote the use of environmentally responsible materials in accordance with the best practices outlined in the Group's Building Materials Policy.

- Give priority to operating models to reduce resource consumption and waste generation, in terms of both quantity and hazardousness.
- Contribute to extending the usefulness of resources, secondary products and waste through repair, reuse and recycling.
- Identify business opportunities to contribute to the circular economy through activities, products and services.



CONSUMPTION OF MATERIALS

The ACS Group specifically promotes the use of recycled and/or certified construction materials, offering clients these types of options when making decisions regarding the materials to be used.



For further information:
Materials policy

In order to encourage the use of sustainable materials among the Group companies, the Group has a Construction Materials Policy that establishes guidelines and best practices in this regard.

MATERIALS POLICY

The ACS Group seeks to implement the following best practices in the process of recommending construction materials to clients in tendering processes in which it is applicable:

1. Propose a traceability analysis of 100% of products used.
2. Keep a record of suppliers who offer recycled/certified products.
3. Stress the importance of aspects such as durability and maintenance when selecting construction materials.
4. Provide information about the characteristics of products which give off gases or contain harmful substances and also about the products' life cycles.
5. When making an offer or taking part in a bid to tender, always include the option of certified timber, and offer information on the environmental benefits of its use.
6. When making an offer or taking part in a bid to tender, always include the option of cement made from recycled aggregates, and offer information on the environmental benefits of its use.
7. Provide environmental details of the proposed construction materials, such as energy used by machinery during extraction or treatment, greenhouse gas emissions, etc.
8. Report on the corporate waste management policy.
9. Provide information on waste management plans in projects, including design phases.
10. Give information on specific targets to reduce, recycle and reuse waste.
11. Report on procedures in place for the recovery and recycling of construction materials by subcontractors.
12. Give details of staff and subcontractor training processes in waste management techniques.
13. Provide details of waste separation processes in project facilities and works.
14. Actively promote the purchase and sale of recycled by-products.

PROMOTING THE USE OF RECYCLED MATERIALS IN DRAGADOS

The ACS Group's commitment to carrying out its activities sustainably is demonstrated by the actions carried out by the Group companies. For example, one practice carried out by Dragados in its works involves the replacement of material from quarries (artificial graded aggregate) with other materials generated from recycled aggregate. This material is used to form the sub-base layer in certain construction projects and reduces the number of sites needed to supply raw materials taken from nature (graded aggregate), and also reduces the volume of debris that is deposited in landfill, with the consequent benefit in terms of environmental impact and protection of natural resources.

USE OF RECYCLED GLASS IN THE SYDNEY METRO PROJECT (CYMIC)

The project carried out by CIMIC in the Sídney metro is another example of the Group's prioritisation of the use of recycled materials. The installations of the Sídney metro are being expanded to facilitate the housing and maintenance of the 37 additional trains that will travel over the extended line. In the installations, it has been calculated that approximately 1,000 tonnes of recycled glass were crushed and used for the drainage pipe bed, instead of sand. Recycled road base, made of old crumbled concrete, was also used for the pavement of the rest areas and a parking lot for staff.



AD-HOC PROJECT AND THE USE OF RECYCLED CONCRETE IN DRAGADOS

In line with the Group's Materials policy, Dragados has developed the AD-HOC project, which promotes the durability of the construction materials, especially in one of the most widely used, concrete.

The AD-HOC project is aimed at designing concrete that is highly durable when exposed to chlorides at an early stage, for application in the manufacture of port caissons using floating dock technology, concrete offshore wind structures or other types of structures located in inlets. The benefits of this project include:

- Optimising the necessary coatings, which will optimise material costs and execution times.
- Designing concrete to adapt it to longer life span requirements.
- Guarantee the durability requested by the different Administrations.

These actions are also framed in a context in which increasing the life span of civil works is a growing demand in the sector to obtain acceptable cost amortisation ratios, which, in addition, contributes to sustainability.

In the Hampton Roads (Virginia) Bridge and Tunnel Project, the client agreed to allow the use of recycled concrete instead of rock for construction entrances, parking and stockpile yards. Furthermore, whenever possible, the Group promotes the use of recycled materials in construction projects, with no decrease in the properties of the materials used.

As the Hampton Roads project progresses, during the demolition work, we are studying the possibility of crushing our own concrete and using it in situ or adding it to the local market for reuse. To date, more than 5,000 tonnes of recycled concrete have been used instead of rock in the Hampton Roads project. In addition to the environmental benefits of using recycled concrete, we have been able to purchase the recycled material at a much lower cost than the rock that is traditionally used.





In 2020, the downward trend in the use of the materials used continued, decreasing by 40.0% with respect to 2019. Although this sharp decrease was mainly due to the health crisis caused by COVID-19, the Group has

continued to implement measures to ensure the efficient use of resources in its activities. The main materials used by the ACS Group, mainly due to the infrastructure activity, are wood, steel, concrete and glass.

(301-1) Total materials used	2019	2020
Total wood purchased (m ³)	2,236,064	1,152,348
Total steel purchased (t)	637,769	546,515
Total concrete purchased (m ³)	6,064,660	3,706,055
Total glass purchased (m ²)	208,264	86,848

LIFE REPOLYUSE – TECSA

Since November 2017, TECSA has been involved in the LIFE REPOLYUSE project - 'REcovery of POLYurethane for reUSE in eco-based materials,' subsidised by the European Commission and coordinated by the University of Burgos, together with the companies Yesiforma Europa S.L. and Exergy Ltd., and in 2020, the work relating to this project was completed.

The main objective of the project was to increase the reuse of polyurethane waste that is currently managed as inert waste or recovered through techniques that are not environmentally sustainable. More than 3.5 million tonnes of polyurethane are used in Europe each year, generating approximately 675,000 tonnes/year of polyurethane waste. The vast majority (68%) of this waste material goes to the landfill.

The product has been developed and implemented satisfactorily both in the work of TECSA in Miñano (Álava) and in Coventry (United Kingdom) to test its characteristics and assess the energy and environmental improvements generated by it.

In its initial years, the new LIFE-REPOLYUSE product will recover 75 tonnes of polyurethane foam residue, which translates into lower raw materials costs; 25% water savings and a 32% reduction in gypsum. The Life Cycle Analysis concluded that the new material, compared to a standard product, significantly reduces CO₂ (-14%), energy expenses in its manufacturing processes (-14%) and decreases the non-hazardous waste disposed of/discharged by 31%.

The results of the project were very well received by the European Commission and very positively evaluated, since the project has led to the development of an eco-efficient and sustainable product that is certified and capable of being put on the market immediately.

WASTE PREVENTION AND MANAGEMENT

Waste management in the ACS Group prioritises recycling, reuse or other recovery operations over landfill disposal, in order to minimise as much as possible the waste generated when carrying out its activity. Specifically, the ACS Group is working to reintroduce the products used in the production process to enable them to be used again as raw materials, minimising the impact of the business on the environment.

The waste is managed by each of the Group companies in accordance with the regulations in force in each country. The installations have the corresponding authorisations for producers of hazardous waste, which enable them to be recorded, inventoried, stored and managed. Based on the aforementioned prioritisation of waste management, the waste is handed over to authorised waste managers.

During 2020, a total of 16,102,660 tonnes of hazardous and non-hazardous waste were generated, representing an increase of 25.8% with respect to 2019. The total volume of waste generated year to year is directly related to the type

of projects executed throughout the year, despite the measures to minimise waste that are implemented year after year by the Group. The increase in non-hazardous waste in 2020 was therefore due mainly to the execution of two road projects in Spain that generated large movements of uncontaminated soil, as well as the construction of the Port of Vancouver in Canada. In regard to hazardous waste, the root cause of the increase was due to CIMIC projects in the Asia Pacific region that involved managing large amounts of contaminated soil.

On the other hand, of the total non-hazardous solid waste managed by the Group, just 2,280,586 tonnes⁽³⁾ were deposited in landfills, which represents only 14.5% of total non-hazardous waste. Likewise, of the total hazardous waste generated, 39.9% was recycled or reused⁽⁴⁾, representing an increase of 31.7 percentage points with respect to 2019. This confirms the Group's efforts to prioritise recycling or reuse of other waste disposal methods as a sign of its commitment to the circular economy. Lastly, in 2020, the companies of the ACS Group transported 0.0% of the total hazardous waste internationally.

(3) Scope of the data: 98.4% 2020 turnover.

(4) Scope of the data: 98.4% 2020 turnover.

	2017	2018	2019	2020
ACS Group				
Non-hazardous waste generated (t)	9,345,697	17,310,934	12,669,950	15,713,510
Hazardous waste generated (t)	130,882	42,717	130,343	389,150
INFRASTRUCTURE				
Non-hazardous waste generated (t)	9,254,776	17,246,428	12,463,782	15,443,248
Hazardous waste generated (t)	130,052	39,172	96,519	361,616
INDUSTRIAL SERVICES				
Non-hazardous waste generated (t)	90,821	53,749	188,187	259,638
Hazardous waste generated (t)	766	3,473	33,604	27,364
SERVICES				
Non-hazardous waste generated (t)	99	10,757	17,982	10,624
Hazardous waste generated (t)	63	72	220	170

ACS GROUP WASTE BREAKDOWN	2019	2020
Total hazardous waste (t)	130,343	389,150
Reuse and recycling	10,691	155,411
Composting	0	10
Recovery	566	458
Incineration	315	655
Landfill	118,771	232,616
Non-hazardous waste (t)	12,669,950	15,713,510
Reuse and recycling	9,807,147	13,353,137
Composting	7,481	12,199
Recovery	76,488	60,588
Incineration	1,141	7,000
Landfill	2,777,693	2,280,586

REUSE AND RECYCLING OF MATERIALS IN THE PARRAMATTA LIGHT RAIL PROJECT (CIMIC)

An example of a circularity-based project is the project that CPB Contractors is undertaking in suburban Sydney through its involvement in the construction of the Parramatta Light Rail. The project will connect Westmead to Carlingford via the Parramatta and Camellia CBD with a 12-kilometer two-way track.

The circularity model promoted by the project focuses on two pillars. On the one hand, in the use of the materials employed since more than 11,000 meters of rail, 12,000 sleepers and 8,000 cubic meters of ballast that were removed from the original T6 Carlingford line will be reused. It is expected that the project will be able to reuse more than 60% of the rails, 90% of the sleepers and 50% of the ballast on the removed materials. On the other hand, materials that cannot be reused will be managed. The unsuitable rails will be sent to a metal recycler and the sleepers to concrete recyclers. Ballast is being stockpiled, washed and re-screened to meet the specifications of the new Parramatta Light Rail. Thus, the reuse of these materials will help reduce the project's CO₂-e emissions by more than 3,500 tons.



5.1.3 EFFICIENT AND RESPONSIBLE USE OF WATER RESOURCES

The ACS Group is aware of the importance of water in its activities. Through its Industrial Services business, which develops water desalination, drinking water treatment and filtering infrastructure, the ACS Group contributes to guaranteeing access to clean water and improving waste water quality.

The management and monitoring of these indicators allows the Group to identify those places where the use of water generates a greater impact on the environment, with the firm goal of performing its activity in a sustainable and environmentally friendly manner.

ACS Group Breakdown of water (withdrawal-discharge) ⁽¹⁾	2019	2020
TOTAL WATER WITHDRAWN (m³)	27,068,160	27,681,049
Volume of water withdrawn from surface water (rivers, wetlands, lakes) (m ³)	12,482,064	13,240,639
Volume of water withdrawn from groundwater (m ³)	7,519,740	5,895,994
Volume of water withdrawn from third parties (municipal network, processing plant or public or private service) (m ³) ⁽²⁾	7,058,488	8,536,148
Volume of water withdrawn from marine waters (m ³)	7,867	8,268
Total water withdrawn in water stress areas (m³)	2,297,244	2,381,709
Volume of water withdrawn from surface water (rivers, wetlands, lakes) in water stress areas (m ³)	96,072	110,734
Volume of water withdrawn from groundwater in water stress areas (m ³)	209,567	266,303
Volume of water withdrawn from third parties (municipal network, processing plant, etc.) in water stress areas (m ³)	1,991,443	2,004,535
Volume of water withdrawn from marine waters in water stress areas (m ³)	162	137
TOTAL WATER DISCHARGED (m³)	18,455,724	16,235,550
Volume of water discharged into surface water (rivers, wetlands, lakes) (m ³) ⁽³⁾	17,017,279	14,280,126
Volume of water discharged into groundwater (m ³)	222,043	248,242
Volume of water discharged into third-party waters (municipal network, processing plant or public and private services) (m ³)	1,212,399	1,607,978
Volume of water discharged into marine waters (m ³)	4,003	99,204
Total water discharged in water stress areas (m³)	1,921,311	2,333,368
Consumption (m³)	8,612,436	11,445,499
Ratio: m ³ of water consumed/turnover (millions of euros) ⁽⁴⁾	716,2	805,0
Consumption in water stress areas (m³)	375,933	48,341

(1) Excluding the water collected/discharged by Tedagua for desalination and water treatment processes, since this water is seawater or wastewater, which is returned to the environment in better condition.

(2) The increase in water withdrawal is mainly related to HOCHTIEF Asia Pacific's activity due to drought in Australia, which increased the use of water to suppress dust in the mining business.

(3) The increase in water discharged in 2019 is associated with the activity of HOCHTIEF Asia Pacific. In 2019, the wells were drained at the Senakin coal mine in Indonesia, where mining activity was resumed that year. This meant that the open pit wells, which were retaining a significant amount of water, had to be pumped, generating significant discharge volume.

(4) The ratio was calculated taking into account the water withdrawn with respect to turnover.



The activities carried out by the ACS Group are associated with significant water consumption, particularly in the area of construction, and in 2020 the total amount of water consumption reached 11,445,499 m³.

As is the case with other environmental indicators, the increasing trend in water consumption that the ACS Group has experienced in recent years is explained, in part, by increased turnover and the type of projects carried out over the course of the year, which could distort the effect of the measures implemented to promote the efficient use of water resources. One of the objectives of the Group's 20-20 Plan is to reduce the water consumption ratio, but as a result of the improvement of information collection systems and the greater detail of the data reported, both

in terms of scope and withdrawal/discharge, the evolution of this indicator in regard to the baseline year is not comparable and cannot be recalculated.

The company acknowledges the need to reduce consumption of this natural resource, especially in areas that are subject to water stress. For this reason, beginning in 2019, the ACS Group has been monitoring water consumption corresponding to water stress areas, accounting for 48,341 m³ of the total water consumption.

In this sense, the ACS Group has adequate measurement systems (at the project, company and corporate levels), permitting detailed knowledge of the main sources of consumption. This information makes it possible to develop the most suitable efficiency measures in each case.

AWARD GIVEN TO THE CHOA CHU KANG HYDRAULIC WORKS IN SINGAPORE (CIMIC)

UGL, one of the main companies through which the CIMIC Group operates in the Asia Pacific region, was chosen to build, implement and maintain a ceramic-membrane water filtration system as part of the upgrade of the Choa Chu Kang factory. This project was given the Water Project of the Year award at the 2020 Global Water Awards.

The Choa Chu Kang water factory is now the largest drinking water installation with ceramic membranes in the world, after the work carried out over the course of three years. The ceramic membrane system is more efficient at removing suspended particles from raw water than the plant's previous sand filtration system. Furthermore, as part of the upgrade, activated carbon filters with ozone were also added to the water processing process, helping to destroy microbes and eliminate organic matter from water.

The plant now has a total capacity of up to 80 million gallons per day, enough to fill approximately 145 Olympic swimming pools. It treats the water in the Pandan, Tengeh and Kranji (Singapore) reservoirs before it is supplied to the taps of homes, companies and industries in the area.



It should also be noted that the ACS Group also performs exhaustive control on the quality of the water discharged into the environment, in order to ensure that the discharges do not have significant effects on the environment and always comply with the provisions in local legislation.

In addition to managing water resources responsibly, through its Industrial Services activity, the ACS Group executes projects that contribute to improving water quality and guaranteeing access to drinking water.

WATER TREATMENT (COBRA)

The ACS Group, through its Industrial Services business and mainly through Tedagua (a Cobra subsidiary), executes projects that contribute to improving water quality and guaranteeing access to drinking water, such as drinking water, desalination and waste water treatment plants.

Name	% Shareholding ACS	Location	Country	m ³
Desalination plants				
Benisaf Water Company	51%	Algeria	Operation	200,000
Hydromanagement	80%	Spain	Operation	72,000
TAIF	50%	Saudi Arabia	Construction	160,000
Al Hamra Water company	40%	United Arab Emirates	Construction	100,000
Caitan	50%	Chile	Development	86,400
Water treatment plants				
Taboada	100%	Peru	Operation	1,012,068
Provisur	100%	Peru	Construction	35,610
Irrigation projects				
Majes	100%	Peru	Construction	52,500
WATER				1,718,578

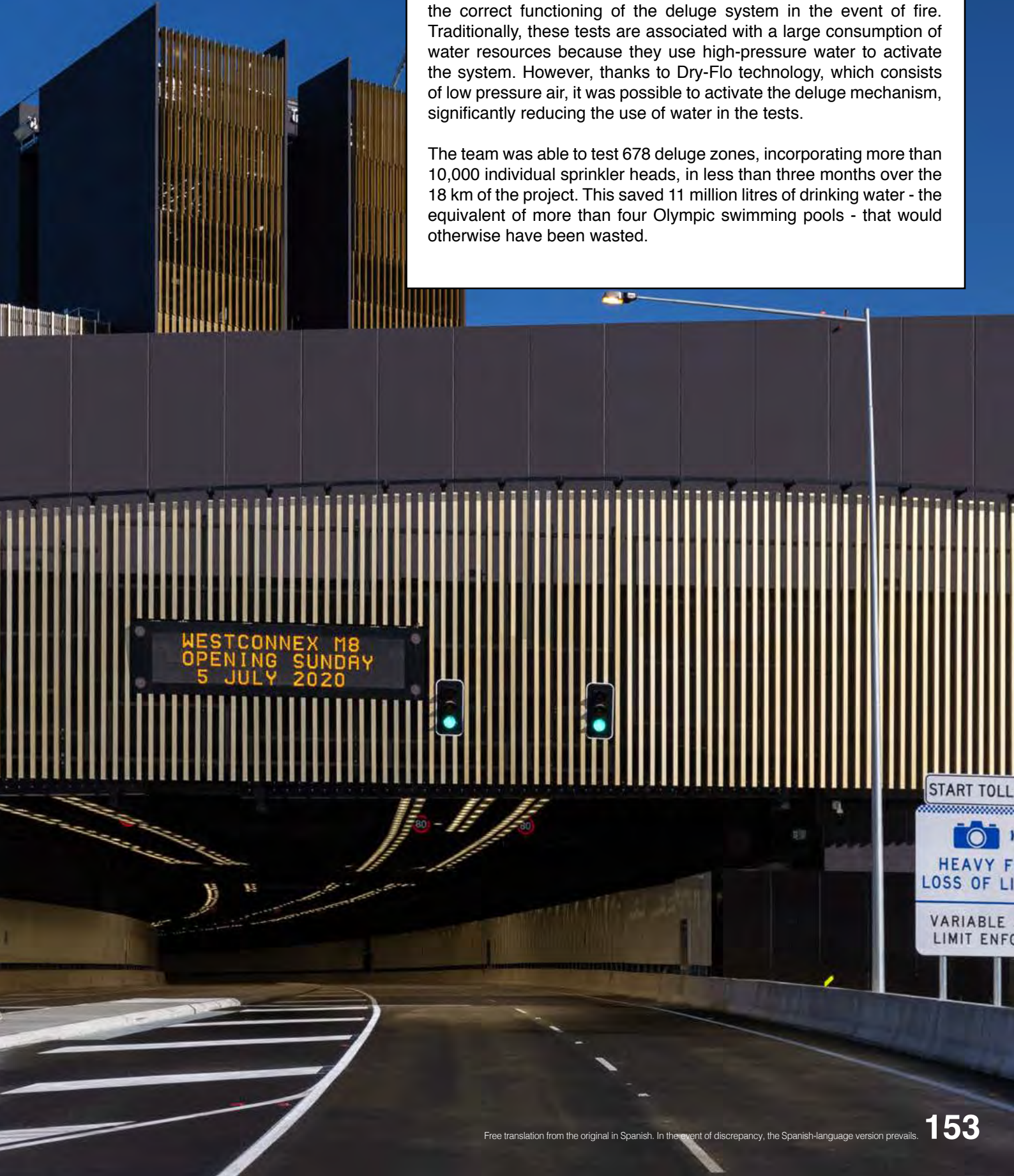


WATER SAVINGS IN THE WESTCONNEX M8 PROJECT (CIMIC)

In July 2020, M8 WestConnex (Sydney), a new road built by CIMIC that extends 9 km from Kingsgrove to the new St Peters interchange, was opened to traffic.

In the course of the construction project, since this road includes a tunnel section, the relevant control tests had to be carried out for the correct functioning of the deluge system in the event of fire. Traditionally, these tests are associated with a large consumption of water resources because they use high-pressure water to activate the system. However, thanks to Dry-Flo technology, which consists of low pressure air, it was possible to activate the deluge mechanism, significantly reducing the use of water in the tests.

The team was able to test 678 deluge zones, incorporating more than 10,000 individual sprinkler heads, in less than three months over the 18 km of the project. This saved 11 million litres of drinking water - the equivalent of more than four Olympic swimming pools - that would otherwise have been wasted.



5.1.4 PROTECTING BIODIVERSITY

The activities of the ACS Group are potentially capable of causing impacts on the natural environment when operating in all types of locations and environments where a multitude of ecosystems may coexist. In this context, the company always attempts to minimise the impact of its activities on biodiversity, particularly respecting protected natural areas and areas with high ecological value.

As a result of this commitment, the Group carries out its activities according to the following basic principles in the area of biodiversity:

- Consider the initial value of the ecosystems that may be affected and assess the impact of the activities, products and services on them.
- Apply the hierarchy of mitigation of impact on ecosystems by means of prevention, reduction, restoration and compensation actions.
- Implement management plans to preserve or restore biodiversity in activities or services that have a significant impact on ecosystems.
- Establish non-action criteria to avoid performing activities or services in certain areas based on their intrinsic value or vulnerability. In this regard, in 2020, the Group carried out activities on 649 hectares⁽⁵⁾ considered to be of high biological value, implementing specific objectives and plans to minimise the impact.

The ACS Group has implemented measures that ensure the conservation of plants and wildlife from the start of planning the operations to the end. These measures are based on:

- a. Physical protection, transplanting or transfer, as well as respect for the life cycles of the plant and animal species affected.
- b. Environmental impact studies, which identify the main effects on the natural environment of the projects and establish actions to minimise them. Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are carried out.
- c. Supervision plans which guarantee compliance with the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments.
- d. Compensation, restoration, recovery and reforestation activities. In 2020, the ACS Group carried out work on 642 hectares⁽⁶⁾.

(5) Scope of the data: 98.36% ACS Group turnover

(6) Scope of the data: 98.42% ACS Group turnover

THE 'TURTLE PARACHUTE' PROTECTS AN ENDANGERED SPECIES (CIMIC)

On the Burnett River in Queensland, 80 km southwest of Bundaberg (Australia), CPB Contractors implemented essential measures to minimise the potential impact of work on the Paradise dam, a key component of the Bundaberg water supply plan, on one of the key species in the area.

During the execution of the project, the team collaborated closely with the Department of Environment and Science (DES) and the dam operator, Sunwater, to protect the critically-endangered white-throated snapping turtle during its nesting season. This turtle is one of Australia's largest freshwater turtles, which is often found in the main rivers in the area, and was classified as a critically endangered species in 2014.

With the support of CPB's team of contractors, the DES recovered 30 eggs that were housed in an enclosure specially designed to protect the eggs from predators such as foxes and other wild animals during incubation. The eggs were protected following the relocation of three endangered turtles, two of which were females with eggs, during the depopulation downstream. The enclosure was monitored until the eggs hatched.



PROTECTION OF BIODIVERSITY IN HAMPTON ROADS (DRAGADOS USA)

The Hampton Roads (Virginia) bridge and tunnel extension project is proud of its protection of local biodiversity. The Hampton Roads area, and in particular the north and south islands of the tunnel, is home to several species protected at the federal and state levels. Some of these species are aquatic, such as the Atlantic sturgeon and the loggerhead turtle, in addition to birds, such as the Wilson's plover and the gull-billed tern.

The works on the islands required the protected birds nesting on them to be moved. To prevent the birds from nesting, different measures were applied. As an active measure, stakes with coloured plastic tapes were used to prevent the birds from nesting in the areas. The project also used dogs that were trained to drive away the migratory birds, without hunting them, thus preventing them from nesting for their safety. Instead, the project provided offshore barges to offer nesting places for migratory birds rather than the islands.

In addition to managing birds, the project's operations must monitor the impacts on sea life. A mammal monitoring plan has been implemented to monitor the behaviour of nearby sea life and to determine whether the pile driving activities are affecting sea life. The monitoring plan is directed by a marine-mammal observer.



REHABILITATION OF MINING AREAS IN CIMIC

Rehabilitation of altered areas continues to be an integral element in the handling of biodiversity in projects and is particularly important in mining. Thies offers specialised capacity in the design and planning of the restoration, profiling and bulk shaping of mine debris, construction of erosion and sediment control barriers, and the covering and seeding of the rehabilitated areas. Environmental specialists work closely with the operational teams to develop progressive restoration plans that optimise environmental results and offer community service throughout the life of the mine.

Rehabilitation of CIMIC's mining areas (hectares)	Erosion repair	Soil recovery	Replanting
Australia/Pacific	90.3	75.2	117.7
Asia/Africa/America	459.1	459.2	0
Total	549.4	534.4	117.7



5.1.5. RISK MANAGEMENT IN ENVIRONMENTAL ISSUES

The functions attributed to the Audit Committee of the Group's Board of Directors include the review, monitoring and assessment of the Group's Sustainability Policy, as well as the supervision of the Group's Environmental Policy.

Secondly, the responsibility of overseeing environmental performance and carrying out the appropriate action plans and improvement programmes lies with the Environmental Department of each group of companies, along with adopting the necessary measures to reduce and mitigate the environmental impacts related to the Group's activities, always following the principles established in the Group's Environmental Policy.

Likewise, in accordance with the Group's risk map, updated in 2020, and the materiality analysis, the Group has prioritised the risks based on their potential relevance for the company's activity, depending on the type of activity, action areas, policies and management approaches.

The table below shows the results obtained from this prioritisation of potential risks to perform the activity related to the environment, as well as the management measures adopted by the ACS Group:

MATERIAL TOPIC	RISKS	DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES	ASSOCIATED MANAGEMENT INDICATORS	APPLICABLE POLICIES ACS GROUP
Responsibility to local communities	<p>The company's activity may give rise to risks due to opposition from communities to the execution of projects or due to a negative perception of the management. This could jeopardise the Group's reputation and the social license to operate.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • Impact on the socio-economic environment. • External communication with stakeholders. • Reputation risks. 	<ul style="list-style-type: none"> • Contribute to society through local hiring and the assistance given to manage the COVID-19 crisis. • Encourage a proactive dialogue with the community through those responsible for the specific companies and projects. • Carry out all activities of the ACS Group in accordance with current environmental legislation. 	<p>In 2020 there was no significant infringement of environmental legislation and regulations, which is understood as non-compliance that entails a fine greater than EUR 10,000.</p> <p>Likewise, in accordance with Note 37 on Information on the Environment of the Annual Accounts of the ACS Group, ACS Group companies incurred environmental expenses in 2020 totalling EUR 2,400 million (EUR 1,904 million in 2019), and according to Note 20 of the Annual Accounts, the provisions for environmental actions are included in non-current provisions, which include provisions to cover the probable environmental risks that may arise, with no provision of this nature included in the accounts in 2020. The Group companies manage environmental risk coverage through different systems depending on their activity and geographic area and in accordance with their own environmental management systems.</p>	<ul style="list-style-type: none"> • Environmental Policy. • Sustainability Policy Corporate. • Risk Control Policy.
Responsible supply chain	<p>Poor practices by a company's suppliers and contractors pose a potential risk that, if it were to materialise, could hinder its ability to do business. It is necessary to assess the counterparty risks to which it is exposed and to constantly improve its performance.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • Procurement and subcontracting processes. • Efficient use of resources and circular economy. • Biodiversity • Climate change and energy efficiency. 	<ul style="list-style-type: none"> • Promote and encourage suppliers, contractors and collaborating companies to have their own Policies. If they do not have an environmental policy, they must adhere to the ACS Group's Environmental Policy. • Implementation of specific standards and a system for management, classification, approval and control of supplier and subcontractor risk. • The Group has a Code of Conduct for Business Partners to which they must adhere and that specifically establishes the commitment of business partners to respect human rights and the environment. • They are expected to have organisational and management models aligned with international best practices and standards, such as ISO 14001 on environmental management systems, among others. • Promote the implementation of non-financial criteria, including environmental and social criteria, in the process of approval of suppliers and the assessment and establishment of mechanisms to detect improper practices in this area. • Consider, in contracting processes with third parties, assessment criteria that take environmental performance into account, as well as the implementation of contractual clauses where necessary. 	<p>In 2020, of the 131,984 direct suppliers with which the Group works, 92.8% of suppliers signed on to accept this Code or have a method similar to the ACS Group Code of Conduct.</p> <p>In these formal supplier approval systems, the weight of the factors related to sustainability (environmental, ethical and social criteria) out of the total factors used for the approval varies according to the companies' activities and areas of activity, but the weighted average weight of these factors exceeded 38.5% in 2020.</p>	<ul style="list-style-type: none"> • Environmental policy. • Code of Conduct Business Partners. • Risk Control Policy.

MATERIAL TOPIC	RISKS	DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES	ASSOCIATED MANAGEMENT INDICATORS	APPLICABLE POLICIES ACS GROUP
Efficient management of resources	<p>Inefficient management of resources can significantly increase construction and management costs, negatively affecting the agreements reached with the client. Similarly, the improper management of natural capital, in addition to having a direct impact on the ecosystems in which the Group carries out its activities, may harm its reputation. On the other hand, responsible and sustainable management of resources reduces costs for the company and improves the company's perception and legitimacy.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • Efficient use of resources and circular economy. • Biodiversity 	<ul style="list-style-type: none"> • Continuously improve the environment, implementing an environmental management system to ensure compliance with policies, setting and monitoring objectives. • Assess the potential risks to the environment in each of the phases of a project, work or service, with the aim of designing processes that make it possible to minimise the environmental impact. • Promote training and awareness of employees in environmental aspects. • Promote actions aimed at increasing awareness among clients, value chain and society in general. 	<p>In 2020, 97.4% of the turnover of the ACS Group was approved under ISO 14001 or other certification arrangements. Environmental management systems are verified by an external third party in companies that represent 98.1% of the Group's turnover and, in 2020, 1,992 environmental audits were carried out.</p>	<ul style="list-style-type: none"> • Environmental Policy. • Sustainability Policy. • Construction Materials Policy. • Risk Control Policy.
The climate: global concern	<p>The ACS Group faces physical risks arising from climate change (for example, natural disasters), as well as transition risks arising from regulatory changes (stringent green energy targets, strict efficiency and emission reduction measures), technological changes or new market preferences.</p> <p>In this regard, it is important to highlight that stakeholders, such as the investment community, are increasingly demanding information on managing the risks and opportunities associated with climate change, due to their potential impact on the income statement and the resilience of the Group's Strategy.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • Climate change and energy efficiency. 	<ul style="list-style-type: none"> • The Environmental Plan and the Group's 20-20 plan define the commitment and objectives for the improvement of eco-efficiency and use of resources. The ACS Board of Directors has overall responsibility for the climate change strategy through the Audit Committee, which is responsible for monitoring the ACS Group's sustainability policy. • The company is working to establish objectives related to the variable remuneration of the Senior Management in regard to climate change performance that will apply in 2021. • Each company is responsible for keeping an inventory of emissions, identifying main sources and developing initiatives to reduce them. • The Group offers its customers construction products and services that help to promote the transition to a low carbon economy. 	<ul style="list-style-type: none"> • Consumption of renewable energies: 64,246,390 kwh • Reduction in total emissions 2019-2020: 19.8% • Reduction in total emissions / turnover: 11.9% • Development of business opportunities such as renewable projects and Green Building. <p>In 2020, the Group continued to develop its reporting model to be able to report information relating to risks and opportunities related to climate change in accordance with the recommendations of Task Force on Climate-Related Financial Disclosure (TCFD), as well as to be able to establish quantitative reduction objectives in the short-medium term.</p>	<ul style="list-style-type: none"> • Environmental policy. • Sustainability Policy. • Risk Control Policy.
Resilient and socially-responsible infrastructure	<p>The increasingly frequent extreme weather events, the scarcity of natural resources, the social state and context of the territory condition the Group's activities. Likewise, stakeholders are increasingly demanding the management of these aspects by companies such as ACS.</p> <p>ACS must therefore work on designing and executing resilient, sustainable and environmentally-friendly infrastructure through projects that involve sustainable management of resources for clients.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • Climate change and energy efficiency. • Efficient use of resources and circular economy. • Relations with clients. 	<ul style="list-style-type: none"> • The ACS Group, through its different activities, provides services that help create more efficient and sustainable infrastructure and cities - sustainable construction, construction of public transport systems, traffic management services, etc. • ACS offers customers the use of recycled and/or certified construction materials. The projects of Hochtief, Turner, CIMIC and Dragados comply with different sustainable construction certification requirements, as well as CEEQUAL, ISCA and Greenroads, in terms of efficient infrastructure. • In the ACS Group companies, one of the fundamental pillars of the R & D area of the construction companies is the development of new projects and materials that increase the resilience of infrastructure and that make it possible to cope with the increasingly extreme weather changes resulting from climate change, in addition to the reduction of these construction materials, as well as their reuse and use. • Develop biodiversity policies and environmental studies to minimise impacts on the business areas. 	<ul style="list-style-type: none"> • Development of Green Building projects: 852 cumulative projects by Hochtief and 30 underway in 2020 by Dragados. • Biodiversity: recovery work on 642 hectares. 	<ul style="list-style-type: none"> • Environmental Policy. • Sustainability Policy. • Construction Materials Policy. • Risk Control Policy.

5.2 PEOPLE IN THE ACS GROUP



The ACS Group's business success comes from the talent and diversity of its teams. For this reason, the company is committed to the professional development of its employees while at the same time ensuring the best working, health and safety conditions.

To retain the best professionals, the ACS Group has different corporate policies for managing

people that are aligned with the best practices in this area and that are described throughout this chapter. Although each company of the Group develops its own complementary human resources policies to meet its specific needs, they all follow common guidelines:



- Attract and hold onto the best talent, while at the same time aiming to improve the degree of responsibility and motivation of employees.
- Promote a culture and corporate values with which the people in the ACS Group identify.
- Promote teamwork and quality control as tools to promote the excellence of work well done.
- Ensuring equal opportunities, diversity and inclusion.
- Support and increase training and learning.
- Innovate to improve processes, products and services.

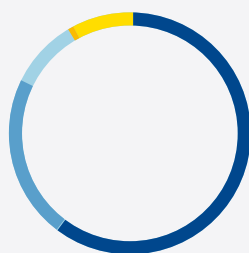
The impact that the COVID-19 pandemic has caused in all businesses, and society in general, has changed the ACS Group's people management model over the course of 2020. The halting or delay of some projects, particularly in the infrastructure sector, affected the hiring of new employees. Similarly, the mode of interaction and team management has changed, posing an unprecedented challenge to ensure quality and employment.

The ACS Group followed all of the recommendations of the health authorities, making new work tools available, promoting remote work in the positions

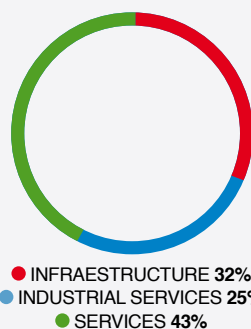
that allowed it, and implementing all of the necessary safety measures to ensure the health and safety of its employees. In addition, each Group company adapted its own procedures to suit the situation in each region and business.

At year-end 2020, the ACS Group had a workforce of 179,539 persons, of which 42.3% were women and 57.7% men. The workforce of the ACS Group decreased by 5.7% with respect to 2019, mainly due to the halting of some projects that resulted in a downturn in the Group's activity during the year.

WORKFORCE DISTRIBUTION BY GEOGRAPHICAL AREA

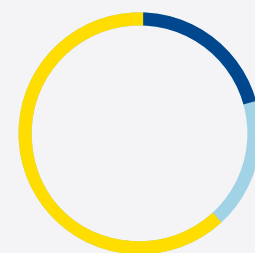


DISTRIBUTION OF WORKFORCE BY BUSINESS AREA*



* Not including 54 Corporate employees

WORKFORCE BREAKDOWN BY PROFESSIONAL CATEGORY



ACS GROUP WORKFORCE
AT THE END OF 2020

179,539



WOMEN

42.3%

THE ACS GROUP OVERALL

9,332

GRADUATES WITH
INTERMEDIATE AND
ADVANCED DEGREES

2,323

EMPLOYEES WITH A
MANAGEMENT POSITION (WORKS/
PROJECT MANAGER OR SIMILAR
AND SUPERIOR)

12,121

NON-QUALIFIED
TECHNICIANS AND
ADMINISTRATIVE STAFF

144

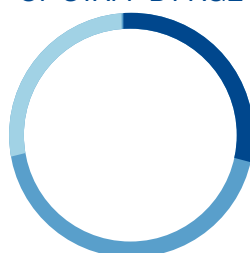
SENIOR MANAGEMENT
POSITIONS

9.8%
TOTAL STAFF
TURNOVER

6.8%
VOLUNTARY
TURNOVER

54,579
OTHER STAFF

BREAKDOWN
OF STAFF BY AGE



- AGE <35 YEARS 26%
- AGE LOS 35-50 YEARS 42%
- AGE >50 YEARS 32%



MEN

57.7%

THE ACS GROUP OVERALL

22,737

GRADUATES WITH
INTERMEDIATE AND
ADVANCED DEGREES

9,836

EMPLOYEES WITH A
MANAGEMENT POSITION (WORKS/
PROJECT MANAGER OR SIMILAR
AND SUPERIOR)

21,613

NON-QUALIFIED
TECHNICIANS AND
ADMINISTRATIVE STAFFS

1,031

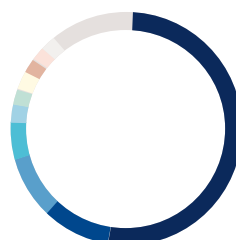
SENIOR MANAGEMENT
POSITIONS

25.5%
TOTAL STAFF
TURNOVER

9.8%
VOLUNTARY
TURNOVER

59,157
OTHER STAFF

DISTRIBUTION OF ACS
GROUP EMPLOYEES BY
COUNTRY



- SPAIN 54%
- AUSTRALIA 9%
- UNITED STATES 8%
- INDONESIA 4%
- GERMANY 2%
- BRAZIL 4%
- UK 2%
- PERU 2%
- CHILE 3%
- PORTUGAL 2%
- ROW 10%

Regarding the distribution of employees by country, 54% work in Spain and 46% in other countries, which demonstrates the Group's significant international presence.

The distribution of the workforce at year-end by type of contract shows the predominance of permanent contracts over temporary contracts, with 67.4% of the workforce having this type of contract. Regarding the type of workday, 71.7% of the workforce of the ACS Group work full time.

31-Dec-20			
	Men	Women	Total
Fixed contracts	70,754	50,237	120,991
Temporary contracts	32,753	25,795	58,548

31-Dec-20				
	Age <35	Age between 35-50	Age >50	Total
Fixed contracts	27,833	49,609	43,549	120,991
Temporary contracts	19,278	25,559	13,711	58,548

31-Dec-20				
	Graduates with intermediate and university degrees	Non-qualified technicians and Administrative staff	Other staff	Total
Fixed contracts	25,918	22,839	72,234	120,991
Temporary contracts	6,151	10,895	41,502	58,548

31-Dec-20			
	Men	Women	Total
Full-time contracts	94,044	34,664	128,708
Part-time contracts	9,463	41,368	50,831

31-Dec-20				
	Age <35	Age between 35-50	Age >50	Total
Full-time contracts	37,433	56,125	35,150	128,708
Part-time contracts	9,678	19,043	22,110	50,831

31-Dec-20				
	Graduates with intermediate and university degrees	Non-qualified technicians and Administrative staff	Other staff	Total
Full-time contracts	28,988	27,650	72,070	128,708
Part-time contracts	3,081	6,084	41,666	50,831

In 2020, the total employee turnover in the ACS Group was 18.7% (vs. 20.8% in 2019) and voluntary employee turnover was 8.5% (10.8% in 2019).

It is important to note that due to the health crisis caused by COVID-19, the ACS Group was forced to file Temporary Workforce Restructuring Plans (ERTEs), or their equivalent based on the geographic

scope in which the company is located, which affected 18,905 employees during the year. Of these, 18.0% of the cases involved the partial reduction of the workday and 82.0%, temporary suspension of contracts.

The number of redundancies in 2020 was 16,364 people, including those resulting from the termination of projects.

	2019			2020		
	Men	Women	Total	Men	Women	Total
Redundancies	15,715	1,549	17,264	14,857	1,507	16,364

	2019				2020			
	>35 years of age	35-50 years of age	>50 years of age	Total	>35 years of age	35-50 years of age	>50 years of age	Total
Redundancies	7,574	6,946	2,744	17,264	6,566	6,779	3,019	16,364

	2019				2020			
	Graduates with intermediate and university degrees	Non-qualified technicians and Administrative staff	Other staff	Total	Graduates with intermediate and university degrees	Non-qualified technicians and Administrative staff	Other staff	Total
Redundancies	1,654	3,907	11,703	17,264	1,461	6,071	8,832	16,364

5.2.1. PROFESSIONAL DEVELOPMENT

The ACS Group is positioned as one of the world's leaders in developing infrastructure and services, and this would be impossible without the best team of professionals. The Group's human resources teams seek to attract and retain specialised talent

in each of the Group's activity sectors. In 2020, 55,792 professionals, of which 44.4% were under 35 years of age, highlighting the commitment to young talent, with Dragados standing out for the programmes implemented in this area.



DRAGADOS YOUNG TALENT PROGRAMME

Since the Young Talent programme began in 2014, Dragados has maintained its commitment year after year to continue to include young new graduates in the most significant projects of the Group. Promoting their professional development and offering them training and learning opportunities alongside the Group's top professionals.

This year, despite the circumstances caused by the pandemic and in an adverse environment, Dragados made an effort to retain and motivate talented workers. As in previous years of recession, work is being done to offer workers an opportunity to continue their professional careers and learning. Dragados currently has almost 140 participants in this programme, both in national and international projects.

This programme aims to serve as a guide in the learning and development of these recent graduates in Civil Engineering, Industrial Engineering and Graduates in Administration and Business Management, through the experience in construction works, training, mentoring and evaluation aimed at obtaining information that makes it possible to identify and retain their talent based on their interests.

Internationally, since 2017, the Human Resources Departments of Dragados Spain, USA and Canada have been working together to ensure continuity in the programme to incorporate young talent and to help attract local talent.

The 'Engineering & Finance Development Programme' implemented in the USA and in Canada, currently has 134 participants who have been incorporated into its construction projects.

In 2020, being aware of the importance of incorporating these young people, 27 Engineers and 1 Finance specialist were incorporated into this plan in the USA and Canada. The programme consists of 3 years of training and monitoring, during which they are included in the company's most important projects and receive technical professional training and have a mentor who evaluates and guides their work.

YOUNG TALENT GRADUATES SPAIN 2014-2020

	Current	
	Spain	International
Civil Engineering	62	26
Industrial Engineering	14	5
Administration and Business Management	25	5
Architecture	1	0
Total	102	36



DRAGADOS TALENT AND EVALUATION PLAN

Dragados clearly understands the need to strengthen the loyalty of all of its employees, but it gives special attention to the group of young graduates who are beginning their professional careers with us. The Evaluation Plan is aimed at providing them with monitoring in order to adapt the training they receive in the specific plan designed for them and also to evaluate their situation. This makes it possible to respond to their professional interests and expectations and, also identify, based on their attitudes and abilities, how well the employee fits into the company's internal needs.

As is customary, in 2020, the project continued to evaluate these young graduates in Civil Engineering, Graduates in Business Administration and Industrial Engineering, with up to 4 years' experience, a high level of English, learning potential and motivation to pursue their professional careers in the construction industry.

Currently, around 140 young talents have been incorporated into our large construction projects, both in Spain and in the rest of Europe, USA, Canada and South America, acquiring a comprehensive and complete perspective for their development in the company.

Each worker is assigned a mentor who accompanies them in the learning process. The Human Resources Department of Dragados in Spain and internationally, the Human Resources Department in the destination country, monitors the worker. Periodic evaluations are carried out, through questionnaires and personal interviews, providing information on the skill, experience and professional expectations of these young professionals. As they are acquiring professional development and defining their interests, decisions can be made in regard to possible internal movements and promotions in the company.

EMPLOYEE PERFORMANCE MANAGEMENT PROCEDURE (SICE)

The SICE division, in Australia, has its own procedure for managing the performance of its employees. This procedure focuses on the employee's understanding of the objectives to be achieved and the organisation's expectations and requirements in regard to their performance at work. It also provides guidelines for managers to ensure that employees receive the necessary direction and support to perform their work in the best possible way.

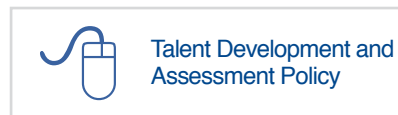
This document contains two sections:

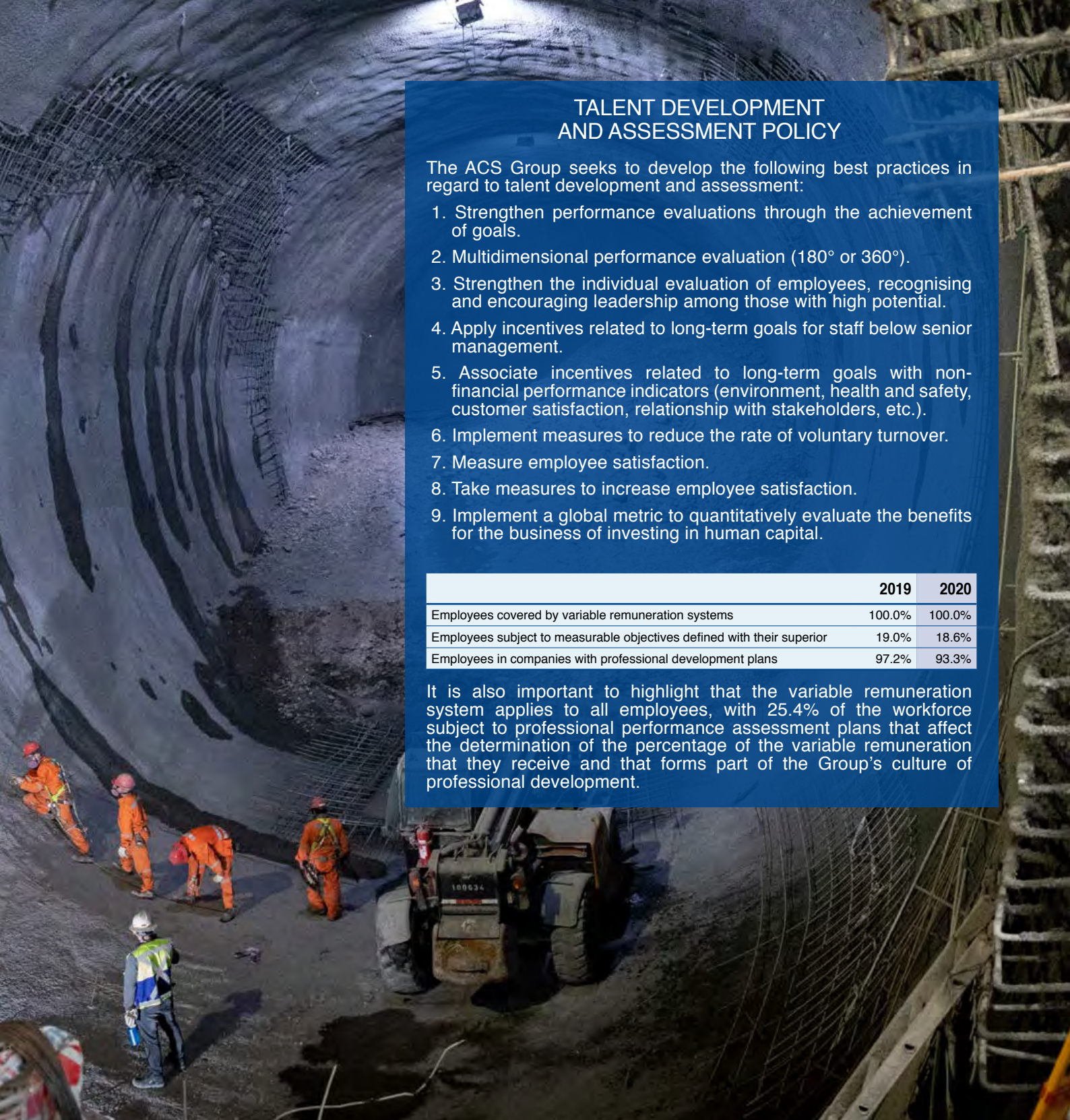
- The first part defines the procedure to be followed for the annual assessment of employee performance. After the evaluation, the Project or Department Managers, based on the results obtained, make their proposals for salary review or incentives.
- The second section defines the process to follow in the event of poor performance. The main aim is to offer the employee the necessary opportunity and support so that they can improve their performance.

Attracting and retaining talent requires the ACS Group to offer its employees the best employment practices, encouraging their professional development within the Group. In this regard, the ACS Group maintains a human resources management approach that is committed to continuously improving the skills and capacities of its teams.

Each ACS Group company manages the development of its staff independently, adapting its

needs to the specific characteristics of its activity, although they all address the elements defined in the **Talent Development and Assessment Policy**.





TALENT DEVELOPMENT AND ASSESSMENT POLICY

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

1. Strengthen performance evaluations through the achievement of goals.
2. Multidimensional performance evaluation (180° or 360°).
3. Strengthen the individual evaluation of employees, recognising and encouraging leadership among those with high potential.
4. Apply incentives related to long-term goals for staff below senior management.
5. Associate incentives related to long-term goals with non-financial performance indicators (environment, health and safety, customer satisfaction, relationship with stakeholders, etc.).
6. Implement measures to reduce the rate of voluntary turnover.
7. Measure employee satisfaction.
8. Take measures to increase employee satisfaction.
9. Implement a global metric to quantitatively evaluate the benefits for the business of investing in human capital.

	2019	2020
Employees covered by variable remuneration systems	100.0%	100.0%
Employees subject to measurable objectives defined with their superior	19.0%	18.6%
Employees in companies with professional development plans	97.2%	93.3%

It is also important to highlight that the variable remuneration system applies to all employees, with 25.4% of the workforce subject to professional performance assessment plans that affect the determination of the percentage of the variable remuneration that they receive and that forms part of the Group's culture of professional development.

The training programmes defined in the different Group companies all have the common aspect of encouraging individual talent to create the best teams of professionals. The provision of specialised training in the Group's different sectors of activity is based on the quality and improvement of the products and services.

Likewise, the impact of COVID-19 throughout the year required the existing training to be adapted to new online training courses.

For example, in Dragados, the emergence of the COVID-19 pandemic forced the Training Department to reorganise the in-person training and, in short, to prepare a new scenario so that the training would still reach the greatest number of people. Work was done to adapt the existing training so that it could be provided by electronic means, through the virtual classroom and online courses. In 2020, the Virtual Classroom took on a major role, as one of the ways to reach a large number of workers and continue to encourage their

training. It was included in the platform commonly used to provide online courses, promoting training, participation and interaction by workers in real time. In-house teachers were also trained with the course called 'Adaptation of training to the virtual classroom' to enable them to provide training with the same effectiveness and educational rigour as in their in-person classes. In 2020, despite the this unique situation, more than 57,000 hours of the Training Plan were given, which represents 72% of the planned hours.

In addition, SEMI made a virtual training campus available to its employees, open 365 days a year, with more than 400 specialised courses available in their business areas.

The ACS Group's ongoing training model makes it possible to identify the training needs among its employees during the year, which means that training programmes are constantly revised. In order to determine the efficacy of the training programmes, the Group companies evaluate the

courses at different levels: participant satisfaction, knowledge acquired by the participants and impact on the performance of the participants in the area in which they have been trained.

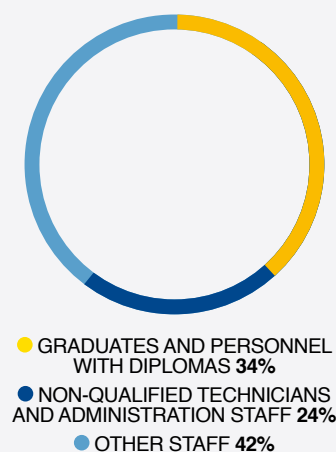
COVID-19 had an impact on the number of training hours given during the year, causing a decrease. In March, all of the planned in-person training was cancelled and the planned training was not given during the months of the lockdown. The in-person training was reorganised and adapted to be able to provide it by electronic means and to continue training the staff. Furthermore, given the characteristics of certain sectors, as is the case with construction, part of the training (prevention courses, among others, which, according to the agreement, must be carried out on an in-person basis), could not be given virtually.

Another aspect that was also affected was the budget allocated to training, given that fewer hours of training were given and that training given remotely is more economical than in-person training.

SKILL DEVELOPMENT PROGRAMMES (CLECE)

The Senior Development Programme for Service Managers aims to improve the skills that ensure efficient management of services, within the company's strategy. The content of the Programme was developed by professionals from the organisation itself, who are responsible for the different areas and activities, as well as by external experts in the different subjects taught. The programme lasts 300 hours and consists of practical cases, online content and practical in-person classes. This training develops technical, commercial, economic-financial, people management and leadership skills. In 2020, 44 participants completed this programme, bringing the total number of participants to 456 Clece employees.

BREAKDOWN OF TRAINING HOURS BY PROFESSIONAL CATEGORY



	2019	2020
Total hours taught	2,990,789	2,567,469
Teaching hours per employee (out of total employees)	16.0	14.7
Employees participating in training activities	111,383	80,743
Hours of training per employee (out of total employees trained)	26.9	31.8
Investment in training (M€)	34.6	25.1
Investment per employee in training (over total employees) (€)	185.4	143.9
Investment per employee in training (over total employees trained) (€)	311.1	311.5

5.2.2. EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION

The ACS Group strives to maintain relationships of trust with its employees and therefore considers it essential to safeguard basic principles intrinsic to its business model. In its **Code of Conduct**, the Group emphasises equal opportunities, non-discrimination and respect for human and labour rights, which form part of the Group's business commitment. The ACS Group rejects all types of discrimination, in particular discrimination based on age, sex, religion, race, sexual orientation, nationality or disability.

Beginning with objectivity in selection processes, the ACS Group seeks to ensure equal access to these processes in all phases, from recruitment to hiring.

In 2020, the ACS Group continued different actions in line with its Diversity Policy, the purpose of which is to manifest, implement and develop the Group's commitment to diversity and inclusion of all types of groups. The ACS Group understands diversity from many areas and is convinced that the creation of a diverse team allows it to successfully meet global challenges.

It is important to highlight that the ACS Group's extensive international presence makes it a multicultural team in which professionals from different races, ethnicities, ages, nationalities, languages, education, capacities, religions and genders converge, making this a constant aspect in the Group's day-to-day work. The company is aware of the relevance of local roots and, in line with its intention to promote the local development of the communities in which it operates, it promotes the direct hiring of local employees and executives. In this regard, 96.4% of the Group's employees correspond to the local community.

The Group's commitment to equal opportunities and diversity is reflected in all areas of the company:

- Regarding gender, companies representing 96.9% of the Group's employees have adopted measures to promote equal treatment and opportunities for men and women, and 76.6% of the Group's employees are covered by Equality Plans.

- In companies that represent 99.9% of the Group employees, there are anti-sexual harassment protocols.
- In companies that represent 99.7% of the Group's employees, measures have been adopted to ensure equal opportunities and avoid discrimination in the selection process for any position. In this respect, it is important to highlight that, in recent years, the ACS Group's commitment to the presence of women in the labour force and their professional development has resulted in a 2% increase in the proportion of women in management positions with respect to 2019. Similarly, in companies that represent 39.2% of the Group's employees, specific development programmes have been implemented to promote talented female employees, with 1,200 Group employees participating in 2020.

The milestones for the year include the signing of Clece's second Equality Plan, in addition to the renewal of EFR certification, as a Family-Responsible Company. This certification recognises the people management model in which equality and work-life balance are fundamental axes.



SEXUAL AND/OR GENDER-BASED HARASSMENT PROTOCOL (ETRA)

The ETRA Group, like the other companies in the ACS Group, considers it essential to ensure a safe and respectful working environment with people. All of the men and women who form part of ETRA are entitled to respect for their dignity, as well as the obligation to treat the persons with whom they come into contact for work reasons politely and with respect. For this reason, any conduct contrary to the aforementioned principles, and more specifically, conduct that this text identifies as harassment, is unacceptable, so we have adopted a mutual commitment to collaboration, with zero tolerance for any type of harassment.

Similarly, Organic Law 3/2007, of 22 March, on the effective equality of women and men, recognises that equality is a universal legal principle recognised in multiple international human rights texts, instituting the obligation to promote working conditions that avoid situations of harassment, as well as establishing specific procedures to prevent harassment and providing processes for complaints or claims that may be filed by those who have been subjected to it.

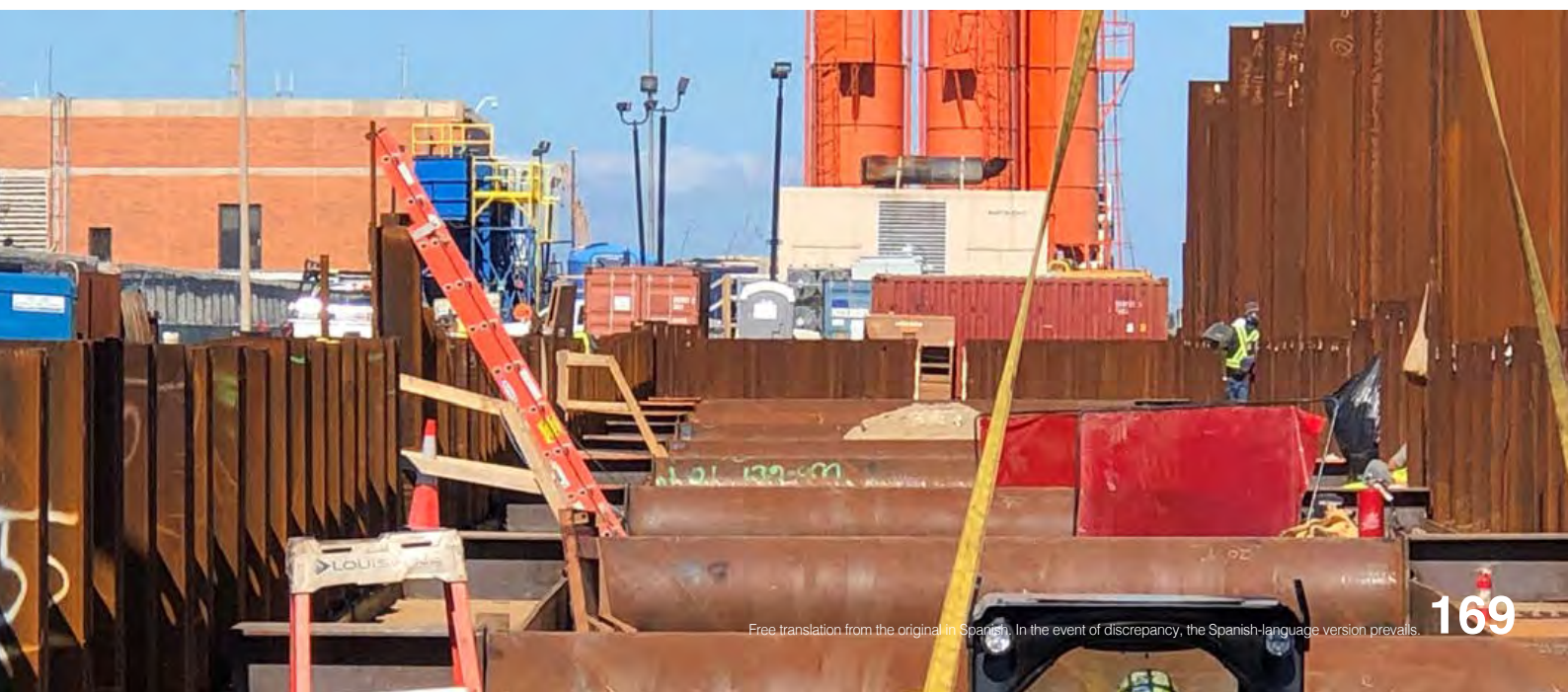
The ETRA GROUP has approved a sexual and/or gender-based harassment protocol to prevent harassment in the workplace and, if it occurs, to ensure that the appropriate procedures are available to address the problem and prevent it from recurring.

TRAINING PLAN FOR MANAGEMENT SKILLS FOR WOMEN (ETRA)

To encourage the promotion of women to positions of responsibility in Group companies, and to promote equal opportunities between women and men, a training course focused on women was created to develop and facilitate knowledge of the basic abilities and skills to improve interaction with other people, as well as to provide tools for personal management in their jobs, thus promoting the skills necessary to be able to develop professionally.

The content developed as part of this training is:

- Team work
- Communication
- Negotiation
- Emotional intelligence



EMERGING WOMEN LEADERS PROGRAMME (CIMIC-UGL)

UGL, one of the main companies through which the CIMIC Group operates in the Asia Pacific region, focuses on supporting gender equity and increasing female representation in leadership positions in all of its divisions as part of its **Strategic Diversity and Inclusion Plan**. The introduction of an Emerging Women Leaders Programme is one of the most prominent initiatives for achieving this objective, along with the implementation of specific individual development plans.

The actions carried out under this programme seek to increase the visibility of women in management positions and expand the professional networks of participants as a commitment to their professional development within the Group. All of this with a clear objective: to take advantage of the strengths of the participants so that they can become leaders within their workplaces.

Structured as a hybrid learning programme, it combines group sessions with individual coaching sessions to strengthen participant learning.

The ACS Group is committed to the employment integration of people with disabilities and other vulnerable groups, and uses employment as an instrument for social inclusion. At year-end, the ACS Group had 7,942 employees with disabilities. In this area, the Group's most prominent exponent is

Clece, with numerous collaboration agreements with institutions. In addition, companies that represent 82.6% of the Group's employees have implemented systems that guarantee universal accessibility for people with disabilities with infrastructure adapted to remove physical barriers for all people.

EMPLOYMENT INTEGRATION OF VULNERABLE GROUPS AT CLECE

In spite of the impact of the COVID-19 pandemic on job stability, Clece has continued to develop its Social Project, a project aimed at a wide variety of vulnerable groups such as **victims of gender-based violence**, persons with **functional diversity**, persons at **risk of social exclusion** or **unemployed young people**. This Project aims to ensure that all people can have equal access to employment without being discriminated against due to disability or social circumstances.

With this philosophy, diversity and inclusion have become a key value of Clece, which has integrated 9,027 employees from these groups into its organisation, representing 11.7% of the total workforce in 2020. This proportion remained constant in regard to the previous year, despite the fact that the number of workers in the workforce decreased for the first time in Clece's history this year. A significant portion of the services provided by the company, such as day centres or home-help services, provided mainly to older persons, were particularly affected during the months of lockdown.

In addition, Clece's efforts in favour of quality of employment is demonstrated by the increase in the number of these workers with permanent contracts. Of the 9,027 workers from vulnerable groups, 57% have permanent contracts, which represents an increase of 6% with respect to 2019.

Social and institutional cooperation is indispensable for employment inclusion to become a reality. For this reason, Clece collaborates with more than 350 associations, foundations, social entities and public bodies, creating an indivisible chain that leads to the employment and independence for the people facing the greatest difficulties.

Specifically, the Nominations Committee ensures that the selection procedures for Board members favour diversity in regard to the aforementioned issues and, in particular, seeks to facilitate the

selection of directors in a number that allows a balanced presence between women and men. The Board's total remuneration is shown in the table below.

Thousands of euro	2019 Number of Directors	2020 Number of Directors	Total remuneration for the 2019 financial year	Total remuneration for the 2020 financial year	Variation
EXECUTIVE DIRECTORS (1)	5	5	3,422	3,259	-4.8%
Fixed remuneration			1,494	1,489	-0.3%
Variable remuneration(2)			1,065	881	-17.3%
Contributions to long-term savings systems			857	883	3.0%
Other concepts			7	7	n.a.
NON-EXECUTIVE DIRECTORS	12	11	244	235	-3.7%
WOMEN	3	3	185	188	1.6%
MEN(3)(4)	9	8	264	251	-5.0%

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

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

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

(4) Excludes the remuneration of Mr. José María Loizaga Viguri, deceased in March 2020

The Board of Directors of the ACS Group consists of 6 directors (all men) who, in 2020, had an average annual remuneration of 2,758 thousand euros (vs. 3,018 thousand euros in 2019), including fixed and variable remuneration, and an average annual contribution to pension plans 797 thousand euros (vs. 793 thousand euros in 2019).

The Group also ensures that the remuneration and talent retention policies are aligned with these basic principles. For the average remuneration, the average annual remuneration of the ACS Group employees was taken into consideration considering their basic salary and other cash incentives. The consolidated data show the weighted average broken down by gender, professional classification and age.

The salary differences detected are due to several reasons. On the one hand, the greater presence in countries with higher per capita income, which is relevant in activities such as Construction, as well as the type, specialisation, workday,

seniority, factors of danger or location of the various activities of the Group. In this regard, the comparison will equate operators at heights in the United States or mining operators in Australia, with high danger levels and higher per capita income, with the Services activity, whose personnel are mainly located in Spain and with activity focused on cleaning services, home help and care for the elderly, with salaries regulated by the collective agreements of each activity.

This diversification of activities and the distribution of employees in countries with different levels of income is what justifies the differences presented in the average remuneration table. Furthermore, in the evolution of wages, it is important to highlight that, given the large degree of geographic diversification of activities and types of contracts, it is very difficult to show a homogeneous evolution of wages and salaries in different years, given the variations of the weight that the different countries/activities represent of the total, with the composition of the salary mass changing significantly from year to year.

Average annual remuneration (€)(3)	2019(1)			2020(2)		
	Men	Women	% Difference between average salary for men/ average salary for women	Men	Women	% Difference between average salary for men/ average salary for women
Senior management and university graduates	77,580.9	58,882.4	-24.1%	77,384.9	56,726.2	-26.7%
Non-qualified technicians, similar positions and administration staff (4)	22,898.7	29,235.3	27.7%	19,737.4	29,208.3	48.0%
Operators and other staff (5)						
Infrastructure and Industrial Services	26,474.9	26,116.5	-1.4%	25,805.6	29,067.7	12.6%
Services	14,583.9	13,717.6	-5.9%	15,061.9	13,979.4	-7.2%

Average remuneration (€)	2019	2020
Age <35 years	25,901.1	27,296.0
Age between 35-50 years	30,505.6	30,999.1
Age >50 years (6)	30,718.1	30,785.8

(1) During 2020, ACS has reviewed the consolidation methodology to ensure that homogeneous reporting criteria are established in all subsidiaries. Based on this review, the 2019 data has had to be recalculated to allow comparability between the 2019 and 2020 data.

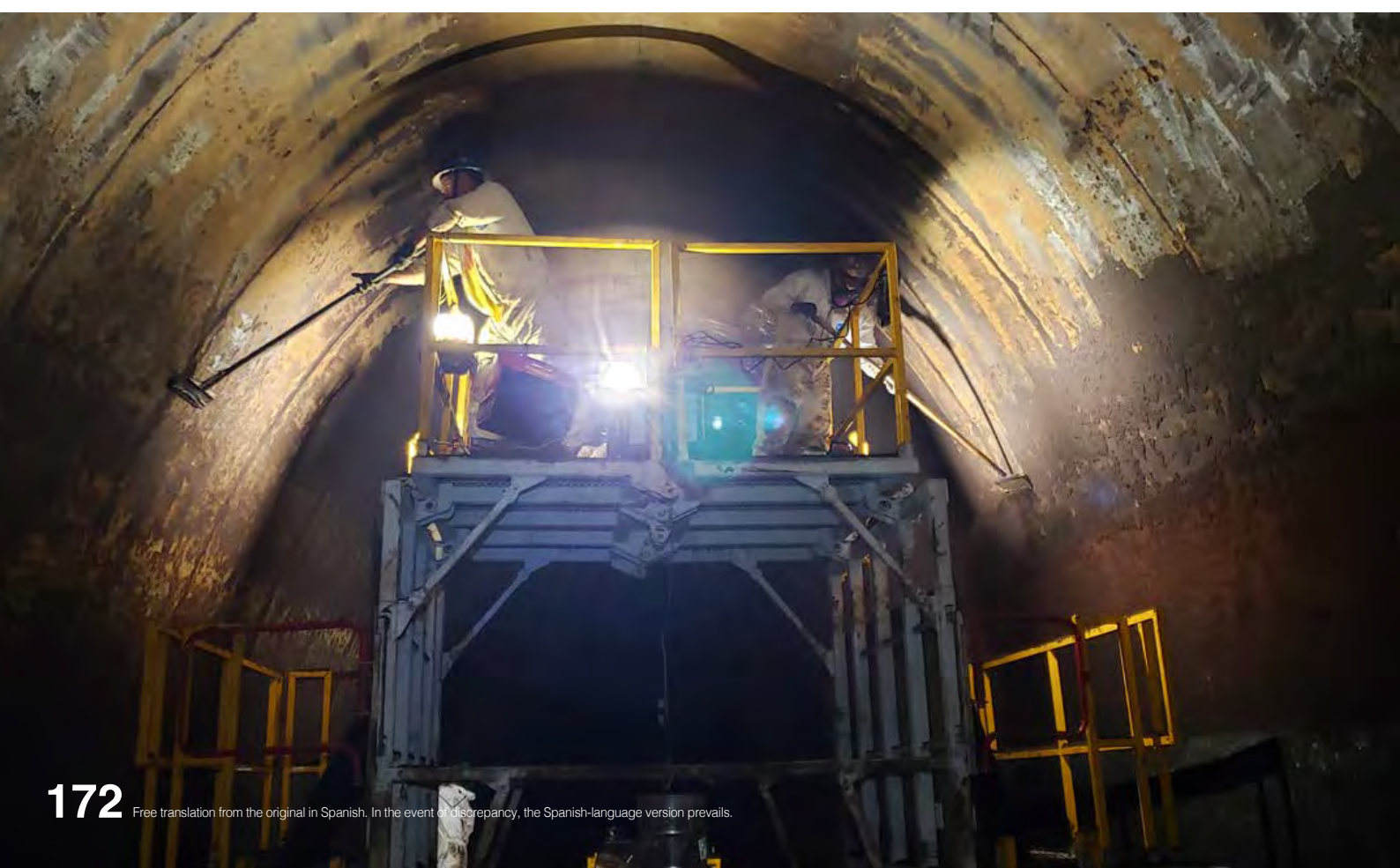
(2) One of the main factors affecting remuneration in 2020 was the devaluation of the local currency against the euro in Latin American countries.

(3) For the calculation of average compensation for both 2019 and 2020, the average salary data during the year including both fixed and variable salary is taken. In 2019 and 2020, the scope of the data is approximately 93% of the Group's employees.

(4) The salary differences by gender for the category of non-certified technicians, similar and administrative staff are related to the geographic distribution of the workforce and the effect of the exchange rate. In this regard, 59% of the workforce included in the calculation works in Latin American countries, where the local currency has been particularly devalued against the euro in fiscal year 2020. Likewise, this category has a greater male presence, with a ratio of 5 men for every woman, generating, therefore, a greater diversity of positions and salaries in this category for the male gender, making comparability by gender difficult.

(5) The salary differences by gender for the category of Operators and other personnel, for the Industrial Infrastructures and Services division, are related to the geographical distribution of the workforce and the effect of the exchange rate. Specifically, 40% of the workforce included in the calculation works in Australia, with a large male presence, with a ratio of 15 men for every woman, resulting in a wide range of positions with different salaries in this category for the male gender, making comparability by gender difficult. It should be noted that the devaluation of the local currency in Latin American countries also has an impact on the average salaries presented, since approximately 16% of the workforce included in the calculation is located in Latin American countries, with a much higher male presence in these countries.

(6) The 50+ age group includes a large number of employees in the Services division, who perform cleaning, home help and elderly care services, with part-time contracts being the predominant type of working day.



5.2.3. ORGANISATION OF WORK AND SOCIAL RELATIONSHIPS

The emergence of the COVID-19 in 2020 altered the organisation of work in all areas, requiring a fast and effective response from the organisations. The health crisis has accelerated trends and initiatives that ACS Group companies implemented in the previous years as time flexibility measures or the promotion of teleworking in the jobs that allow it. It should be noted that ACS Group employees have additional improvements in regard to their working conditions in terms of the legal provisions, such as more holidays, more days of paternity/maternity leave, an improvement in the conditions for the reduced working day, or the accumulation of breastfeeding periods, etc.

Some of these measures make it possible to promote work-life balance and in 2020, this led to the

reincorporation of 85.3% of women after maternity leave and 94.5% of men.

Likewise, the implementation of health-hygiene protocols and measures has changed the work systems, particularly in the infrastructure and services division to ensure the health and safety of its employees.

The reduction of the permitted number of people to comply with social distancing measures led to the reorganisation of the teams, and new work shifts have been implemented in some companies. The promotion of the teleworking has also led to the development of new procedures to ensure the best working conditions and, for example, some Group companies already have their respective work disconnection protocols.

DIGITAL DISCONNECTION PROTOCOL IN MASA

As a result of the current technological development and the use of new digital tools in employment, in November 2020, MASA developed its Digital Disconnection Rights Protocol. This document forms the basis for the requirements included in Organic Law on Personal Data Protection and guarantee of digital rights, as well as section 20bis that this Act adds to the Workers Statute.

Due to MASA's activities, in which time-table diversity is common depending on the geographic location of clients and the requirements of its business, MASA has defined a series of recommendations for its employees and collaborators in order to encourage digital disconnection outside the established business hours:

- In general, communications between employees must respect daily, weekly rest periods, leave periods or holidays. Likewise, communications between people in different time zones will be made at times when they overlap.
- In regard to email, this will be used within the usual workday, taking into account the working hours of both the sender and the recipient, using the option to postpone sending the message if it does not coincide with the recipient's workday. In exceptional cases in which a response is strictly necessary, the recipient must be notified by phone or instant messaging. The automatic response option will also be activated during holiday or rest periods.
- Telephone calls outside working hours will be avoided.
- Work meetings will be scheduled within the limits of the working day.
- The Management will promote the rational and responsible use of information technologies to improve the quality of life and health of its employees, promoting their rest.

In short, the purpose of the Disconnection Rights is to avoid psychosocial risks related to the abuse of new technologies, fostering a work culture based on the enjoyment of rest periods and work-life balance.



Image courtesy of WestConnex / Transurban.

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This situation has also had a direct impact on the increase in the absenteeism rate, which in 2020 reached 1.9%, which translates into 7,597,046 hours of absenteeism. To compare with previous years, the increase in the number of hours of absenteeism has been found to be related to the impact of COVID-19.

	2017	2018	2019	2020
Total number of days missed (due to absenteeism)	765,812	700,019	694,806	939,915
Percentage of days missed due to absenteeism	1.5%	1.3%	1.3%	1.9%

	2018	2019	2020
Total number of days missed (due to absenteeism)	4,201,618	5,001,540	7,597,046

The ACS Group promotes, respects and protects the freedom to unionise and freedom of association of its workers. The percentage of Group employees who were members of trade union organisations in 2020 was: 11.3%, while 74.4% are covered by collective bargaining agreements or by an independent trade union. In accordance with each company's activity, these agreements define the number of working hours and set minimum notice periods for significant operational changes.

By countries, in companies whose head offices are in Spain, the number of employees covered by collective bargaining agreements or by an independent trade union was 92.2%, 77.2% of employees in companies with head offices in

Germany, 26.7% for Australia and 20.2% in the United States and Canada. In regard to collective bargaining agreements with health and safety, in 2020, 82.2% of the ACS Group employees is represented on formal joint health and safety committees for management and employees, and 95.3% of the health and safety issues are covered by these. Over the course of 2020, these committees met more than 2,000 times.

Lastly, in addition to the relationship between trade unions, the ACS Group offers formal dialogue channels for the relationship with its workers, such as ethical channels or work atmosphere surveys. In any case, for more information on the communication channels in relation to employees, see Chapter 5.5.

5.2.4. RISK MANAGEMENT IN HR QUESTIONS

The functions attributed to the Audit Committee of the Group's Board of Directors include the review, monitoring and assessment of the Group's Sustainability Policy, as well as the other related internal regulations, including the Code of Conduct, Diversity Policy, as well as the Human Rights Policy, which will be developed in accordance with the characteristics and needs of each of the Group's companies.

Likewise, in accordance with the Group's risk map, updated in 2020, and the materiality analysis,

the Group has prioritised the risks based on their potential relevance for the company's activity, depending on the type of activity, action areas, policies and management approaches.

The table below shows the results obtained from this prioritisation of potential risks to perform the activity related to human resource management, as well as the management measures adopted by the ACS Group:

Issue	Potential risks	Detection, prevention, management and mitigation measures	Associated management indicators	Applicable Policies ACS Group
Responsibility to local communities	<p>The company's activity may give rise to risks due to opposition from communities to the execution of projects or due to a negative perception of the management. This could jeopardise the Group's reputation and the social license to operate.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • COVID management • Impact on the economic-social environment • External communication with stakeholders • Infringement of human rights. 	<ul style="list-style-type: none"> • Encourage a proactive dialogue with the community through those responsible for the specific companies and projects. • Personnel management measures, in accordance with the general principles established in the Group's policies, adapting to the specific characteristics of each of the Group's companies. 	Indicators presented in this Chapter 5.2.	<ul style="list-style-type: none"> • Code of Conduct • Diversity policy. • Talent Development and Assessment Policy. • Sustainability Policy • Human Rights Policy • Risk Control Policy.
Developing talent and diversity	<p>Having a pluralistic environment, where diversity and equal opportunities take precedence, offers competitive advantages for companies, such as loyalty and productivity for employees. Furthermore, the increasing complexity of projects and the new requirements of the sector - for example, energy efficiency and sustainability standards and certifications in construction - require greater knowledge and specialisation. If these are not acquired quickly, the company will be at a disadvantage in regard to its competitors, to the detriment of the business. Nevertheless, efforts at attracting and retaining talent, and the commitment to training, help ACS stay at the forefront.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • COVID management. • Labour Relations. • Attracting and retaining talent. • Ineffective internal communication. 	<ul style="list-style-type: none"> • The 20-20 Plan includes a commitment to improving professional performance by increasing investment in training. The Code of Conduct, the Diversity Policy and the other developments in this area also define the framework for action. • Within this common framework, each company manages the development of its professionals in accordance with its specific needs, taking into account the Group's policy. They define training and professional and personal development programmes, and assess their impact on participants. 	<p>Indicators presented throughout this chapter 5.2, such as:</p> <ul style="list-style-type: none"> - Remuneration, type of employment contract and distribution in the workforce. - Strategies for attracting, developing and retaining talent. - Training hours, investment in training, employees trained. - Measures for social dialogue, organisation, flexibility and work-life balance. - Policies, plans and measures for diversity and equality between men, women and persons with disabilities. 	<ul style="list-style-type: none"> - Code of Conduct. - Diversity policy. - Talent Development and Assessment Policy - Sustainability policy. - Human Rights Policy. • Risk Control Policy.

5.3 OCCUPATIONAL HEALTH AND SAFETY



Ensuring occupational health and safety in all ACS Group companies is one of the pillars of the company's strategy. Each of these companies and the Group in general maintain the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies. For example, in 2020, for the first time in the history of the Cobra Group, common objectives were set for the frequency and severity index, combining its own employees and subcontractor employees. This milestone has a direct impact on the variable remuneration of management

personnel, affecting them to the same extent the accident rate results for their own employees as well as for subcontracted personnel.

The ACS Group remains firmly committed to implementing a culture of occupational risk prevention that allows the ultimate goal of zero accidents to be achieved. Occupational health and safety is one of the most important material issues for the ACS Group due to its activity, so management of this issue is being handled as a priority. Throughout 2020, investment in occupational health and safety reached 1,197 euros per employee, an increase of 53.8% with respect to the previous year.

	2017	2018	2019	2020
Investment in health and safety (millions of euros)	142	160	155	226
Spending per employee on Safety (euros)	783.5	795.5	778.1	1.196.7



The health crisis caused by COVID-19 during the year required a multitude of measures and actions to ensure the health and safety of all employees, as well as during relations with stakeholders. This was reflected in the increased investment in health and safety during the year. For months now, the Group has been turning its efforts to deal with the pandemic.

Although each company of the group is managed independently and has its own action plans, common principles are followed in managing the safety and health of workers and other stakeholders:

- Compliance with the current regulations on occupational risk prevention and adoption of other more stringent measures in accordance with the requirements voluntarily agreed upon.
- Integration of occupational risk prevention into all activities and at all levels through proper planning and implementation.
- Application of the principle of ongoing improvement in health and safety management systems, including the performance of the actions necessary to protect employees and third parties in the facilities of each of the companies.
- Promotion of training of workers on occupational health and safety aspects, as well as the allocation of the investments necessary to achieve the most innovative techniques for accident prevention.

DRAGADOS COMMITMENT TO SAFETY AND HEALTH IN 2020

Dragados, aware that people constitute the most important value of his organisation, recognises the right of its employees to work in a healthy, safe and environmentally-friendly environment, taking on the commitment to continuously care for and improve their safety, health and well-being.

To this regard, in October 2020, the new **Prevention Policy**, which aims to promote the integration of a culture of safety, health and the environment at all hierarchical levels and in all of the activities carried out by the company. A commitment to health and safety, not only with its workers, but also from the community and society, which it has clearly demonstrated in the current health crisis with its strategy for monitoring and controlling COVID-19. For this reason, in this Prevention Policy, the Management of Dragados agrees to:

- Exercise leadership in health and safety, promoting collaboration and commitment from all.
- Design, implement and improve the effectiveness of a management system based on risk identification, elimination and control, promoting the application of best practices.
- Encourage the permanent development of collaborating individuals and companies by implementing training programmes that encourage the motivation, consultation and participation of workers.
- Ensure compliance, not only with legal, client and regulatory requirements, but also with those others that it assumes voluntarily, relating to safety, health and the environment.

At the same time, in order to promote and strengthen its culture of prevention and promote compliance with its health and safety objectives, the Dragados Group established and implemented the health and safety strategy “**Safe and Healthy**”(S&H) in all areas of the company.

S&H relies on well-established management systems that are certified under international standards, but it is more than mere regulatory compliance; it is the core of a markedly positive culture of prevention. S&H is based on a comprehensive perspective of prevention that not only recognises, but also uses, the advantage of diversity through a flexible application that promotes local initiatives. It is about improving by sharing values, experiences and innovative initiatives.

- **Human commitment:** S&H tries to ensure that we all return home each day in the same conditions in which we came to work. A positive, better and safer working environment will positively influence people’s daily lives, creating a safer, healthier team of people that can work without incidents.
- **Teamwork:** Dragados creates an atmosphere of collaboration between its employees, its clients and its subcontractors so that, working as a team, it is committed to working in a risk-free environment.

S&H also requires a commitment to speak and act when a member of the team fails to show an attitude of personal responsibility towards safety.

- **Responsibility:** S&H means taking responsibility for a safe result and helping others to achieve their goal safely.

To ensure effective health and safety management, 100% of the ACS Group companies have implemented occupational health and safety systems. To ensure correct implementation and management of the systems, in companies that cover 99.9% of the Group's employees, the health and safety systems are subject to periodic review by the internal audit

and external audit teams. In this regard, over the course of 2020, ISO45001 certification was extended among ACS Group companies. Although in previous years, the most common certification among Group companies was OHSAS 18001, in 2020 companies such as Clece or Dragados certified their health and safety systems under ISO 45001.

	2017	2018	2019	2020
Percentage of total employees covered by OSHAS 18001 or ISO45001 certification	85.4%	90.1%	91.3%	92.0%

The Group companies that have their own health and safety management systems apply the following procedures to their activities:

- Periodic assessment of the risks to which employees are exposed.
- Definition of prevention plans with formal targets which incorporate the improvements identified in the assessment processes.
- Identification and recording of situations which could have given rise to an incident (near misses).
- Workers' and managers' remuneration are linked to fulfilment of formal targets as regards health and safety.

Likewise, occupational health and safety management systems include processes for workers to report occupational hazards or situations that they observe during their activity. These channels allow ORP teams, as part of the ongoing improvement process, to assess new risks and implement the measures necessary to prevent and manage them.

For example, in the case of Clece, in 2020, the Health and Safety Policy was changed to include recognition of workers' authority to be able to halt work that entails a potential serious risk and their duty to notify those responsible to safeguard the health and safety of employees. This is also the case in Cobra, with its *Stop Work* initiative.

STOP WORK - COBRA



Cobra's Health and Safety policy includes the basic principles of its culture of prevention. In fact, this policy includes the Stop Work initiative, which is in line with one of the basic safety principles of the Cobra Group: commitment to eliminate dangers and reduce risks in carrying out its activity. Thanks to this practice, any work that does not take place in an environment that is completely safe for workers, or that gives rise to doubts or discrepancies in regard to safe execution, will be halted immediately. This message is disseminated monthly to the employees of the organisation and is applied daily in projects, keeping a count of the projects that are halted.

The supervision and optimisation of these occupational health and safety systems involves setting and monitoring objectives, generally on an annual basis, which are approved by senior management. The

Risk Prevention Plans implemented at the Group companies include the conclusions from the periodic risk assessments made and establish guidelines for achieving the objectives set.

The Group is getting closer and closer to reaching the goal of zero accidents thanks to the work of the prevention services and the commitment of employees, suppliers, contractors and collaborating companies.

Furthermore, in addition to the commitment to the occupational health and safety of its employees, the ACS Group promotes the health of its employees

and it is increasingly common for Group companies to have access to health insurance or other non-employment-related health services. Some examples include the health insurance that Dragados, Clece, INITEC, MAKIBER and SEMI, among others, offer their employees, or Cobra's campaigns on nutrition, vaccination, preventive medicine and promotion of the sport, among many other initiatives within the Group.

EMPLOYEE SAFETY IN THE TIME OF COVID-19 (CLECE)

CLECE's recognised actions in the most difficult times of the pandemic were largely due to the measures implemented for the safety and health of its workers and users. This is reflected in the provision of protective equipment and training to employees from the start of the pandemic.

Along with the action and training protocols, guaranteeing protective equipment for workers also a priority, to allow them to carry out their activity, classified as essential, with the least possible risk to their health and safety. This task was particularly complicated at the beginning

of the pandemic, when the high social demand for these products exceeded the available resources of governments and industry. In the case of Clece, which was using 100,000 masks a day in the worst weeks of the health emergency, it became an indispensable resource to allow employees to carry out their activities. For this reason, in July 2020, Clece acquired a mask manufacturing machine, with a production capacity of 55,000 units per day, thus becoming Spain's first company with the capacity to self-supply.

Other initiatives were also carried out in line with the above, to deal with the virus. For example, the company acquired its own PCR test machines, which made it possible to determine results in just 20 minutes. This gave residents and workers total availability when performing the tests on a recurring basis and detecting possible cases of positive asymptomatic persons more quickly.



5.3.1. TRAINING

The ACS Group believes that one of the basic points of action in the effective management of safety and health at work is the training and awareness of the people who form part of the Group. As evidence of this, the objectives of the ACS Group's 20-20 plan include increasing training on employee health and safety topics, in order to reach 100% of the workforce. Although this figure has increased from year to year and has been close to meeting it, the impact of COVID-19 prevented the target from being achieved (difference of -0.7%). The suspension of the in-person training in March with the emergence of the COVID-19 caused the planned training to be suspended, adapting it when possible to be

given virtually. However, due to the characteristics of certain sectors, as is the case with construction, part of the training (prevention courses, among others, which, according to the agreement, must be carried out on an in-person basis), could not be given virtually and the expected percentage of employees could not be achieved.

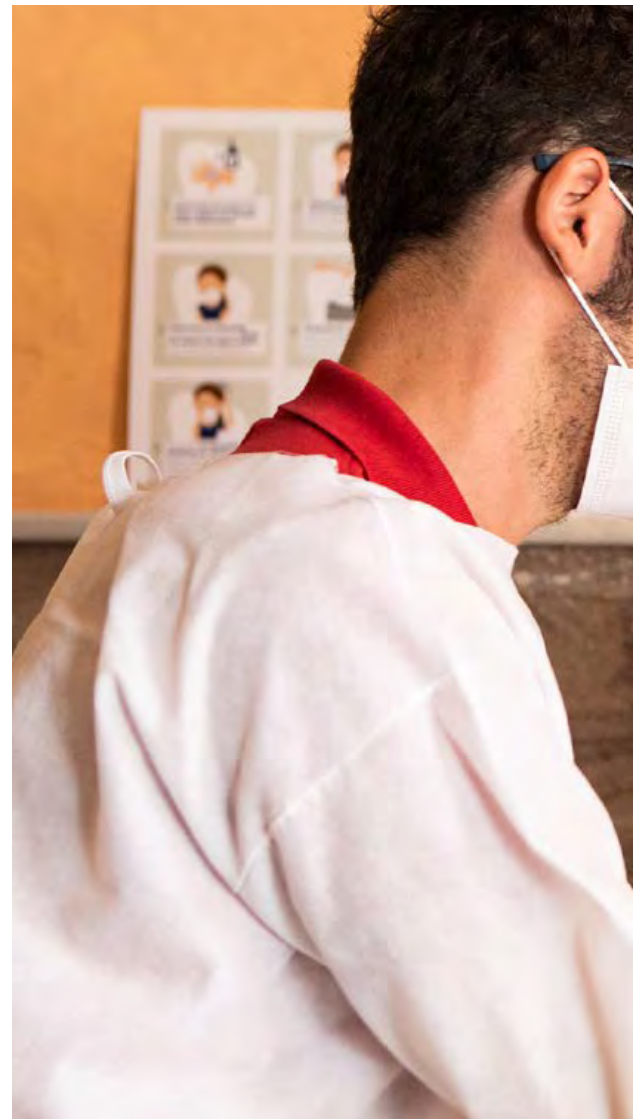
92.3% of the employees received health and safety training during 2020 (72.4% in 2019) due to the need to raise awareness and ensure knowledge of all the new health measures and protocols implemented by the Group in the fight against COVID-19.

	2019	2020
Employees who have been trained in health and safety over the year (%)	72.4%	92.3%
Employees who have received training in health and safety throughout their career at the company (%)	99.2%	99.3%

The ACS Group has various health and safety training programmes aimed at employees. On the one hand, there are basic knowledge courses, such as first aid, occupational risk prevention or emergency and evacuation plans, among others. In addition, specific courses are available based on the type of business and the risks associated with them, including work performed at heights, safety in atmospheres with toxic or explosive gases, and handling of specific machinery. Other courses include training focused on the mental well-being of workers, such as mental health and emotional health.

In addition, due to the pandemic and the threat it poses to the health of workers, specific informational courses on the prevention of transmission of the virus, safety in confined spaces and procedures, were given in accordance with protocols for action against COVID-19.

The ACS Group collaborates with organisations specialised in health, safety and risk prevention issues and actively participates in the major conferences, congresses and forums organised domestically and internationally.



5.3.2. SAFETY STATISTICS

This ongoing effort made by all of the companies in the ACS Group in relation to health and safety is evident year after year in the continuous improvement

of the indicators. The decline in these indices in 2020 shows the effectiveness of the measures taken by the occupational risk prevention teams.

Accident rate. Own employees	2017	2018	2019	2020
Frequency ⁽¹⁾	12.25	11.12	10.46	9.06
Infrastructure	2.72	2.40	2.14	1.83
Industrial services	6.33	6.13	5.74	5.84
Services	31.46	28.92	24.99	19.85
Severity ⁽²⁾	0.34	0.30	0.34	0.31
Infrastructure	0.08	0.08	0.08	0.07
Industrial services	0.17	0.15	0.41	0.36
Services	0.88	0.78	0.62	0.55
Incident rate ⁽³⁾	23.14	20.98	20.84	17.15
Infrastructure	6.04	5.24	4.61	3.95
Industrial services	13.60	12.98	13.19	11.43
Services	44.95	41.86	41.24	32.17

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

(2) Severity Rate: Number of working days lost due to accidents per thousand hours worked.

(3) Incidence rate: Number of accidents with sick leave per thousand workers.





Historically, the Services activity, due to the nature of business, is associated with a higher incidence and frequency rate. Given the weight that the Services activity

has in the Group's consolidated indicators, particularly in the breakdown by gender, as this is where the highest concentration of women is found in the ACS Group.

Accident-rate. Employees	2019		2020	
	Men	Women	Men	Women
Frequency	5.50	19.99	5.53	15.12
Infrastructure	2.47	0.27	2.08	0.47
Industrial services	6.84	1.64	6.46	0.55
Services	17.14	26.91	19.84	19.85
Severity	0.34	0.46	0.24	0.42
Infrastructure	0.08	0.01	0.07	0.03
Industrial services	0.41	0.04	0.40	0.03
Services	0.62	0.62	0.55	0.55
Incident rate	11.87	35.03	11.26	25.57
Infrastructure	5.39	0.56	4.57	0.94
Industrial services	15.80	3.62	12.72	1.02
Services	28.31	44.38	32.31	32.14

Each one of the Group's companies closely monitor these indices and due to the importance given to these aspects, periodic reporting, in many cases is weekly

or monthly, of the accidents and incidents that have occurred is a common practice, in order to assess the effectiveness of the measures implemented.

COMPREHENSIVE MONITORING OF THE ACCIDENT RATE AT MAETEL

The importance of occupational health and safety for the MAETEL Group has given rise to its own organisational model and the definition of functions for proper management of these issues. One of the notable aspects is the reporting of all types of relevant accidents and incidents that is sent weekly to the entire organisation as part of the ongoing improvement process.

At the beginning of each week, all MAETEL Group branch offices send the weekly list completed with the accidents, incidents, acts and unsafe working conditions that were reported during the previous week. Also, if a lesson learned or improvement action has been prepared, this is also reported.

Every Thursday, the Central Prevention Service issues a weekly report on significant accidents and incidents that occurred the previous week in the MAETEL Group, in order to convey what happened in the Group to the entire organisation. This gives greater visibility to prevention activity in order to avoid accidents in the company.



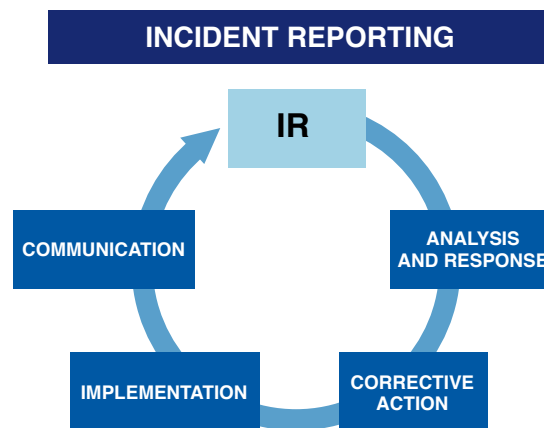
INCIDENT REGISTRY - COBRA



In the case of Cobra, the RDI (Incident Registry) Project was launched globally, with the aim of significantly improving accident reporting. To do this, the Group identified a change in the culture of prevention of both its own employees and those of collaborating companies as a priority.

All incidents, accidents (with or without employee absence) and occupational diseases are investigated by the Site Managers in collaboration with the Prevention Technicians and affected supervisors. They fill out a pre-defined report that is sent to the Central Prevention Service. In addition, all incidents are investigated in accordance with the Incident Registry (RDI) project for the same preventative and control purposes as the company's own accidents and subcontractor accidents. If there is a significant accident, an Investigation Committee is formed to detect the cause and avoid future occurrence.

The incident report forms part of a procedure for registration, investigation, analysis, closure of corrective actions and implementation.



In 2020, occupational illness dropped to 81 cases, compared to 150 cases in 2019. None of these occupational illnesses resulted in the death of the employee. The main types of work-related injuries that occur to ACS Group employees are, for the most part, linked to bumps or bruises, cuts, sprains, fractures and/or sprains of the legs and arms, as well as eye injuries. The common cause of these injuries is often due to overexertion, ergonomics, falls and the use or handling of objects or tools. It

is important to highlight that, due to COVID-19 and the halting of many projects during the most difficult months of the pandemic, fewer occupational accidents were detected in 2020.

On the other hand, the main types of occupational illnesses are, for the most part, due to ergonomic injuries that vary according to the type of activity carried out (the most common ones are due to repetitive movements or forced positions).

	2019	2020
Total number of cases of occupational diseases (employees)	150	81
Total number of cases of occupational diseases (employees Men)	107	50
Total number of cases of occupational diseases (employees Women)	44	31
Occupational Disease Frequency Rate (employees) ⁽¹⁾	0.371	0.225
Occupational Disease Frequency Rate (Male employees)	0.408	0.220
Occupational Disease Frequency Rate (Female employees)	0.309	0.234

(1) Occupational Frequency Rate: Number of occupational diseases per million hours worked.

ACCIDENT-RATE. SUBCONTRACTORS

The dissemination of the culture of prevention between suppliers, contractors and collaborating companies is another one of the Group's basic guidelines of action in this area. The Group continuously monitors the health and safety conditions of these stakeholders and records the accident rates associated with them.

In 2020 no cases of occupational illness or death due to this cause were recorded among subcontractors. In this regard, the main types of injuries caused by occupational accidents and illnesses are linked to the same causes as those described for employees when performing the same activity.

CONTRATORS	2017	2018	2019	2020
Frequency	3.44	3.01	2.91	2.94
Infrastructure	4.75	3.85	3.43	3.22
Industrial services	1.60	1.78	1.48	2.10
Services ¹	0.00	0.00	0.00	0.00
Severity	0.11	0.10	0.10	0.16
Infrastructure	0.09	0.10	0.12	0.07
Industrial services	0.13	0.09	0.04	0.40
Services	0.00	0.00	0.00	0.00

Since Clece does not work with subcontractors, the indicators for the Services activity are reduced to 0.

Likewise, the ACS Group's commitment to the safety and health of its suppliers, contractors and collaborating companies takes the form of training that is provided to ensure that they are aware of all of the safety measures available that the Group makes available to them to safely carry out their activities. The number of hours of training for contractors that

Group companies registered in 2020 was 1,223,133 hours. It is important to highlight that the Group has recently begun to record indicators related associated with the training of the contractors, so there are Group companies that have begun to monitor this information so that it will be available for the coming years.

5.3.3. MANAGEMENT OF HEALTH AND SAFETY RISKS

The functions attributed to the Audit Committee of the Group's Board of Directors include the review, monitoring and assessment of the Group's Sustainability Policy, as well as the other related internal regulations, including the Code of Conduct and the Code of Conduct for Business Partners.

The ACS Group companies will develop these policies in accordance with the characteristics and needs of each one of the Group companies, but always maintaining the common management

principles described in section 5.3 and focusing on the fundamental objective on which the entire company is focused, which is the objective of zero accidents.

Likewise, in accordance with the Group's risk map, updated in 2020, and the materiality analysis, the Group has prioritised the risks based on their potential relevance for the company's activity in regard to occupational health and safety, depending on the type of activity, areas of activity, policies and management focuses.

Issue	Potential risks	Detection, prevention, management and mitigation measures	Associated management indicators	Applicable Policies ACS Group
Responsible supply chain	<p>Poor practices by a company's suppliers pose a potential risk that, if it were to materialise, could hinder its ability to do business. It is necessary to assess the counterparty risks to which it is exposed and to constantly improve its performance.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> Occupational risk prevention, health and safety risks. Procurement and subcontracting processes. 	<p>The mandatory Code of Conduct for Business Partners establishes, among other basic principles, that:</p> <ul style="list-style-type: none"> It is essential that the business partners, regardless of the country in which they carry out their activity, respect the fundamental human and labour rights, recognised internationally Respect for human health and safety is a primary objective for ACS. Therefore, its business partners must be committed to ensuring a safe and healthy working environment for their members, as well as greater respect for occupational health and safety regulations, complying with the applicable occupational risk regulations. 	<p>In 2020, of the 131,984 direct suppliers with which the Group works, 92.8% of suppliers signed on to accept this Code or have a method similar to the ACS Group Code of Conduct.</p> <p>In these formal supplier approval systems, the weight of the factors related to sustainability (environmental, ethical and social criteria) out of the total factors used for the approval varies according to the companies' activities and areas of activity, but the weighted average weight of these factors exceeded 38.5% in 2020.</p>	<ul style="list-style-type: none"> Code of Conduct Business Partners Risk Control Policy.
Objective: Zero accidents	<p>Despite the progress made in the infrastructure and services sector, the frequency indices in accident rate ratios remain higher than in the other sectors, negatively affecting the perception of the stakeholders. This fact, together with the costs associated with the employee accident rate and low productivity, negatively affects the companies. To avoid this, have proper management of health and safety is vital, improving metrics, reducing operational costs and improving reputation.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> Occupational risk prevention, health and safety risks. 	<ul style="list-style-type: none"> The 20-20 Plan is committed to reducing the accident rate among employees. To achieve this global commitment, each company independently manages health and safety, planning and implementing activities and measures such as periodic risk assessments and the definition of prevention plans with annual objectives. Most companies have a management system to comply with the action plans approved by senior management. The company is working to establish occupational health and safety objectives linked to the variable remuneration of the Senior Management that entail the reduction the accident rates by 2021. The Group collaborates with specialised organisations and participates in congresses on this matter. 	<p>Indicators presented in this point 5.3. relating to:</p> <ul style="list-style-type: none"> Health and safety standards, also required for the supply chain. Zero-accident policies: mitigation plans and reduction targets. Safety and health training and awareness. Monitoring of accident rates, frequency and severity indicators. 	<ul style="list-style-type: none"> Code of Conduct Sustainability Policy. Risk Control Policy.

5.4 REGULATORY COMPLIANCE



5.4.1. THE GLOBAL COMPLIANCE MANAGEMENT SYSTEM

THE COMPLIANCE FUNCTION

Section 25 of the Rules of the Board of Directors Regulations, amended on 17 December 2020 to adapt it to the partial revision of Good Governance Code of Listed Companies, approved by the CNMV on 26 June 2020, indicates, in regard to the **functions of the Audit Committee in corporate governance and sustainability for environmental and social issues**, that this specialised Committee within the Board of Directors is responsible for monitoring compliance with the Company's environmental, social and corporate governance policies and rules, as well as with the internal codes of conduct, and has the following functions:

- a) Supervision of compliance with corporate governance rules and the Company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisers and other stakeholders. The way in which the Company communicates and relates to small and medium-sized shareholders will also be monitored.
- c) Regular evaluation of the suitability of the Company's system of corporate governance to ensure that it fulfils its mission of promoting the corporate interest and takes the legitimate interests of the remaining stakeholders into account in an appropriate manner.
- d) Supervision to ensure that the Company's environmental and social practices comply with the defined strategy and policy.
- e) Supervision and evaluation of relations processes with the different stakeholders.

It also includes section 24 of the Rules of the Board of Directors, amended on 17 December 2020, among the functions that correspond to the Audit Committee in the area of supervision of risk management and control, the supervision and assessment of the effectiveness of the financial and non-financial risk management systems relating to the Company and

the Group, including the operational, technological, legal, social, environmental, political and reputation or anti-corruption systems.

The Compliance Committee, which reports directly to the Audit Committee, is the main instrument of this Committee to perform these functions.

The Compliance Committee is therefore the body that manages the general compliance management system of the ACS Group, covering the areas of criminal compliance and anti-bribery, market abuse, Human Rights, Competition, privacy and data protection, taxation, cybersecurity, as well as all issues included in this consolidated non-financial statement of the ACS Group and those relating to compliance with the Company's internal codes of conduct, supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information and the assessment and periodic review of the environmental and social policy.

Through the general compliance management system, the ACS Group gives the members of the organisation, its business partners and stakeholders assurance of transparent management of financial, non-financial and corporate information, which makes it possible to generate shared value in the Group and reinforce stable and trusting relationships with all stakeholders. The Group also ensures the promotion and control of ethical and integrity issues, by means of measures to prevent, detect and eradicate corruption and other unlawful conduct.

THE ARCHITECTURE OF THE COMPLIANCE FUNCTION IN THE ACS GROUP. THE INDEPENDENCE OF THE COMPLIANCE FUNCTION.

All subsidiaries of the ACS Group have a Compliance Committee that is responsible for operating their own general compliance management system under the guidelines and standards provided by the Compliance Committee of the Group's parent company. The ACS Compliance Committee regularly monitors, through an average control model, the application of these guidelines and standards in the Group's subsidiaries through a general compliance reporting model.

The ACS Compliance Committee reports quarterly to the Board of Directors through the Audit Committee. This model guarantees the independence of the Compliance Function from the Senior Management and its distance from the management team that is responsible for operational management. Its functional relationship and direct access to the Board of Directors, as well as the fact that the assessment of the performance of the Compliance Committee is the responsibility of the Board of Directors, ensures that the ultimate control of the system's efficiency depends on the governing body of the Group's parent company.

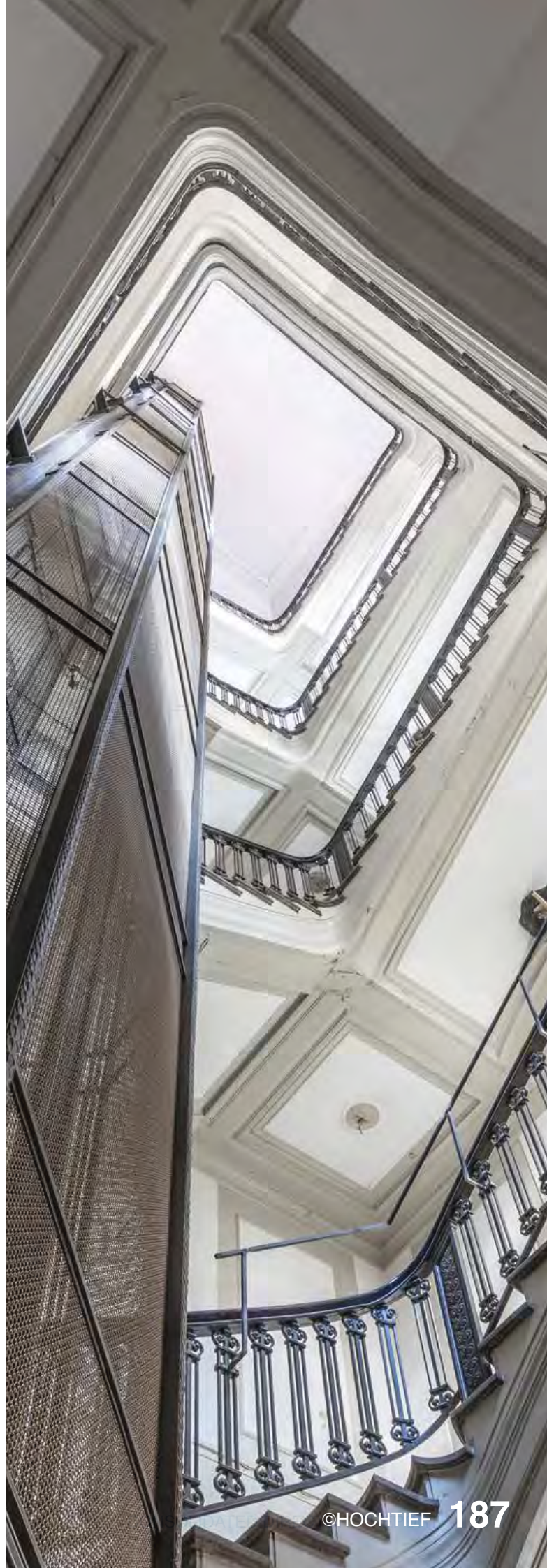
5.4.2. COMPLIANCE POLICIES AND PROCEDURES

The Group's main compliance policies and procedures are available to all stakeholders and business partners on the corporate website: www.grupoacs.com. The Board of Directors ensures the ongoing review of these policies and procedures to ensure that they are sufficient and that they are being applied, avoiding, in any case, situations that could affect the Company's credit and reputation.

THE ACS GROUP CODE OF CONDUCT AND ITS UPDATING

The Code of Conduct, whose latest version is dated 12 November 2015, summarises these basic principles and serves as a guide for employees and managers of the ACS Group in relation to their daily professional work, the resources used and the business environment in which they carry out their work. The basic principles of the Code of Conduct are integrity, professionalism and respect for people and the environment.

At the proposal of the Compliance Committee, in 2021, the Board of Directors of the Parent Company of the ACS Group will approve a substantial update of the Code of Conduct. Work is already underway, and it aims to adapt to the profound regulatory changes in terms of sustainability, governance and compliance that have taken place between 2016 and 2021, both in Spain and internationally.





The following standards will be taken into account in this new regulatory context:

1. In the general area of Compliance, ISO 37301 on compliance management systems.
2. In regard to criminal and anti-bribery compliance, the Spanish standard UNE 19601 on criminal compliance management systems, ISO 37001 on anti-bribery management systems and the US Department of Justice (DOJ) Guidelines on Evaluation of Corporate Compliance Programmes, updated in 2020.
3. Regarding compliance relating to competition, the Guidelines on Compliance Programmes published by the National Markets and Competition Commission (CNMC) in June 2020.
4. Regarding processes and channels for handling complaints and queries, the European Directive 2019/1937 on the Protection of Whistleblowers, as well as ISO 37002 (currently in the draft phase), on complaint channel management systems.
5. In regard to good corporate governance, ISO 37000 guidelines for governance in organisations (currently in the draft phase), and the recent recommendations of the Spanish Stock Market Commission (CNMV) on good governance in listed companies.
6. In regard to cybersecurity, the guidelines established in Directive 2016/1148 on measures to ensure a high common level of security in the EU's information networks and systems, the Spanish Cybersecurity Law Code and ISO 27001 on information security management systems and the ISO 27701 standard on information privacy management systems.
7. Relevant texts in the area of defence of human rights, taking as their main reference the UN Guiding Principles on Business and Human Rights and the rights included in the UN Universal Declaration of Human Rights.
8. UN SDGs, including the Principles of Responsible Investment (PRI) and Agenda 2030, the Paris Agreement, the WEF's global risk approach, the EU Green Deal and the integration of sustainability, environmental and social dimensions into public policies.

9. Guidelines of the EU's Sustainable Finance Plan, the European Directive for Sustainable Corporate Governance, as well as the possible new non-financial information directive that will be transferred to the jurisdiction of each country, and that in Spain will update Law 11/2018.

THE CODE OF CONDUCT FOR BUSINESS PARTNERS AND EXTERNAL DUE DILIGENCE PROCEDURES

Notwithstanding the commitment established in the Code of Conduct, the ACS Group has **Code of Conduct for Business Partners**, that expressly includes the obligation of compliance with fundamental human and labour rights by the ACS Group's business partners as a basic principle.

In 2020, both the parent company and the divisions have approved and developed protocols for external due diligence in applying the Code of Conduct for business partners.

GOVERNANCE AND COMPLIANCE IN 2020

The recent partial amendment of the Good Governance Code of Listed Companies of 26 June 2020 shows the confluence between an effective performance of the compliance function and the expected best corporate governance practices in a publicly-traded Group such as ACS: good corporate governance practices are directly related to compliance management. In this regard, in 2020 the Compliance Committee coordinated intensively with the General Secretariat, in line with the principles being developed by the Work Group of the ISO International Committee, which, as of the date this report was issued, was preparing the new ISO 37000 standard on Governance of Organisations, which will provide a new reference framework for interpreting ISO management systems on compliance, highlighting the growing importance of non-financial and corporate information: How Compliance activities are key to meeting the expectations of regulators, supervisors and other stakeholders in a publicly-traded Group.



For these reasons, the following work was carried out in October and November 2020 by the Compliance Committee and the General Secretariat, in coordination with the General Corporate Management:

1.- Amendment of the General Risk Control and Management Policy to comply with the new Recommendation 45 of the Good Governance Code of June 2020.

Significant elements of the new text, approved by the Board of Directors on 17 December 2020, include section 5.1., which identifies all the risks included in the financial and non-financial analysis methodology, as well as section 6, which establishes that the structure of the group's different risk control and management policies is based on the processing and communication of financial, non-financial and corporate economic information, covering, among other issues, those relating to regulatory and regulatory compliance, social issues, Human Rights, the environment, sustainability, diversity, anti-corruption, market abuse, competition, cybersecurity and corporate governance. The new General Risk Map of the ACS Group was approved by the Board of Directors on 25 February 2021.



General Risk Control Policy

2.- Amendment of the Communication Policy, to comply with the new Recommendation 4 of the Good Governance Code of June 2020.



Communication policy

3.- Amendment of the Corporate Social Responsibility Policy, which is now known as the Sustainability Policy, to comply with the new Recommendation 55 of the Good Governance Code of June 2020.



Sustainability Policy

In addition, the General Secretary submitted the proposed amendment of the Rules of the Board of Directors to the Board on December 17, in accordance with the new recommendations, highlighting the functions of the Audit Committee in relation to non-financial information and the powers of the Audit Committee in regard to corporate governance and sustainability in environmental and social issues

5.4.3. PREVENTION OF CORRUPTION AND BRIBERY

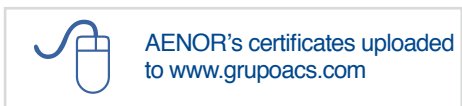


Enforcement and anti-bribery policy

In the area of criminal compliance and anti-bribery, the Code of Conduct and the Code of Conduct for Business Partners are complemented by the Criminal Compliance and anti-bribery Policy. This policy is aligned with national standard UNE 19601 on criminal compliance management systems and ISO 37001 on anti-bribery management systems.

In 2020, all of the goals defined in terms of criminal compliance and anti-bribery were achieved:

1. Compliance with the internal auditing of compliance processes and the observations and opportunities for improvement included by AENOR in October 2019 in its first audit for the follow-up of the international standard on anti-bribery management systems UNE-ISO 37001: 2017 and Spanish standard UNE 19601: 2017 on compliance management systems, as reflected in the second follow-up audit in October 2020.



- ASO-2018/0018, as recognition and proof of compliance of its management system with UNE ISO 37001: 2017.
- GCP-2018/0044, as recognition and proof of the compliance of its management system with UNE 19601: 2017.

2. Reduction of the net risk in the risk matrix and criminal and anti-bribery controls, by adopting measures to effectively reduce net criminal risk and improvement and expansion of the controls associated with that risk. ACS's model of criminal compliance and anti-bribery aims to achieve proper control by the parent company in regard to the actions of the subsidiaries that could result in conduct that constitutes the criminal acts that could be committed by the legal entity in the different jurisdictions in which the ACS Group subsidiaries operate.

To exercise this proper control, the Compliance Committee, with the support of the Board of Directors, in December 2019, decided to establish a homogeneous system for measuring criminal and anti-bribery risk in all of the subsidiaries of the ACS Group worldwide. For these purposes, a criminal risk score card was approved. The system aims to detect and reduce the risk of cascading criminal liability within the consolidated Group. This new criminal risk was included in the criminal and anti-bribery risk and control matrix on 29 July 2020, which was reviewed by an external consultant, concluding that: *'As a result of this work carried out on the company's Criminal Compliance and Anti-Bribery Management System, we can conclude that the net/residual risk to which the parent company of the group ACS, S.A. is exposed is reduced, as the detailed mitigation measures have been implemented.'*



3. In addition to the above, in May, June and July 2020, the Compliance Committee made the following improvements to the Criminal Compliance and Anti-Bribery Management System, assisted by two specialised teams from an external consultant:

- Revision of the criminal control and anti-bribery framework in the area of information security (financial, non-financial and corporate) and cybersecurity in the parent company of the ACS Group. Designing and activation of new cybersecurity controls associated with the criminal risks previously identified in the Risk and Criminal Controls and anti-bribery Matrix. Approval of an Information Security Policy for the ACS Group as a whole, which must be developed at the regulatory level in all of the divisions of the Group.
- Incorporation of the improvements to the controls relating to the monitoring of electronic signature certificates into the Criminal Compliance and anti-bribery Management System: All of the electronic signature certificates installed on the ACS Group's main company devices are monitored and supervised by a specific tool; all incidents are reported to the information security team for analysis and resolution.

Over the course of 2020, the ACS Group companies made progress in designing and implementing compliance and anti-bribery management systems in the different jurisdictions in which they are present, complying with the standards and policies set by the Group's parent company, focusing their efforts on developing new processes and procedures for the development and implementation of those standards and Policies and on verifying the effectiveness of the criminal compliance and anti-bribery management systems through annual internal and external audit processes, which resulted in significant progress in the certification under international standard on anti-bribery management systems UNE-ISO 37001: 2017 and the Spanish standard UNE 19601:2017 on criminal compliance management systems.

In this sense, significant progress made by the Group's different divisions in the United States and Canada in 2020.

Furthermore, in 2020, the ACS Group did not make financial contributions to political parties and the value of the contributions made to trade, business and other associations was as follows:

	2019	2020
Value of financial and in-kind contributions made by the organization to associations (trade associations, business associations, etc.) ⁽¹⁾ (€)	1,447,343	1,510,814

(1) Includes contributions made by ACS, Actividades de Construcción y Servicios

5.4.4. HUMAN RIGHTS

In compliance with the principles of the Global Compact, the ACS Group remains committed to respecting human rights in all of its operations and activities. The business commitment to Human Rights is a key aspect for the Group, based on the ethical principles and corporate culture that guide the development of its activities and the achievement of its purposes.

The main commitments in this area are included in **ACS Group Code of Conduct, the Sustainability Policy and the Human Rights Policy, in turn, developed through the Positioning framework of the ACS Group on Human Rights, the Corporate Protocol on Due Diligence in regard to Human Rights, the Corporate Guidelines for the Protection of Human Rights and the Human Rights Risk Analysis based on infringement**

potential. In the Human Rights Policy, approved in 2016, the ACS Group specifically states, through its Human Rights Policy, its responsibility to respect human rights in all of the activities carried out by the Group. This policy is aligned with International Bill of Human Rights and the eight fundamental conventions of the International Labour Organisation.

As of 30 September 2020, the total risks of human rights infringements by the different entities belonging to the ACS Group had been assessed through a Human Rights Risk Score Card, which measures the implementation status of the Corporate Protocol on Due Diligence in regard to Human Rights approved in 2019. As a result of the human rights management model, it is important to note that in 2020, there were no complaints from ACS Group companies about human rights violations.



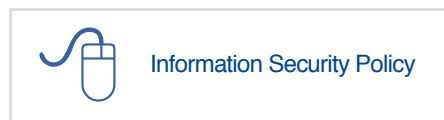
5.4.5. INFORMATION SECURITY

On August 14, 2020, the Board of Directors of the parent company of the ACS Group approved the **Information Security Policy**, applicable in all of its subsidiaries, which for the first time lays out the general principles and obligations regarding security of financial, non-financial and corporate information. The Policy aims to adopt a series of measures aimed at preserving the confidentiality, integrity and availability of information, and aims to establish the requirements to protect information, equipment and technological services that support most of the ACS Group's business processes. This policy provides minimum requirements that must be met by all the Group's divisions and subsidiaries, notwithstanding more restrictive policies that may be implemented to complement it.

The Information Security Policy responds to the recommendations of the best information security practices included in International Standard ISO/IEC 27001, and also complies with existing data protection legislation and regulations that may affect the ACS Group in the area of information

security. The Audit Committee and the ACS Group's Compliance Committee are responsible for monitoring compliance with the Information Security Policy and supervising the implementation of the security strategy.

Likewise, in 2020, and in collaboration with an external consultant, the ACS Group developed its own corporate information security strategy. This Strategy defines the guidelines and principles for information security at the corporate level and is applicable to other Group companies. The development of the information security strategy was based on an ACS security assessment aimed at determining its degree of maturity to safeguard the confidentiality of the organisation's information and provides a roadmap for the actions to be carried out in the coming years.

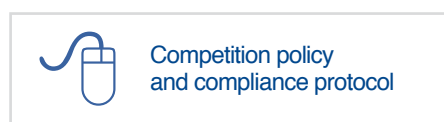


5.4.6. COMPETITION POLICY AND COMPLIANCE PROTOCOL AND REVIEW OF THE COMPLIANCE PROGRAMME FROM THE POINT OF VIEW OF COMPETITION.

In compliance with Directive 2019/1937 ('Whistleblowing' Directive) and with the recommendations published by the National Markets and Competition Commission ('CNMC') in its Guidelines for Compliance Programmes in regard to Competition, of 10 June 2020 ('CNMC Guidelines'), the Board of Directors of the parent company of the Group approved the Competition Compliance Policy and Protocol on 14 August 2020

The Policy constitutes the backbone and common framework for compliance with competition regulations by all Group companies, identifying the consequences of failure to comply with competition law for the ACS Group and its executives and

employees, and it regulates, in practice, how the obliged parties must act to avoid incurring the risks inherent to competition law, with a special emphasis on public contracting. Compliance with the Policy will be supervised by the ACS Compliance Committee and will remain a specific objective of the Group's training programmes.



5.4.7. CONTROL AND MONITORING MEASURES

Established communication and complaints channels

To ensure maximum flexibility and enhance the effectiveness of the Compliance Committee, complaints or queries from subjects affected by breaches of the ACS Group Code of Conduct or any of the organisation's compliance policies may be sent through the different available channels, from simple reporting to a superior to verbal or written notification (by mail, for example) addressed to any of the members of the Compliance Committee, as well as through the Ethics Channel, managed by the Monitoring Committee of the Code of Conduct, the advisory and governing body, under the Audit Committee. The following address can be used to contact the ACS Compliance Committee:

Compliance Committee
ACS Group
Avda. Pío XII 102, 28036 Madrid, España.
+34 913439200
cumplimiento@grupoacs.com

The ACS Ethics Channel can be contacted at the following address:

Ethics Channel
ACS Group
Avda. Pío XII 102, 28036 Madrid, España.
canaletico@grupoacs.com

Notwithstanding the existence of different channels for communicating queries or complaints relating to compliance risks, any complaint received by the Compliance Committee, which translates into the existence of signs of actions that may infringe upon the basic principles of the ACS Group Code of Conduct, must be sent to the Code of Conduct Monitoring Committee, so that the Committee can assess whether to open an investigation dossier.

Queries and complaints received in 2020

In 2020, no consultations or complaints were received through the Ethics Channel of the parent company of the ACS Group. The list of queries and complaints received via the Ethics Channel of Industrial Services, the Clece Group, the Dragados Group and the Iridium Group is as follows:

- **Dragados Group:** 23 communications were received, through its different ethics channels, from different users (38 total communications), 15 submitted digitally, 3 by telephone and 5 through the website. The locations of origin of these communications were: 4 from Spain, 7 from the United States, 8 from Argentina, 3 from Poland and 1 from Canada, with 9 from employees, 4 from former employees and the rest miscellaneous. The motives behind the communications received were: 4 for alleged cases of harassment and discrimination, 3 for reasons related to safety and health, 14 for irregular conduct and 2 for labour relations. Five of the communications were resolved in less than 15 days, one between 15 and 30 days, eight between 30 and 60 days, 6 in more than 60 days and 3 are still under investigation. Of the 23 communications received: nine communications were closed after investigation, one was closed with recommendations, five were not admitted or could not be verified, two were resolved with improved controls, two with sanctions for employees and four are ongoing.
- **Iridium:** through its Ethics Channel, received 5 communications in Spain and 1 in the United States, all digitally, regarding questions about the internal policies which were answered in less than 20 days.
- **Clece:** received 70 communications through its Ethics Channel, all from Spain and by email. Of these, 13 were related to harassment, 20 to quality of service, 23 to labour relations, 9 to irregular conduct and 5 were inquiries. 52 of the communications received were resolved in an average period of less than 15 days, and the rest in less than 65 days with the exception of 2 that are still ongoing.
- **ACS Industrial:** received 73 communications from different users (100 total communications) through its Ethics Channels, 8 by voice mailbox, 2 by ordinary mail and the 64 others by email. The breakdown by country of origin is as follows: 15 from Brazil, 11 from Chile, 5 from Colombia, 15 from Spain, 15 from Mexico, 7 from Peru, 3 from South Africa and the rest from other countries (mostly Latin America). Of these notifications, 11 were related to alleged cases of harassment at work, 8 to conduct deemed inappropriate, 11 to breaches of the Code of Conduct, 14 to payments, 10 to labour complaints and the rest for other reasons. Of these 73 communications, in 20 cases, it was concluded that there was no evidence of non-compliance, in 9, internal communications were sent, in 11, controls and

procedures were reviewed, in 3, training actions were carried out, in 6 of these, the employees involved were reprimanded or dismissed, 10 are ongoing and the remaining 14 were concluded in other ways. Of these communications, a tax case of the company Intecsa, pending resolution, is in the formal investigation process. Of the 73 communications, thirty-six were resolved in 30 days or less, twenty-seven in between 60 and 120 days and the remaining ten are ongoing.

Improvement of the management model of the Consultation and Complaint Channels in the ACS Group. Objectives for 2021

The Compliance Committee is working to adapt the Ethics Channel of the parent of the ACS Group and the Ethics Channels managed by the various divisions of the Group to the principles of Directive (EU) 2019/1937 on protection of whistle-blowers and the imminent international certification standard, ISO 37002 on whistle-blowing management systems.

As part of this regulatory framework, the Compliance Committee defined the following objectives for 2021 in relation to the processes and procedures of the complaints and consultation channels of the Group and the publicly-traded parent company:

- 1.- Ensure the effectiveness of information channels and processes.
- 2.- Inform the organisation of the hierarchy of information channels and train employees and executives.
- 3.- Understand who will be protected within the framework of the Directive in the case of complaints.
- 4.- Make the organisation aware of the broad scope of application of the Directive.
- 5.- Promote measures to support and protect the whistle-blower.
- 6.- Implement processes to comply with reporting obligations.

The complaint and consultation channels must serve a threefold objective: to report, consult and form part of the chain of authorisations of certain business procedures.



5.4.8. TRAINING

	2019	2020
Scope of the training plans regarding the company's human rights, ethics, integrity, conduct or compliance procedures (% of employees)	100.0%	100.0%
Number of courses given with content on Human Rights, Ethics, Integrity, Conduct or other compliance policies and procedures	1,255	840
Number of employees trained in Human Rights, Ethics, Integrity, Conduct in the year or other compliance policies and procedures	67,260	58,892
Training hours per trained employee	2.0	2.2

In 2020, under the aegis of the Compliance Committee of the Group's parent company, training of members who are particularly exposed to the different types of risk within the organisation and each one of its divisions focused on the areas of criminal and anti-bribery risks and the Protocol on Internal and External Due Diligence, Defence of Competition and Cybersecurity.

All of the members of ACS Corporation were able to attend live, either in-person or via streaming, all of the modules included in the Training Matrix. The members of the organisation who were unable to follow any of these Modules live, viewed the sessions at a later time, accessing all the training materials via a specific website.

The training sessions for the ACS Board and the governing bodies of the subsidiaries focused significantly on anti-corruption issues, and are scheduled to be expanded in 2021 to the Compliance and Governance area.

As of the date of this report, the Group's parent company is involved in the process of training the financial departments and collaborating teams, in all of the divisions of the ACS group, on finance and sustainability, developing training modules on the new standards to be included in the new ACS Group Code of Conduct:

- UNSDGs, including the Principles of Responsible Investment (PRI) and Agenda 2030, the Paris Agreement, the WEF's global risk approach, the EU Green Deal and the integration of sustainability, environmental and social dimensions into public policies.
- Guidelines of the EU's Sustainable Finance Plan, the European Directive for Sustainable Corporate Governance, as well as the possible new non-financial information directive that will be transferred to the jurisdiction of each country, and that in Spain will update Law 11/2018.



5.4.9. RISK MANAGEMENT FOR COMPLIANCE ISSUES

In the context of the June 2020 review of the Good Governance Code of Listed Companies, and in view of the amendment of recommendation 45 in regard to risk management and internal control systems, the ACS Group has approved the updating of the General Risk Control and Management Policy, which includes the Integrated Risk Control and Management System with the General Risk Map serving as an essential tool.

The General Risk Control and Management Policy, as a framework rule, affects all areas of the ACS Group, including all issues relating to compliance. The Integrated Risk Control and Management System covers all types of risks that could jeopardise the achievement of the objectives of the Organisation and the ACS Group companies.

STRATEGIC	ENVIRONMENTAL
OPERATING	POLITICAL
TECHNOLOGICAL	REPUTATION
LEGAL, CRIMINAL AND ANTI-BRIBERY	CORRUPTION-RELATED
SOCIAL	FINANCIAL

Specifically, both the Policy and the System identify all of the categories of financial and non-financial risks that the Group faces (including contingent liabilities and other off-balance-sheet risks):

The General Risk Control and Management Policy, approved on 29 July 2016 and updated by the Board of Directors of the Group's parent company, on 17 December 2020, is the regulatory framework that the Group provides for the integrated control and management of the risks to which it is exposed, based on the following principles:

- Integration of the approach to risk into the management of the Organisation through the definition of the risk strategy and risk level.
- Achievement of the strategic objectives established by the group with controlled volatility.
- Preservation of strict separation of functions between the areas that manage risk and the areas responsible for risk analysis, control and supervision, providing an adequate level of independence.
- Transparently providing information to the regulators and principal stakeholders on the risks of the Group and its operating units, as well as on the operation of the systems developed to control the information.
- Providing the highest possible level of guarantees to shareholders.
- Protecting the results and the reputation of the Group.
- Defending the interests of shareholders, clients and other stakeholder groups in the progress of the Company and society in general.
- Ensuring business stability and financial strength in a sustained manner over time.
- Ensuring the use of appropriate instruments to mitigate the impact of risks in accordance with the requirements of applicable legislation.
- Compliance with the applicable legal and regulatory requirements, as well as the values and standards of conduct reflected in the Code of Conduct and the principles and best practices of the Group, aimed at the principle of 'zero tolerance' towards unlawful acts and fraud.





The Group's different risk control and management policies are structured around processing and reporting financial, non-financial and corporate economic information, including regulatory compliance, social issues, human rights, the environment, sustainability, diversity, anti-corruption, market abuse, protection of competition, cybersecurity and corporate governance.

The companies and divisions that make up the ACS Group are responsible for developing the necessary internal regulations in order to implement appropriate internal control based on specific nature of their activities.

The Integrated Risk Control and Management System of the ACS Group is based on a range of strategic and operational actions designed to mitigate risks and fulfil the objectives defined by the Board of Directors. The diversity and complexity of the sectors in which the Group carries out its activities involves a variety of risks; the Corporate Unit is responsible for defining basic guidelines in order to unify performance criteria in each of the divisions to guarantee an adequate level of internal control.

The Company's Board of Directors is committed to developing all of its skills so that the relevant corporate risks of all of the Group's activities and businesses are adequately identified, measured, prioritised, managed and controlled, and to define the basic mechanisms and principles to properly control and manage them through the General Risk Control and Management Policy. In particular, it is committed to promoting control and management measures in regard to compliance risks, so that the likelihood and/or impact of the occurrence of irregular conduct is prevented or minimised and, when detected, such practices are halted and the persons responsible are held accountable, ensuring a policy with maximum rigour in this regard.

The ACS Group's General Risk Control and Management Policy is aimed at achieving a moderate risk profile, through prudent management; a group business model dedicated to the different activities with universal vocation; diversified by geographic areas, asset types, portfolios and clients; with a broad international presence, both in emerging and developed countries, maintaining an average/low risk profile in each of them; and seeking sustainable growth over time.

In this regard, the Audit Committee takes into account the above in its function of supervising the efficiency of internal control and internal auditing, in accordance with the criteria of the supervisory bodies, notwithstanding, in any case, the required information for markets through the Annual Consolidated Report, the Non-Financial Statement (NFS) and the Annual Corporate Governance Report.

From the perspective of continuous improvement, on 25 February 2021, the parent company of the ACS Group approved the update of the General Risk Map, which is a fundamental tool of its Integrated Risk Control and Management System.

During the year, the Compliance Committee and the General Corporate Management carried out actions to improve the management and control of the main financial and non-financial risks, reporting to the Audit Committee on compliance with the established response and monitoring plans.



5.5 MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS

[102-40]; [102-42]; [102-43]

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation’s objectives or that may be affected by its activities. The ACS Group’s basic principles in relation to its stakeholders and the environment are based on complying with the Spanish and international

legislation in force, and fulfilling the corporate social responsibility commitments voluntarily subscribed to by the ACS Group.

The figure below indicates the main stakeholders with which the the ACS Group has relationships:



Likewise, in order to know and respond to the expectations of the stakeholders, and for the ultimate purpose of establishing relationships of trust with them, each one of the Group companies makes different channels of communication available to them.

These channels promote transparency, participation and active listening of all stakeholders. Responsible communication practices to prevent the manipulation of information and safeguard integrity and honour. For this reason, the communications are based on criteria of impartiality, clarity, precision, consistency and responsibility, notwithstanding the need for confidentiality in the execution of the activity.

The ACS Group, in order to strengthen its commitment to the stakeholders, therefore makes the following communication channels available:

[102-40]; [102-42]; [102-43]

STAKEHOLDERS	COMMUNICATION CHANNEL	MAIN COMMITMENTS OF THE ACS GROUP
<p>CLIENTS</p> <p>Any entity or person that contracts or acquires the services or products marketed by the different ACS Group companies.</p> <p>The commitment to clients is addressed from a clear strategy, as included in the Group's Sustainability Policy.</p>	<ul style="list-style-type: none"> - Group websites and Public reports. - Ethics Channel. - Corporate mailboxes. - Channels for submitting complaints/claims. - Satisfaction surveys. - Social networks. - Dossiers and press releases. - Meetings with clients. - Trade fairs and forums. - Publication of relevant facts. 	<ul style="list-style-type: none"> -- Effective resolution of problems and incidents. - Ensuring the best technical and economic solutions. - Building stable, honest and trusted relationships. - Anticipating and tracking client needs. - Periodic measurement of satisfaction. - Ensure protection and confidentiality of information.
<p>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</p> <p>Natural persons, legal entities and entities with capital interests or shareholdings in the ACS Group.</p> <p>The Group has a Communication of Contacts and Involvement with Shareholders, Institutional Investors, Asset Managers, Financial Intermediaries and Voting Advisors, and the right to information of shareholders is described in different provisions of the Company's General Shareholders Meeting Articles of Association.</p>	<ul style="list-style-type: none"> - Group websites and relevant public reports and facts. - Ethics Channel - General Shareholders' Meeting. - Shareholder and investors section on the website, electronic forum and shareholder service office. - Investor Agenda and Investor Day. - Dossiers and press releases. 	<ul style="list-style-type: none"> - Maximising shareholder profitability. - Information transparency. - Promotion of informed participation of shareholders in the ACS Group.
<p>EMPLOYEES</p> <p>Any person who works for any company that forms part of the ACS Group.</p> <p>The ACS Group's General Code of Conduct constitutes a guide for the professional performance of all of the employees and executives of the Group. The group also has a number of policies that apply to employees that are specifically covered in Chapter 5.2 of this report.</p>	<ul style="list-style-type: none"> - Group websites and Public reports. - Ethics Channel. - Intranet. - Labor climate surveys. - Corporate communications. - Meetings. - Health and Safety Committees 	<ul style="list-style-type: none"> - Promoting integrity, professionalism and respect. - Promoting professional and personal development. - Ensuring equal opportunities, diversity and inclusion. - Promoting a culture and corporate values with which the people in the ACS Group identify. - Ensuring the highest levels of occupational safety and health. - Respect for Human Rights.
<p>SUPPLIERS AND CONTRACTORS</p> <p>Persons or companies that provide their services or products to the ACS Group and form part of its supply chain.</p> <p>The ACS Group's Code of Conduct for Business Partners establishes the principles which all market operators must comply and expressly accept in order to establish commercial relationships with the Group.</p>	<ul style="list-style-type: none"> - Group websites and Public reports. - Ethics Channel. - Periodic meetings. 	<ul style="list-style-type: none"> - To ensure objective and impartial treatment in the selection of suppliers and contractors. - Responsible and sustainable management of the supply chain. - Compliance with supplier and subcontractor management rules and systems. - Analyse the level of compliance with these systems.
<p>SOCIETY</p> <p>All those individuals, local communities, NGOs, industry associations, media, etc., that form part of the environment in which the ACS Group operates.</p> <p>To demonstrate commitment to the economic and social development of the communities in which it operates, the Group has implemented its Policy for Social Action, which is linked to its business strategy.</p>	<ul style="list-style-type: none"> - Group websites and Public reports. - Ethics Channel. - Participation in organisations and institutions. - Public relations department and press articles. - Social networks. - Organisation of events, participation in forums, collaboration and volunteering. 	<ul style="list-style-type: none"> - To promote the economic and social development of the countries in which the Group carries out its activities. - To drive forward the business and its sustainability To improve the Company's prestige and reputation
<p>REGULATORY AUTHORITIES¹</p> <p>All representatives of local, regional and international governmental institutions and public entities with which the ACS Group is in constant communication.</p> <p>The commitments established by the Group in regard to the regulatory authorities and administrations are included in the Group's Sustainability Policy.</p>	<ul style="list-style-type: none"> - Participation in organisations and institutions. - Participation in forums and events. - Official communication channels of the Administrations 	<ul style="list-style-type: none"> - Continuous cooperation acting always in good faith. - Ensuring integrity and transparency in relationships by encouraging fair competition and the appropriate use of public resources.

¹The ACS Group made no financial or in kind contributions to political parties in 2020. The subsidies received by the ACS Group in 2020, as shown in the Group's Consolidated Balance Sheet, included in the Economic Financial Report published along with this report, totalled EUR 3.5 million. For more information, see section 5.9 of this report.

Some of the industry associations in which ACS participates are as follows: CNC, AESPLA, SEOPAN, PESI, IEFPP, Workplace Inspection, ENCORD, Australian Constructors Association, Safety Institute of Australia, National Safety Council of Australia, Federal Safety Commission Accreditation, Associated General Contractors, Infrastructure Health & Safety Association, among others.

It should be noted that within the framework of the definition of material issues of this report, the ACS Group consulted its stakeholders to identify those

areas of the company's management considered to be most significant. The results of the survey are provided in point 7.2. Identification of relevant issues.

COMMITMENT TO INFORMATION TRANSPARENCY

One requirement for the ACS Group to be able to fulfil its mission of generating return for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of the company's clients and other stakeholders are respected.

This general objective of transparency is stated by means of the following guidelines:

Transparency indicators	2019	2020
Website		
Visits to the website	392,991	313,393
Pages viewed	1,063,937	926,817
% of new visitors	88%	85%
Shareholders and Investors		
Meetings organized by Investor Relations	309	328
Calls/emails from shareholders answered	514	1,173

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.
- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed in Spain and abroad.
- Contributing to the make-up of a positive corporate image which helps to achieve business objectives and commercial activity.
- Maintaining a fluid relationship with the different stakeholders related to the Group.

The ACS Group manages its commitment to transparency to its stakeholders through the operating companies themselves, through investor communication and relation and shareholder service departments, as well as through the ACS Group website.

5.6 GIVING BACK TO SOCIETY



The ACS Group seeks to carry out its activities by creating shared value in the environments in which it operates, acting as an engine for economic and social development.

To maximise value creation, the ACS Group prioritises the use of local resources, favouring the exchange of knowledge, the transfer of technology and growth of an industrial fabric that contributes to economic growth and social well-being. The ACS Group's commitment to society has two facets:

1. Contributing to the development of society through value creation, local development and compliance with the Sustainable Development Goals.
2. Through its corporate action, which is structured according to the Group's business strategy and the SDGs to which the company contributes, both through the Group companies and through the independently-managed Foundation.

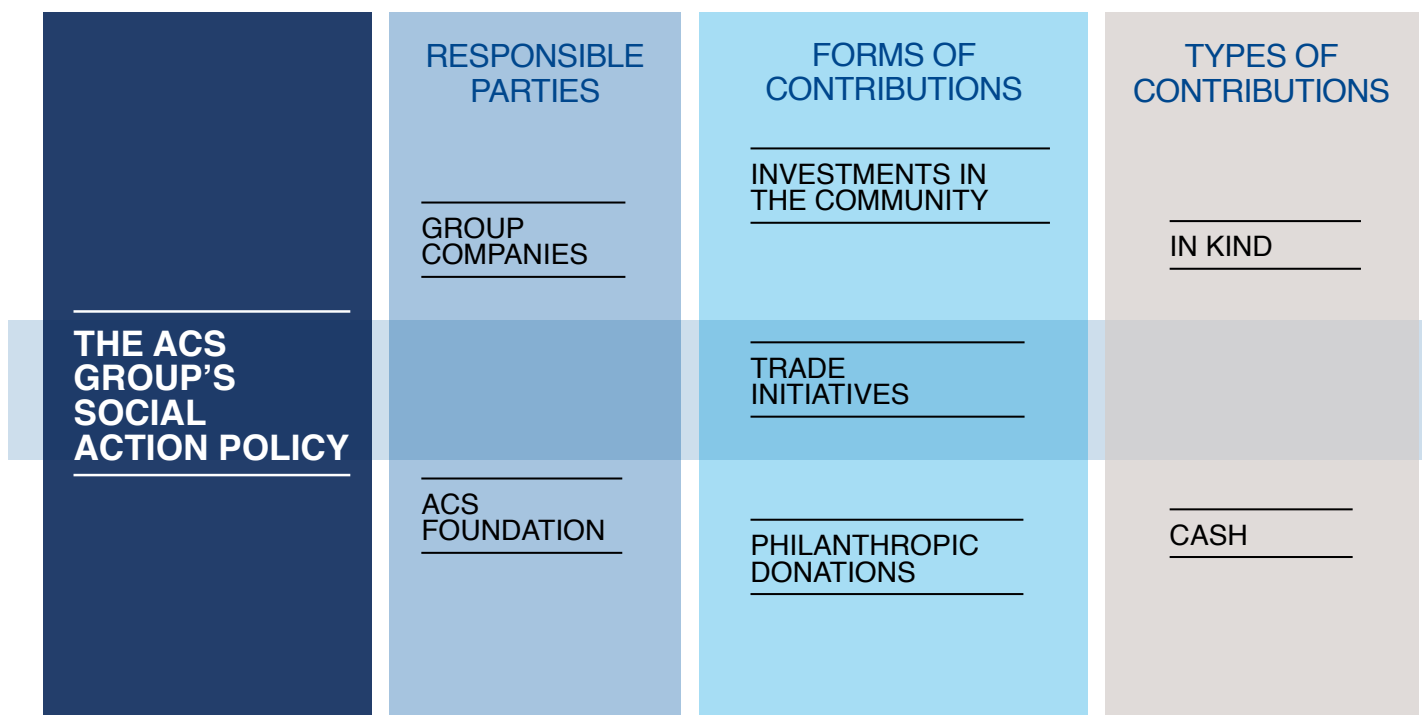
To articulate this commitment to society, the Group has implemented a **Policy for Social Action** linked to its business strategy, as this is the optimal medium for

generating real shared value for all stakeholders. The main objectives of this policy are:

- To drive forward the business and its sustainability to improve the Company's prestige and reputation.
- Increasing employee and partner satisfaction.
- To help improve the society in which the ACS Group operates.

The Policy for Social Action is governed by an Action Plan, which sets out the procedures for application in its various business areas. It was drawn up in accordance with the guidelines and recommendations of the London Benchmarking Group (LBG), includes the experience accumulated over the years by the ACS Foundation and the companies of the ACS Group.

The policy determines the responsibilities assigned to social action, the action categories and areas that form the framework of the projects, the types of contributions that may be made, the geographical areas of action, the model for monitoring the initiatives and communication of the results obtained:





Policy for Social Action

SCOPES OF ACTION

- Corporate volunteerism
 - Citizen awareness
 - Environmental awareness
 - Efficiency
 - Road safety / Workplace hazards
 - Support for NGOs and community organizations
-
- Elimination of barriers and universal access for disabled people and people with reduced mobility
 - Education and defense of the environment
 - Rehabilitation of historical heritage monuments
 - Scientific and technical research
 - Sponsorship of other foundations and institutions
 - Support for cultural activities
 - Support for sports activities
 - Development cooperation

GEOGRAPHICAL AREAS

ALL COUNTRIES WHERE ACS OPERATES

MONITORING

INTERNAL MONITORING, MONITORING COMMITTEE, ACHIEVEMENTS AND IMPACT ASSESSMENT

REPORTING

INTEGRATED REPORT FOR THE ACS GROUP

ACS FOUNDATION ANNUAL REPORT

5.6.1. SOCIAL ACTION OF ACS GROUP COMPANIES

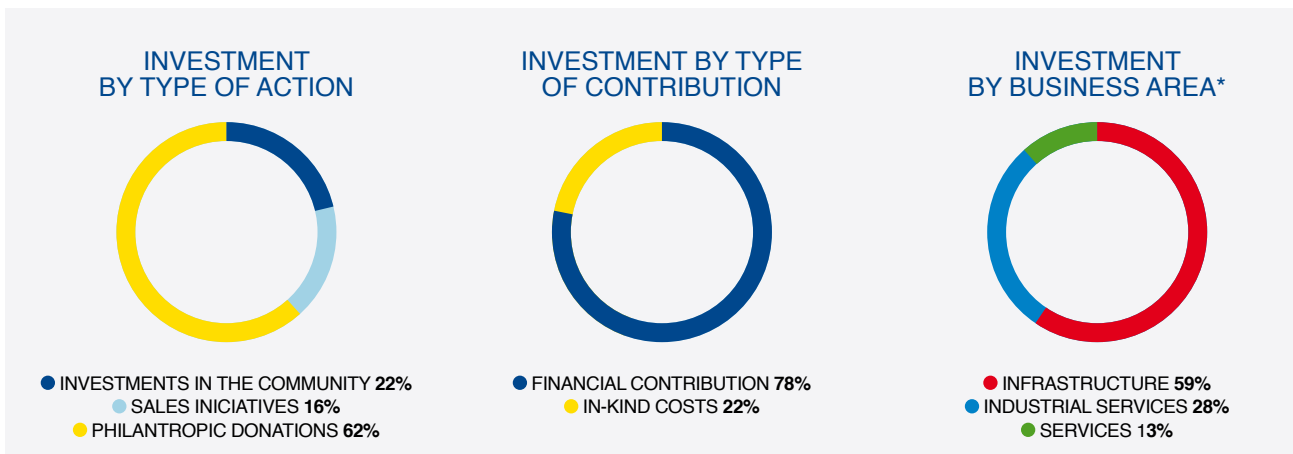
In 2020, ACS Group's commitment to society took on another dimension as a result of the health and social crisis caused by COVID-19. The ACS Group, in addition to collaborating with the provision of its services, showed its solidarity and sensitivity to the global problem caused by the pandemic by rolling out countless initiatives aimed at the most vulnerable groups during this pandemic in those countries in which the Group operates. One of the notable initiatives in

2020 was the contribution of EUR 3.5 million by ACS, together with the Telefónica Foundation, to purchase personal protective equipment for health personnel at one of the most critical moments of the pandemic when these resources were scarce.

As a result of all the initiatives taken, significant growth was observed in the number of benefits and contributions in kind made by the Group.

Main Indicators of Social Action of Group Companies	2019	2020
Cash Funds for Social Action (million euro)	6.4	9.7
Monetary estimate of in-kind contributions to Social Action (million euro) ⁽¹⁾	1.7	4.2
Estimate of the number of people benefiting from social action	137,878	968,641
Number of courses or citizen awareness-raising activities conducted (Road safety, environment, efficiency, social integration, etc.)	179	183
Number of volunteers (employees) who have participated in these awareness-raising activities	2,219	1,275
Number of foundations or NGOs that received aid/support during the year	545	508
Number of events (conferences, exhibitions, sporting events, etc.) sponsored during the year.	108	47
Time employees spent this year volunteering during working hours (h)	11,501	11,653

(1) Includes administrative costs in 2019 and 2020 of EUR 1.2 and EUR 1.4 million, respectively.



* The 1.4 million for administrative expenses are excluded; included by business area, the distribution would be as follows: 55% Infrastructure; 25% Industrial Services and 20% Services. This figure also does not include the donation of 3.5 million for COVID-19 protective equipment made by the Corporation.

Each company of the Group has the power to choose the social action activities with which it is most identified and in which it wishes to participate, provided that they are linked to the experience acquired in its business and contribute to the objectives of the Group's Policy for Social Action. The company's employees can later take part in these activities as corporate volunteers.

Social action activities can be carried out either directly by Group companies or through partnerships with other associations to achieve these objectives. In this regard, in 2020, the ACS Group companies collaborated with 508 foundations and/or NGOs

BRIDGES TO PROSPERITY (B2P) DE HOCHTIEF

As part of the sponsorship focus to 'create and maintain habitable spaces', HOCHTIEF supports projects executed by the NGO Bridges to Prosperity (B2P). This collaboration revolves around the construction of pedestrian bridges in remote regions. The bridges provide local residents with a safe way to access education, healthcare facilities and markets, particularly during the rainy season, when rivers often increase in flow so dramatically that crossing them poses a serious danger. HOCHTIEF and its Group companies have been working with B2P since 2010.

In regard to B2P projects, HOCHTIEF is involved in regions in which it is not actively working.

By helping to improve people's connections with other areas, it enables them to participate in economic development both nationally and locally. Better access to educational institutions is particularly important to increase the potential for economic success and it translates into better prospects for young people. According to B2P's estimates, the pedestrian bridges built by HOCHTIEF have helped 59% more women to find work, increased agricultural productivity by 75%, and increased household income in areas that obtain regular access to commercial areas by an average of 30%. The projects benefit not only the local communities, but also the employees of HOCHTIEF, CIMIC and ACS who participate: the teams that travel to the region to build the bridges along with the locals. This creates a network within the Group team and strengthens loyalty to the company.

To ensure that the bridges are maintained in the long term, local helpers are hired in each region. Their assistance and the training that they receive provide them with the proper knowledge to maintain and repair the bridges later. The B2P project generates multiple benefits, such as the fact that subcontractors and suppliers are generally local teams, who benefit from a fair salary. And, last but not least, employees also engage socially in communities, for example, by visiting schools and sharing sports activities. This makes it possible to contribute to long-term growth and knowledge transfer.

However, due to the COVID-19 pandemic, direct employee participation was not possible. HOCHTIEF instead maintained its commitment and financed the construction of the Mugunga bridge, 115 meters long, in Rwanda, which aims to facilitate and make the everyday life of some 4,000 people safer. The bridge will cross a river that poses a serious danger for the local population during the rainy season.

The Mugunga Bridge is the 27th pedestrian bridge built with the help of the HOCHTIEF Group. The construction planned for 2020 was delayed due to the pandemic and is now expected to be completed in the first half of 2021.



CORAZÓN Y MANOS (HEART AND HANDS) PROJECT (CLECE)



Corazón y Manos is a non-profit association that was created out of the social commitment of a group of workers in Clece. Its main objective is to put into practice the social commitment of its partners and contribute to improving the quality of life of people and their social development, paying special attention to the most disadvantaged groups in society.

Its activities include providing assistance to the personal cases emerge in the 'Clece community,' employees, family members of employees and users of the services managed by the company. In addition to carrying out activities and collaborations with other entities, a series of personal assistance actions were carried out in 2020 to help closely-associated people in all types of situations. Some of the actions carried out included the management of assistance to transport and house a family for the critical operation of one of the daughters, or specific aid in the confinement for workers sick with COVID-19.

One special case was the help provided by the Association to achieve the family reunification of a Clece worker. The action began in 2019 and after many long months during which it worked to resolve all the bureaucratic procedures and prepare fully-outfitted housing, the association paid for the airline tickets so that the worker could reunify his family.

Also, during the toughest months of the lockdown, the staff of the southern branch of Clece decided to organise a **food drive** to be distributed among the people that the pandemic had left vulnerable. This campaign was led by Corazón y Manos and was very successful in collecting more than 60 tonnes of food that was donated to NGOs and local governments for distribution.

The success of this food drive was due to the generosity of Clece's workers and the efforts of more than 130 employees to resolve the enormous logistical difficulties that this action entailed during the lockdown.



POR UNA SONRISA (FOR A SMILE) (MASA)

MASA's 'for a smile' project aims to decorate the children's day hospital at the La Línea de la Concepción hospital (Cádiz), to make it more comfortable for children suffering from cancer who are admitted there. In addition, it will be in charge of the expansion of the oncology day hospital at the Punta Europa hospital in Algeciras, where there will be a space adapted for adolescents and young people.

INTERNATIONAL DAY OF NON-VIOLENCE AGAINST WOMEN (CLECE)

The sixth edition of the campaign “**A Life without Violence, A Life with Respect**” once again mobilised employees, clients and users of the services provided by Clece. They all joined this initiative to show their support for victims of gender-based violence and send a message forcefully rejecting this problem that continues to be present in today’s society.

This year’s campaign took into account the special circumstances arising from the pandemic and it was adapted to a digital demonstration on social networks, providing testimonies and uploading photographs under the hashtags #UnaVidaSinViolencia and #PorTiPorMiPorEllas.

The event was commemorated by a sticker designed especially to be displayed on masks.



WEEK OF WOMEN AND GIRLS IN SCIENCE (DRAGADOS OFFSHORE)

The week of women and girls in science is a group mentoring project for pre-teens and adolescents, which seeks to bring the field of engineering and science closer to women. This is done through workshops and talks on the spreading of science and on the role of women in Science and Technology.

These workshops and talks were attended by engineers from different disciplines serve as an example for girls who are still studying compulsory secondary education and/or vocational training courses. The main objective is for young students to understand that Engineering and Science represent another professional option for them and that they are not fields for men only.

According to the latest data from the Women’s Institute, women represent only 25.6% of the university students studying Engineering and Architecture, the only two university branches where there is a pronounced minority of women. There is therefore a need for educational projects such as the Week of Women and Girls in Science, a ground-breaking project to promote technological vocation among girls.



5.6.2. SOCIAL ACTION OF THE ACS FOUNDATION

The Foundation's objective is to integrate and manage the effort by the ACS Group in terms of patronage and cultural, institutional, sporting or environmental sponsorships, awards and scholarships, training and research, charity and similar activities, in Spain and internationally, to give it the greatest social visibility.

The Social Action of the Foundation allows a portion of the benefits of the ACS Group to be reinvested in society to help improve the quality of life of citizens in any of its physical, human, training, cultural and environmental aspects. The projects sponsored by the ACS Foundation fall within the general interests of the Foundation, including:

- a) Promotion and development of all kinds of cultural and artistic activities, in their broadest acceptance.
- b) Promotion and development of programmes and activities relating to science, training, education, teaching, research and the spread of technology, as well as any other activity that serves to improve people's quality of life.
- c) Promotion, preservation and restoration of elements of Spain's historic artistic heritage collaborating increase awareness of them.
- d) Promotion of activities related to the protection of the environment.

One of the milestones in the year was the implementation, starting on 1 January 2020, of a compliance system to strengthen the mechanisms implemented within the Foundation itself.

The ACS Foundation carries out different programmes that contribute to achieving the Sustainable Development Goals, as shown below, all contributing to SDG 17 of partnerships to achieve objectives:

1. **General interest programmes.** Sponsorship of prestigious foundations and institutions that, despite their very different purposes, can all be classified as of general interest for the company.
2. **Programmes aimed at helping people with disabilities:** Improving the quality of life of people with physical or sensory disabilities, or in situations of dependency, through three sub-

programmes, all of which contribute to SDG 10 and specifically to target 10.2 Promoting social, economic and political inclusion, as well as contributing to specific SDGs:

a. Universal Accessibility:



b. Work and social training and integration:



c.. Integration through sport:



3. **Cultural programmes:** Support for culture through ACS Foundation grants to museums, universities and other institutions whose main objective is the preservation, exhibition and dissemination of Spain's artistic heritage; as well as aid to promote music and theatre in the form of sponsorship of seasons, galas, plays and concerts.



4. **Support programmes,** mainly for medical research, including rare diseases, and healthcare organisations.



5. **Defence of and support for best practices in regard to the environment.**



6. Collaboration programmes with institutions in the areas of innovation, engineering, science, economics and law.



7. Programmes in developing countries. The financial aid allocated by the ACS Foundation for the development of the countries most in need is included in this programme.



8. Social collaboration programme. This programme includes all of the financial donations that the ACS Foundation allocates to solidarity with society's neediest groups and that are not included in the 7 programmes mentioned above.



In 2020, the ACS Foundation spent EUR 5.0 million, equivalent to 95.9% of its budget.

COVID-19 also naturally had an impact on the daily operations of the ACS Foundation and the online channels were strengthened in order to continue attending the meetings, conferences, seminars and courses in which the Foundation participates.

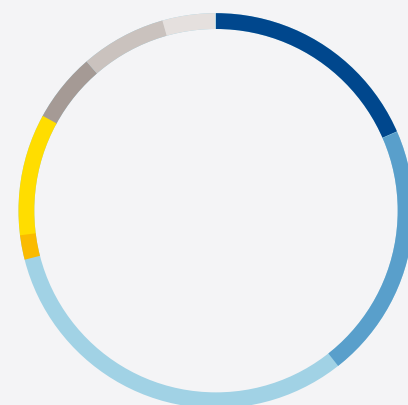
The pandemic also conditioned the execution of the existing Agreements, both general as well as final. In the general agreements, the life of the institutions was altered significantly, which therefore affected the attainment of their foundational purposes. In the case of the final agreements, the specific objectives of the agreements were complicated, and in many cases slowed, even in some cases preventing them from being carried out partially or entirely; specifically, of the 125 beneficiaries of the ACS Foundation from 2020, 56 of them acknowledged that they have had very serious difficulties in satisfactorily complying with the objectives

of their agreements and 7 of them, as they themselves admit, have only been able to comply very partially with the purpose envisaged in the Agreement.

The ACS Foundation sponsored 11 specific projects aimed directly at fighting the pandemic, including:

- Solidarity Fund (Caminos Foundation).
- 'No home without food' (FESBAL).
- 'Alimenta Madrid' in Madrid X Madrid (iHelp Foundation).
- 'Response COVID-19 health crisis' (Aldeas Infantiles).
- 'Coronavirus UCM' (Complutense University of Madrid).
- 'Support for students with hearing disabilities in the time of COVID-19' (Dales la Palabra Foundation).
- 'We come out together' (Betesda Foundation).
- 'Contributing to mitigating the consequences of COVID-19 in Peru' (Madre Coraje Association).
- Fund to fight COVID-19 in Africa (AMREF).

BREAKDOWN OF THE BUDGET ALLOCATED BY THE FOUNDATION ACCORDING TO PROJECT CATEGORY (IN €M)



- GENERAL INTEREST 18%
- DISABILITY 21%
- CULTURE 32%
- ENVIRONMENT 2%
- MEDICAL RESEARCH 10%
- INNOVATION, ENGINEERING, SCIENCE, ECONOMY AND LAW 6%
- COUNTRIES IN DEVELOPMENT 7%
- SOCIAL CONTRIBUTION 4%

MOZARAB PARISH OF SAN MARCOS, SANTA EULALIA AND SAN TORCUATO (TOLEDO)

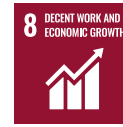
The Collaboration Agreement between the Foundation and the Santa Eulalia Parish in Toledo was signed on 4 March 2019, in order to collaborate on the restoration of the aforementioned church, under the direction of the Maintaining Architect of the Cathedral of Toledo, Jaime Castañón and the Cathedral's Restorer, Antonio Sánchez Barriga; both have played a leading role in the restoration of the Chapel of the Cathedral of Toledo, which was so successfully financed by the ACS Foundation in 2018.

The Santa Eulalia church is the only parish in Spain that has maintained the Mozarab or Hispanic service without interruption since its birth there for the seventh century, in other words, before the Muslim invasion. The existing construction, which is the object of the restoration, is a beautiful example of the horseshoe arch style, which brings to mind, despite the distance, of the rooms of the Mosque-Cathedral in Córdoba.

The ACS Foundation's collaboration on this restoration was divided in two years, 2019 and 2020. On 17 December 2020, the ACS Foundation signed an annex to the previous Agreement with this Parish, from 4 March 2019, to support the full completion of the renovation works, which is scheduled for 2021.



5.7 SUPPLIERS AND CONTRACTORS



Supply chain management is one of the main material issues for the ACS Group. The Group's commitment to its supply chain is key to ensuring a responsible model, in which the quality of its services and products involves compliance with high standards of action and the promotion of sustainable practices.

The model relationship with suppliers, contractors and business partners established by the ACS Group seeks to ensure a responsible, equitable and ethical process that is adapted to each company's operational needs. The integration of environmental, social and good governance aspects (ESG) into the management of its supply chain forms part of the responsibility of the ACS Group and its commitment to sustainable development.

In 2018, the Board of Directors of the ACS Group approved the **Code of Conduct for Business Partners**, which outlines the basic principles that must govern the relationship between the Business Partners and the ACS Group.

This code of conduct is based on the ethical principles that guide ACS Group's conduct at all times. The Group requires all of its business partners

to expressly accept (by signing and commitment to comply) the content included in this Code. Only in cases in which the Business Partners can demonstrate the existence of a Code of Conduct or other internal rules with content similar to the requirements of the ACS Group may explicit signing of this Code be waived (which must ultimately be confirmed by the Organisation). Of the suppliers and contractors with which the ACS Group worked during 2020, 92.8% suppliers accepted by signing or have a procedure similar to the Code of Conduct for Business Partners of the ACS Group, and 28.2% of the suppliers received training.

In ACS Group companies, the procurement departments are responsible for managing the relationship with suppliers and contractors by means of specific systems for managing, classifying, approving and controlling the supplier risks. As a characteristic feature that differentiates the Group from its competitors, it is important to highlight the strong decentralisation of procurement and supplier management departments in this area. This gives Group companies a competitive advantage as a result of the agility, flexibility and independence granted by this model.



 Code of Conduct for Business Partners



5.7.1. THE SUPPLY CHAIN OF THE ACS GROUP

Main figures	2020
No. of suppliers and contractors	131,984
Local suppliers	85.5%
Expenditure with local suppliers	66.3%

The company's diverse activities translate into a very complex supply chain, made up of a large number of business partners. In this regard, the total number of suppliers in the Group's supply chain in 2020 reached the 131,984 suppliers.

The ACS Group is committed to the economic and social progress of the countries in which it operates and it is therefore committed to contracting local suppliers. In 2020, 85.5% of the suppliers with which the group worked were local. This ACS Group's commitment to encourage local development has a positive effect in several different areas:

- The local economy is strengthened while at the same time reducing the costs of the operations.
- The proximity of the suppliers makes it possible to ensure the supply to the different business units worldwide and to shorten the delivery times.
- Reduces the ACS Group's environmental footprint and minimises the impact on the environment.

There are two different types of suppliers in the ACS Group's supply chain management based on the contracting process:

• **Suppliers determined by the client.** In this case, it is the customer who contractually determines the type of supplier, as well as the amount and characteristics of the materials to be used. Despite the fact that in these cases the Group's companies adapt to these requirements, the Group's procurement departments and suppliers

have established a control procedure to confirm the efficiency of the designated supplier, which may cause setbacks and promote corrective measures for other work.

• **Suppliers directly contracted by the ACS Group.** For suppliers of services and materials contracted by the ACS Group, whether through a central purchasing department or in a decentralised manner by works managers, detailed management and control processes are defined, which share the following points in common in all Group companies:

- There are specific standards and a system for managing, classifying, proofing and controlling the risk of suppliers and subcontractors.
- Analysis of the level of compliance of these systems.
- Promotion of collaboration with suppliers and transparency in contractual relationships.

There is also a comparative policy favouring the participation of various suppliers in selection processes. In order to objectively take decisions and facilitate access for new suppliers in different parts of the world, a study on customary suppliers has been launched. Visible procurement portals for all services are being developed, offering a wide range of products from different suppliers. This is a real aid to cost saving (because the most competitive prices are identified) and to controlling material consumption by employees or construction managers. In Spain this portal helps local suppliers to sell their products domestically, promoting their development and growth.



5.7.2. SUPPLIER APPROVAL AND MANAGEMENT SYSTEMS

The management model responsible for the supply chain of the ACS Group begins with a process of approval of suppliers and subcontractors in which compliance with the fundamental criteria established by the ACS Group to form part of the Group's supply chain is assessed. Thus, in companies that represent the 98.1% ACS Group's procurement costs present a formal system for the approval of suppliers and subcontractors. The main aspects considered during the approval process are:

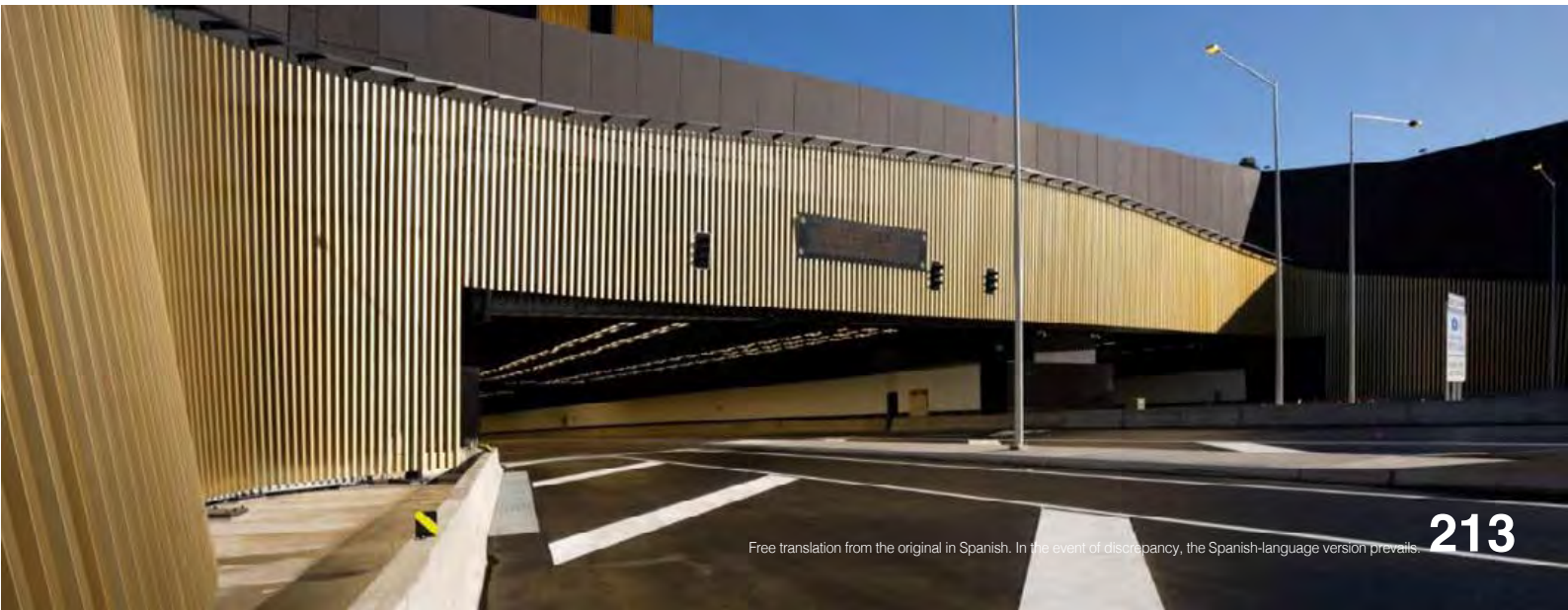
- Average payment and collection periods.
- Technical capacity and suitability to perform the planned task.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- ESG aspects related to compliance with the Code of Conduct for Business Partners.

The weight of ESG factors in the approval process varies according to the companies' activities and action areas, but the weighted average weight of these factors exceeds 38.5% in 2020. Specific aspects

assessed include certificates on environmental aspects (ISO14001, EMAS or the like), certification on quality aspects (ISO 9001 and the like), adherence to international human rights and labour rights standards and analysis of the labour standards and practices of suppliers and subcontractors, among others. In 2020, 51.8% the suppliers with which the Group has worked have adhered to ethical, social and environmental commitment standards or have certificates in this area.

For the contracted suppliers, the ACS Group's supplier approval system envisages a subsequent analysis phase, which goes back to the ACS Group's ongoing management and improvement system. This process, which seeks to guarantee compliance with contractual clauses and agreements and includes the identification of economic, environmental and social risks, is based fundamentally on the detection of non-compliance and on corrective or management measures to be applied.

If breaches or risks are detected, the appropriate corrective measures are applied, adapted to the circumstances of each case. When the breaches detected are considered serious, they can immediately terminate the contracts.



5.7.3. ANALYSIS OF CRITICAL SUPPLIERS

The ACS Group's companies carry out an analysis to identify critical suppliers in their supply chains. The Group considers a supplier to be critical when the percentage of procurement or subcontracting expenses are significantly greater than the average for the company's other suppliers.

Therefore, companies that represent 88.9% of the Group's procurement expenses have determined processes to identify critical suppliers. As a result of these processes, the main data from the analysis of critical suppliers is as follows:

- Companies representing 82.7% of suppliers have performed this analysis.
- Of these, 3.8% are considered critical suppliers. These suppliers represent 39.2% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider the ACS Group to be a key client to their business.

Given the importance of analysing the supply chain for managing risks for the company, the ACS Group companies identify their direct critical suppliers (tier-1 critical suppliers). In 2020, the ACS Group evaluated the 4,242 tier-1 critical suppliers in terms of sustainability of 4,979 identified tier-1 critical suppliers, representing 85.2% of the total. Of these 4,242 critical tier-1 suppliers assessed, a 0.4% of them at risk in terms of sustainability, and the lack of certificates, breaches or other risks detected is understood as such. Depending on the risks detected the reasons for the negative assessment are analysed and initiatives are proposed to strengthen the identified areas of improvement that include, among other things, training and collaboration activities, or whether it is a serious breach can immediately lead to the termination of contracts or agreements relating to suppliers.

Likewise, the Group companies have begun to extend the scope of this analysis of the Group's supply chain, reaching the critical suppliers of the direct suppliers (tier-2 critical suppliers). The number of these suppliers identified in 2020 reached 14,436 suppliers in this category.

AVERAGE PERIOD OF PAYMENT TO SUPPLIERS

The following table details the information required by additional provision two of Law 31/2014, of 3 December, which was prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the information to be included in the management report in regard to the average payment period to suppliers in commercial operations:

	2019	2020
	Days	
Average period of payment to suppliers	62	60
Ratio of payments made	59	57
Ratio of payments pending	69	67
	Thousands of Euro	
Total payments made	3,523,154	2,836,313
Total payments pending	1,555,565	1,555,565

5.7.4. RISK MANAGEMENT ON SUPPLY CHAIN ISSUES

Among the functions attributed to the Audit Committee of the Group's Board of Directors is the review, monitoring and assessment of the Company's Sustainability Policy and its practices, as well as the other related internal regulations, including the Code of Conduct for Business Partners.

The ACS Group companies will carry out these policies, which will be carried out in accordance with the characteristics and needs of each of the Group companies.

Likewise, according to the risk map prepared by the Group, the risks based on the relevance that they may have for the performance of the company's activity have been prioritised, in accordance with the type of activity, action areas, policies and management approaches, and throughout the report, the results obtained from this prioritisation of potential risks for the performance of the activity related to the supply chain as well as the management measures adopted by the ACS Group.

In managing the risk chain, it must be considered that the possible improper practices of the suppliers of a company pose a potential risk that, if it materialises, may hinder their ability to do business. It is necessary to assess counterparty risks, both at the level of personnel, security and health, the environment and ethics, integrity and rights to which it is exposed and to be involved in constantly improving its performance. To do so, the Code of Conduct for Business Partners, which establishes the basic principles of action that the Shareholders must comply with in their relationship with the Group, as well as the management systems expected from them in certain aspects. Likewise, in addition to the own management systems defined by companies in their relationship with suppliers, the specific regulations of the Group on issues such as the Environmental Policy or the Corporate Protocol on Due Diligence in Human Rights, extend not only to the Group's employees but to the entire value chain.

Issue	Potential risks	Detection, prevention, management and mitigation measures	Associated management indicators	Applicable Policies ACS Group
Responsible supply chain	<p>Poor practices by a company's suppliers pose a potential risk that, if it were to materialise, could hinder its ability to do business. It is necessary to assess the counterparty risks to which it is exposed and to constantly improve its performance.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • Procurement and subcontracting processes. • Occupational risk prevention, health and safety risks. • External communication with stakeholders • COVID management • Impact on the economic-social environment 	<p>The mandatory Code of Conduct for Business Partners establishes, among other basic principles, that:</p> <ul style="list-style-type: none"> - It is essential that the business partners, regardless of the country in which they carry out their activity, respect the fundamental human and labour rights, recognised internationally - Respect for human health and safety is a primary objective for ACS. Therefore, its business partners must be committed to ensuring a safe and healthy working environment for their members, as well as greater respect for occupational health and safety regulations, complying with the applicable occupational risk regulations. 	<p>In 2020, of the 131,984 direct suppliers with which the Group works, 92.8% of suppliers signed on to accept this Code or have a method similar to the ACS Group Code of Conduct.</p> <p>In these formal supplier approval systems, the weight of the factors related to sustainability (environmental, ethical and social criteria) out of the total factors used for the approval varies according to the companies' activities and areas of activity, but the weighted average weight of these factors exceeded 38.5% in 2020.</p>	<ul style="list-style-type: none"> • Code of Conduct Business Partners. • Risk Control Policy.
Protection of human rights	<p>In compliance with the principles of the Global Compact, the ACS Group remains committed to respecting human rights in all of its operations and activities. The business commitment to Human Rights is a key aspect for the Group, based on the ethical principles and corporate culture that guide the development of its activities and the achievement of its purposes.</p> <p>In this regard, it is necessary to assess the risks of human rights infringement, particularly in the supply chain, since there is no absolute control of the employment practices of external companies that work for ACS.</p> <p>Being involved in a controversy or a breach of human rights could harm ACS's reputation, and could also expose it to the risk of not being able to enter into commercial or employment relationships with clients and other suppliers.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the Group's risk management system in 2020. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> • Infringement of human rights. • External communication with stakeholders 	<p>The Group has developed different mechanisms to ensure respect for human rights:</p> <ul style="list-style-type: none"> • The positioning framework of the ACS Group in regard to Human Rights, which addresses in detail the relationships and the main areas of interconnection between the effective performance of the ACS Group's activities and respect for and guarantee of Human Rights. • Human Rights risk analysis due to potential infringement, which makes it possible to establish a global perspective and deepen the understanding of these global risks, in which the ACS Group may be involved. • Corporate Protocol on Due Diligence in regard to Human Rights. This defines the conduct to prevent and arbitrate the specific measures for the prevention of this risk. This facilitates the management and mitigation of effects, and the processing of complaints or claims that may be made by those who have been the object of the aforementioned conduct. 	<p>In 2020, 58,892 employees received training in human rights, ethics, integrity, conduct and compliance procedures.</p> <p>ACS carries out assessments of the total risks of human rights infringements by different entities that form part of the ACS Group through a Risk Score Card, which measures the status of implementation of the Corporate Protocol on Due Diligence in regard to Human Rights.</p> <p>Lastly, as a result of the human rights management model, it should be noted that, in 2020, there were no complaints from ACS Group companies in regard to human rights violations</p>	<ul style="list-style-type: none"> • Code of Conduct for Business Partners • Code of Conduct • Human Rights Policy • Corporate Protocol on Due Diligence in regard to Human Rights • Sustainability Policy

5.8 COMMITMENT OF QUALITY TO THE CUSTOMER⁽⁷⁾



5.8.1. QUALITY IN OUR ACTIVITIES

For the ACS Group, which works in an industry with high technical sophistication, quality represents a fundamental competitive advantage over the competition.

Quality management at the ACS Group is decentralised, whereby each company is responsible for managing quality. Although each company is granted autonomy to manage quality in accordance with its operations, they all follow common lines of action:

- Establishment of objectives and regular assessment of compliance with them.
- Development of actions aimed at improving the quality of the services provided.
- Performance of actions in collaboration with suppliers and subcontractors to improve quality.

(7) The ACS Group, given its activity as provider of infrastructure and services for them, works mainly with clients not end consumers.

In order to move forward in this regard, most Group companies have a quality management system. These are periodically audited to verify compliance and conformity with the reference standard, with the most common type of certification among Group companies being the **ISO 9001 certificate**.

The general objectives for improvement include:

- Obtain and expand the scope of the certifications, especially with regard to developing a new technique or expanding activities to a new geographical area.
- Implement tools to improve management.
- Improve specific performance indicators.
- Improve the training of supervisors, operators and works managers.
- Increase customer satisfaction indices, reducing complaints due to problems in execution and incidents.
- Comply with delivery periods, adjusting to quality expectations.
- Increase the number and capacity of internal quality auditors.

MAIN MANAGEMENT INDICATORS - QUALITY

The percentage of production certified according to ISO 9001 has decreased slightly compared to 2019, mainly due to the decline in the Infrastructure division. The increase in activity in

the United States explains this decrease, since these types of certificates (ISO 9001) are not the predominant in the quality management systems in this region.

ISO 9001 certified production	2019	2020
Infrastructures	44.1%	42.9%
Industrial Services	96.0%	95.8%
Services	98.0%	98.0%
Total ACS Group	55.0%	54.4%

Other management indicators	2019	2020
Number of quality audits	11,986	13,580
Number of quality audits per million euros of turnover (million euros)	0.317	0.415
Investment in measures to promote and improve Quality (mn euros)	2.4	2.8
Intensity of investment in measures to promote and improve Quality (euros investment/ mn euros turnover)	63.2	85.3

5.8.2. CUSTOMER RELATIONS

The nature of the ACS Group's business means that the number of clients to which it relates is very small, with some being large corporations or worldwide public institutions. Due to this, and in a highly competitive market, it is essential to maintain a high degree of trust with clients to establish stable and lasting relationships over time. One of the Group's its priorities is therefore to ensure the highest standards of excellence and quality in the products and services offered.

The strategy of client relations is built on the following main principles:

- Excellence in service and guidance to solve problems.
- Feedback from the relationship with the client, in order to be aware of and meet the expectations of the client.
- Transparency in the information on the ACS Group's capabilities
- Identification of future needs and opportunities for collaboration

FOLLOW-UP AND COMMUNICATION

The ACS Group companies hold regular follow-up meetings with clients, through the managers of each project. In specific projects in which clients devote resources to controlling production, even more continuous contact will be maintained.

In addition, targets, follow-up systems and plans for reporting to the customer are determined for each project. These plans establish control points at the end of important phases in the production, certification meetings for payment in instalments of the construction work and partial follow-up points.

Likewise, the Group continues to progressively implement computerised customer relationship management (CRM) systems to collect information relating to clients, in order to facilitate analysis and the carrying out of actions to improve satisfaction.



SAFETY DURING THE PANDEMIC

The global pandemic caused by COVID-19 has led to a critical public health situation that has had a serious impact on nursing homes. In this regard, Clece, in charge of managing 65 nursing homes in Spain in which more than 3,500 elderly people live, has worked to ensure the safety of all its residents under the slogan of 'Protect our elders.'

Thanks to the strict protocols that Clece imposed in its residences and the speed with which they were implemented (before the state of alarm was declared), the vast majority of the nursing homes remained free from infection in the first wave. The success of this management caused different administrations and residential management entities to request help from Clece in the most difficult moments of the pandemic.

The company made all of its resources available to the residents during the months of lockdown and isolation to allow the closest possible communication with the families. To do so, videoconference systems were installed in all of the nursing homes.

Likewise, when the health authorities authorised the controlled opening of the nursing homes and visits by the family members, Clece took all possible measures to ensure the maximum safety guarantees.

In addition to preparing areas for visits, creating cleaning and disinfection protocols and establishing strict shifts, Clece offered to test visitors free of charge. In 2020, more than 145,000 tests were carried out, including PCR tests, antigen tests, serology and rapid tests.

This safety measure for the elderly who live in the nursing homes managed by Clece had a cost of more than EUR 1,590,000, which was covered in full by the company.

CUTTING-EDGE TECHNOLOGY TO OFFER THE BEST SERVICE IN A SAFE ENVIRONMENT (CLECE)

Prevention as the best formula for stopping the virus, has been one of Clece's slogans during the pandemic. Ensuring maximum hygiene and safety conditions depends to a large extent on the technology available. In this regard, in the area of infrastructure hygienization, Clece has used a hospital cleaning system to ensure reliable preventive disinfection.

In April, the organisation had ozone guns that were used as a system for purifying and improving the air and that, after the state of alarm, became solutions used for disinfecting buildings and rooms. The mechanism consists of the use of guns that generate ozone from the oxygen of the air, providing disinfection of all of the air to which a person is exposed inside a building. Clece prepared a protocol and provided training, preparation and protection teams to all employees using this system.



Another one of the more innovative technologies in disinfection was the Xenex robot. This robot represents the first disinfection technology that uses pulsed ultraviolet light (UVC) capable of destroying up to 99.99% of the current SARS-CoV-2 virus in just two minutes. It provides many advantages, including its speed and cleanliness, and it does not leave chemical residue on surfaces. This makes it sustainable in comparison with other mercury-based technologies, because its waste is inert and harmless for people and the environment. Lastly, accessibility to the disinfected rooms is another important aspect, because it is not necessary to wait to access the disinfected room.



CUSTOMER SATISFACTION

ACS's second key customer relationship management policy is measuring customer satisfaction and establishing plans for making improvements. Therefore, companies representing 89.5% of the Group's turnover have defined a customer satisfaction measurement system, which represents an increase of two percentage points from 2019.

Companies that represent 18.0% of the Group's turnover have established specific channels and processes to enable clients to formalise their complaints and claims (17.1% in 2019). In this respect, it is important to take into account that the company's business is not focused on end clients, but rather on the business with other companies or with the public administration, so these systems are mainly managed using personalised tracking systems. In 2020, 1,307 claims were received, of which, 91.5% were resolved in the report year.

For projects that pose greater technological challenges, the ACS Group also establishes alliances with partners (normally detailed engineering companies), which help to offer end clients the best technical and economic solutions.

Another of the Group's values is confidentiality. ACS Group companies' contracting and customer relationship departments promote responsible use of information, therefore guaranteeing customer confidentiality.

As a result of this good relationship, proximity, transparency and customer satisfaction regarding quality expectations on the services provided, the level or recurrence of ACS Group customers is very high.

MAIN MANAGEMENT INDICATORS – CUSTOMERS (1)	2019	2020
Number of customer satisfaction surveys received	1,177	1,361
Percentage of "satisfied" or "very satisfied" customer responses over total number of surveys RECEIVED (%)	94.6%	94.9%

(1) In 2019 and 2020, coverage of 29.85% and 30.86% of sales, respectively, has been achieved in these indicators.

5.9 TAX INFORMATION



In 2015, the ACS Board of Directors approved the corporate Fiscal Policy, in accordance with which it aims to establish a collaborative relationship with the tax authorities based on mutual trust and transparency. In addition, the Group is committed to not creating artificial corporate structures unrelated to the Company's business activity for the sole purpose of reducing its tax burden or to generate a lack of transparency, and to not carry out operations between related companies aimed at reducing taxable bases and artificially transferring profits to low-tax territories.

All Group companies comply in every country with the applicable tax regulations in relation to transparency and tax information.

In particular, in Spain in 2010, ACS signed the Code of Best Tax Practices promoted by the Spanish tax authorities (Agencia Estatal de la Administración

Tributaria) and, in application thereof, voluntarily provides the aforementioned Agency with the Annual Fiscal Transparency Report, with special emphasis on the Group's international composition, including information related to tax havens.

Therefore, the ACS Group's current policy is not to promote the creation of new companies in tax havens or low or no-tax territories (unless necessary for the execution of works or physical facilities in the territories), as well as to commit to the gradual liquidation of the existing companies. In this regard, several entities which are residents of tax havens are in the process of liquidation.

In accordance with tax regulations in the majority of countries, profit is taxed in the country in which it is obtained, that is, based on the nature of the construction activity, in the place where the construction work or facility is executed.



Corporate Tax Policy

Based on this criterion, the table below gives a breakdown, by country, of the taxes paid by the ACS Group for all items, pre-tax profit, and the subsidies received in 2020 (amounts in thousands of euros):

Country	TAXES PAID 2020 ⁽¹⁾				Pre-tax profit ⁽²⁾	Subsidies received
	TOTAL	Profits tax paid	Other taxes paid	Taxes collected		
Spain	1,357,385	91,936	530,957	734,491	666,350	538
United States	635,352	55,959	96,521	482,871	31,342	
Australia	629,832	6,865 ⁽³⁾	19,503	427,937	552,326	
Germany	120,063	4,771	36,130	79,162	-30,498	
Indonesia	94,849	33,217	15,971	45,661	-58,024	
Brazil	67,586	41,093	17,068	9,425	110,981	
United Kingdom	52,325	1,580 ⁽³⁾	10,173	40,572	14,627	
Chile	45,662	11	11,450	34,202	-73,946	
Mexico	41,139	39,018	20,228	-18,107	43,264	
Singapore	36,950	35,996 ⁽³⁾	1,104	-150	37,190	
Peru	36,694	13,109	4,317	19,268	47,213	
Poland	23,510	336	6,037	17,138	-24,525	
Canada	21,721	5,725 ⁽³⁾	3,402	12,593	158,026	
Portugal	19,855	366 ⁽³⁾	8,847	10,642	13,686	
New Zealand	19,511	316	1,263	17,932	-76,442	
Argentina	14,083	1,877	5,781	6,426	-954	
Mongolia	12,357	12,054	1,374	-1,071	-13,442	
Israel	10,533	-307	1,640	9,200	747	
Czech Republic	9,440	94	5,474	3,871	1,753	
Luxembourg	8,946	3,991	1,019	3,936	40,042	
Netherlands	8,551	10	143	8,397	72	
Colombia	8,440	42	3,388	5,011	-23,411	
France	8,389	248	6,686	1,455	4,747	
Panama	7,810	464	4,129	3,218	5,159	
India	7,303	449	1,840	5,014	-6,189	
Italy	5,919	0	2,061	3,858	476	
Japan	5,702	1	549	5,152	-5,093	
Botswana	5,683	2,330	884	2,480	27,705	
Hong Kong	5,502	4,935	360	206	-13,192	
Ecuador	5,477	1,191	1,404	2,882	7,656	
Others (*)	36,073	4,067	86,185	-54,189	-69,748	
Unattributable consolidation adjustments ⁽⁴⁾					-292,112	
TOTAL	3,362,640	361,742 ⁽⁵⁾	1,081,415	1,919,483	1,075,788	538

(*) Countries less than EUR 5 million of taxes paid.

(1) The OECD methodology includes Social Security contributions as taxes paid.

(2) This corresponds to the pre-tax profit according to the Consolidated Statement of Earnings, not including the results by method of participation (which are presented, in accordance with accounting regulations, already net of taxes, since, as they are not companies controlled by the group, more information is unavailable) and without excluding the adjustment to minority interest.

(3) The low taxes paid in these countries is due to the effect of the return of overpaid taxes in previous years, as well as to the offsetting tax credits for losses from previous years.

(4) Items that cannot be objectively attributed to specific countries (mainly amortisation of PPA Purchase Price Allocation- of acquisitions) are included, with no impact on the payment of taxes in any of them.

(5) Significant deviations with regard to each country's nominal tax rates are due to the fact that the tax rules themselves create differences between the tax in terms of payment and the tax in terms of accrual, differences that are offset in the long term.

The figures for 2019 in regard to pre-tax earnings, profit taxes paid and subsidies received are as follows:

Country	TAXES PAID 2019 ⁽¹⁾				Pre-tax profit ⁽⁶⁾	Subsidies received
	TOTAL	Profits tax paid	Other taxes paid	Taxes collected		
Australia	1,030,575	117,455	215,423	697,697	-1,165,702	
Spain	947,216	-154,410 ⁽²⁾	412,460	689,166	546,727	909
United States	572,290	49,474	109,278	413,538	65,504	
Germany	222,848	3,533	46,861	172,454	-74,849	
Mexico	102,618	27,842	1,834	72,942	49,638	
Indonesia	97,902	73,399	5,950	18,553	252,258	
Peru	72,738	23,141	5,859	43,738	58,092	
Brazil	68,863	22,475	39,582	6,807	157,964	
United Kingdom	53,366	-2,420 ⁽²⁾	12,803	42,982	16,738	
Canada	46,873	-2,242 ⁽²⁾	8,709	40,407	90,282	
Chile	35,364	2,509	5,579	27,275	-21,959	
Portugal	24,161	3,145	9,690	11,326	10,382	
Singapore	21,640	18,100	2,932	608	-24,528	
Argentina	18,044	596	7,437	10,010	7,917	
India	12,287	1,103	1,208	9,976	6,205	
New Zealand	11,115	13	2,456	8,645	30,286	
Philippines	10,848	2,024	1,345	7,478	10,134	
Hong Kong	9,016	8,376	411	229	95,268	
Mongolia	8,033	3,811	1,806	2,417	25,609	
Botswana	7,853	2,321	185	5,347	34,246	
Panama	6,521	661	2,964	2,896	10,118	
Saudi Arabia	6,027	1,093	794	4,140	28,693	
Luxembourg	2,239	23	389	1,827	33,354	
Others ^(*) ⁽³⁾	123,039	6,141	89,396	27,502	-111,020	
Unattributable consolidation adjustments ⁽⁴⁾					-57,616	
TOTAL	3,511,477	208,166 ⁽⁵⁾	985,351	2,317,960	73,741	909

(*) Countries less than EUR 5 million of taxes paid

(1) The OECD methodology includes Social Security contributions as taxes paid.

(2) The low taxes paid in these countries is due to the effect of the return of overpaid taxes in previous years, as well as to the application of tax credits for losses from previous years. Specifically, in the case of Spain, the excess tax returned totalled EUR 229.62 thousand.

(3) This includes losses in countries considered to be tax havens under Spanish law, or 'non-cooperating countries and territories for tax purposes' under EU law, for a total of EUR 37.291 thousand, and in which a tax payment of EUR 217 thousand was made.

(4) Items that cannot be objectively attributed to specific countries (mainly amortisation of PPA Purchase Price Allocation- of acquisitions) are included, with no impact on the payment of taxes in any of them.

(5) Significant deviations with regard to each country's nominal tax rates are due to the fact that the tax rules themselves create differences between the tax in terms of payment and the tax in terms of accrual, differences that are offset in the long term.

(6) This corresponds to the pre-tax profit according to the Consolidated Statement of Earnings, not including the results by method of participation (which are presented, in accordance with accounting regulations, already net of taxes, since, as they are not companies controlled by the group, more information is unavailable) and without excluding the adjustment to minority interest.

5.10 INNOVATION



In an increasingly competitive and demanding context, the ACS Group is aware of the importance of anticipating future trends and demands in pursuing global leadership. The Group therefore promotes innovation and research aimed at finding solutions to improve processes, incorporate technological advances and improve the quality of the services provided.

The company's commitment to innovation is clear from the significant increase in the R&D investment made by the ACS Group year after year. The result of this effort leads to, among others, improvements in productivity, quality, customer satisfaction, occupational safety, the use of new materials and products, and the design of more efficient production processes and systems.

IN 2020, THE ACS GROUP INVESTED A TOTAL OF EUR 53 MILLION ON RESEARCH⁽⁸⁾, DEVELOPMENT AND INNOVATION, WHICH REPRESENTS AN INCREASE OF 41% COMPARED TO 2019.

Management of innovation at Group companies normally has the following characteristics:

- The function is assumed by technology management, generally by the Technological Development Committee.
- R&D is managed through recognised management systems, customarily the UNE 166002:2006 standard.
- Compliance with reference standards is reviewed through independent audits.

Compliance with the requirements of the systems usually involves the development of individual strategic lines of research, collaboration with external organisations, investment that seeks to promote research and regular generation of new patents and operating techniques.

IN 2020, THE ACS GROUP⁽⁸⁾ HAD 253 PROJECTS UNDERWAY AND FILED FOR 2 PATENTS. OVER THE LAST 10 YEARS, GROUP COMPANIES HAVE REGISTERED A TOTAL OF 59 PATENTS.

The ACS Group's capabilities were strengthened and complemented through the alliances with technological centres, research institutes and universities, as well as other institutions related to R&D in order to successfully complete the innovation processes. In this sense, the Group has made a notable commitment to developing innovation projects related to sustainability.

IN 2020, THE ACS GROUP DEVELOPED 66 SPECIFIC INNOVATION PROJECTS RELATED TO SUSTAINABILITY.

The projects developed in the ACS Group's Innovation area are aimed at responding to the specific challenges and opportunities presented in the current infrastructure and services environment, representing one of the Group's key lines for the creation of value. The main lines of development of the Group's Innovation activities are related to:

- Solutions relating to sustainability, efficiency and climate change:
 - Development of construction materials and techniques to improve the resilience of infrastructure.
 - New technologies related to renewable energies.
 - Improvement of resource efficiency.
 - Development of solutions for Smart cities.
- Automation of processes, digitalisation and data management:
 - BIM and virtual reality.
 - Artificial intelligence.
 - Shared learning systems.
 - The Internet of Things.

(8) Scope of the data 26.4%.

5.10.1. INFRASTRUCTURE

The management of research, development and innovation in infrastructure activities is coordinated by the Dragados departments and by Hochtief companies.

In accordance with the targets established by the head companies, at the end of 2020 the ACS Group's infrastructure companies had a total of 159 projects in progress. A total of EUR 37.7 million was invested in 2020 to carry out its R&D activities.

NEXPLORE

HOCHTIEF is working with ACS and the Group's operating companies to actively promote digitalisation in its main activities through the company Nexple, created in 2018. Nexple is a digital transformation incubator and accelerator that takes advantage of the existing digital innovation capacity within the ACS Group.

Nexple combining cutting-edge research with front-line institutions and world-class technical capabilities to enhance collaboration and progress in the sector worldwide, including innovation and digital development centres. The aim is to make the most of the opportunities offered by digitalisation for the business, such as artificial intelligence, virtual reality, the Internet of Things and Industry 4.0.

In Hong Kong, collaboration is channelled through the new Nexple Innovation Development Centre, based in the capital. At the Centre, Leighton Asia (one of the companies the CIMIC Group) collaborates with other Group companies, newly created technological companies, clients and stakeholders, such as the Construction Industry Board of Hong Kong, and research institutes such as the Hong Kong Science and Technology Park (HKSTP) and the Institute of Research on Science and Advanced Technology (ASTRI).

An example of the type of innovation that is being developed is the practical application of artificial intelligence (AI) in the CIMIC Group. AI has the potential to transform certain processes and practices to increase efficiency, improve safety and quality and reduce costs. In this regard, Leighton Asia has developed roadmaps for using this technology, particularly with the ASTRI, with which it works at the Nexple Centre. Leighton Asia and the ASTRI are developing a camera that uses AI and computer vision to protect workers from being struck by moving equipment.

Nexple continued to grow in 2020 by expanding its global presence with new locations in New York, Denver, Austin and Munich, Germany. The most recent projects include, among others, software that digitalises the supply chain of the construction industry, digital platforms to improve the coordination of infrastructure projects and the generation of digital terrain models. The development of products that implement artificial intelligence in areas such as the tendering process, quality assurance and contract and management project are also common. Applications that make use of the Internet of Things (IoT) are currently being tested, for purposes such as tracking consumption data in real time. The implementation of drones and robots for automated data collection also forms part of the current project portfolio.

PROJECT S2C (DRAGADOS AND DRACE)

The “S2C” R&D project: Development of a new concept of a tall in situ concrete tower for high-power wind turbines, was approved in the 2017 RETOS-COLLABORATION request for tenders as part of scientific-technical priority II: Wind Power, line (i) development of components and turbines and was co-financed by the Ministry of Science and Innovation as part of the National Plan for Scientific Research, Development and Technological Innovation. The project is being implemented between 2018 and 2021 coordinated by DRAGADOS, with the participation of DRACE INFRAESTRUCTURAS, Ingecid and Giteco (University of Cantabria).

The general objective of the project is to develop the concept for a tall concrete tower fabricated in situ to accommodate large wind turbines, which will promote the development of the wind industry through a technology that allows taller towers that therefore make it possible to install wind turbines with greater rotor diameter that make better use of the wind resource either in repowering existing wind farms or in the construction of new ones.

A design is being developed that presents better performance and structural capacity and is less sensitive to fatigue, which is one of the most important structural deterioration processes in metal towers.

The use of concrete reduces the logistical requirements and costs of these structures, using material that is more economical and more durable than steel. The project is designing the structure of the concrete tower and foundation poured in situ, along with the development and design of the complete construction and logistics process required to be able to build this optimised structural system that will reduce costs and reach a target height of 140 m. Two solutions are being designed using a climbing system, a reinforced concrete tower and a fibre-reinforced concrete tower that, by removing the rebar, simplifies the construction process.

The geometry designed makes it possible to maintain constant curvature of the formwork, which generates a series of advantages for the tower. One of these advantages is that large auxiliary resources are not necessary, avoiding the use of large cranes and the costs associated with them. Construction times are reduced, and it is possible to reach one jump per day with very short completion times. Reusing the construction system on multiple towers reduces installation costs. Problems of deterioration due to fatigue are reduced as there are no joints.

In summary, the main advantages generated by the project are:

- Development of technology for tendering in new markets.
- Greater heights with lower material cost.
- None of the costs associated with the transport of large prefabricated tower sections.
- Lower cost of cranes and hoisting systems.
- The need for prefabrication centres close to the site (except for the concrete plant) is eliminated.
- Minimum operating and maintenance costs.
- The lifetime of existing towers is 20 years; using concrete as a construction material will increase it to 40 years.

SOGUN PROJECT (DRAGADOS)

The SOGUN R & D project (Geometric Control System of Guniting Robot) consists of the development of a system for verifying the geometry of the thickness of shotcrete in tunnels. The SOGUN project was developed by DRAGADOS in collaboration with the CARTIF technology centre and with financing by DRAGADOS and DRAGADOS Canada. The system was used in Toronto in the Crosslinx Transit Solutions Joint Venture, of which DRAGADOS is a part, and an improved version will be used in the REM (Réseau Express Métropolitain) project in Montreal.

The SOGUN system incorporates a series of devices into a single unit that makes it possible to scan (measure) the actual surface area of the tunnel in three-dimensions, capturing hundreds of thousands of points from the surface of the tunnel per second, detecting deviations from the theoretical plans of the tunnel and displaying or projecting the results of the comparison directly on the surface of the tunnel with the precision necessary to facilitate guniting. All of these tasks are carried out in less than one minute, replacing the use of trusses or pins when used as reference elements to determine the guniting thickness.

SOGUN eliminates the need to use these reference elements when they are not required for structural purposes, allowing the operator of the guniting-robot to know the thicknesses that are required to reach a theoretical geometric cross-section at each point of the tunnel almost instantly, and generating the following advantages:

- Increased safety for workers because reference elements do not need to be installed in areas with unsupported material or material that is in the process of being consolidated.
- Savings of the material for trusses or pins material and optimisation of the quantity of concrete sprayed.
- Elimination of the time required to install the trusses or pins, significantly shortening the work cycle.
- The system also makes it possible to control potential overexcavation, which means that no more guniting than necessary is used.

The system is highly versatile and can be used either installed on the guniting robot or from any location that allows it to be operated correctly (standalone mode). SOGUN has a wide variety of possibilities for configuring the software and the information displayed to the operator on the surface of the tunnel, including the representation of the thickness of the missing concrete in different colours, in addition to the numerical information on the thickness in question. The system has been designed for easy use and a specific button panel has been developed to allow the operator of the guniting-robot to handle it remotely.

The SOGUN system has been validated in different work environments and is currently scheduled to be included in the REM project in Montreal in 2021.



EXPANDING BIM CAPACITIES AT HOCHTIEF

Building information modelling (BIM) is the digital tool of the future for executing projects. Customers from various countries are now demanding that BIM be used in the design and construction of projects. The methodology is based on actively connecting all people that participate in a project using 3D computer models that can be detailed with additional information. Based on this model, project participants can also calculate the carbon footprint and possible savings.

HOCHTIEF recognised this potential from the outset and founded the company HOCHTIEF ViCon GmbH, which specialises in these methods. The objective is to make HOCHTIEF ViCon the BIM expert for all of HOCHTIEF, offering courses in this area for the company's own employees as well as providing courses to other companies and serving as a consultant and adviser specialised in BIM for projects undertaken by the public administration or private companies. In addition, BIM is already used in many HOCHTIEF companies.

The development of innovative applications for building information modelling (BIM) continued to be a common long-term focal area for all corporate units in 2020. During the year, the total number of employees trained in the most recent iteration of this technology was 5,937, compared to 3,375 in 2019. To train BIM professionals, HOCHTIEF ViCon collaborates with Ruhr University Bochum and the Technical University of Munich, among others. Training and use of these new technologies is necessary to offer sustainable products and services when meeting clients' needs and, therefore improve their positioning in the market.

(3) NUMBER OF EMPLOYEES PROVIDED WITH BIM OR SIMILAR TRAINING IN 2020

	HOCHTIEF GROUP	HOCHTIEF AMERICAS	HOCHTIEF ASIA PACIFIC	HOCHTIEF EUROPE
EMPLOYEES	5,973	454	1,344	4,175

ADVANCES IN 3D-MODELLING FOR BETTER, FASTER AND SAFER DESIGN (CIMIC)

Until now, being able to see a whole underground structure and the surrounding soil layers in 3D required intensive manual design work, specialised software knowledge and a significant investment of time and money. With a great innovation, EIC Activities, one of the main companies through which the CIMIC group operates in the Asia Pacific region, has automated parts of the modelling process to effectively complete 3D models of multiple stations for the Cross River Rail project.

Working in 3D means that it is possible to simulate the construction of the entire structure, including the temporary and permanent works, in a way that is impossible with 2D simulation. This new tool eliminates many of the difficulties and reduces the time required for 3D modelling. One of the scenarios, the creation of the model using the traditional methods was expected to take three weeks; this time was reduced to one week with this new model.

Thanks to the successful modelling of the Cross River Rail stations, the EIC Activities geotechnology team is studying the possibility of applying the faster 3D modelling process in more projects, even in the tendering phase. This technology generate significant advantages when it comes to being able to show a customer, during the tendering phase, the model of what the construction process will look like, including all the ground layers and how they will affect the structure. In addition, being able to simulate reality with greater precision makes it possible to identify potential problems and risks during the design process.



PROJECT AND TESTING (GEOCISA)

Since 10 November 2017, GEOCISA has been working, with the collaboration of the International Centre of Numeric Methods for Engineering (CIMNE) of the Polytechnic University of Catalonia (UPC), on the E-TESTING project, which is a numerical-experimental tool to determine the integrity state of the structures, particularly aimed at railway bridges.

The method used to determine the structural health study is:

- Detailed study of the structure. This includes the collection of the existing information, that is, all types of drawings, measurements and a principal inspection in the field to verify its state of repair and correspondence of the plans to reality. Preparation of a preliminary model of the structure.
- Adjustment of the model. The preliminary model is refined with real information, from on-site tests, which exhaustive instrument readings of the structure to acquire maximum information. These tests include static and dynamic load tests.

The static part consists of placing known overloads (locomotives, rail trolleys, etc.) for a specified time to verify their elastic behaviour and compare the actual deformation that is generated with the theoretical deformation determined from the model.

The dynamic part consists of making multiple passes over the structure at different speeds to obtain parameters such as frequencies of the main vibration modes, coefficient of impact or dynamic amplification and damping.

The model adjustment continues at a later stage, taking into account the permanent instrumentation on the structure. The ultimate goal is to determine the actual response of the structure to the environmental and operational effects (temperature, humidity, wind speed, loads, etc.), so that any detected anomalies, which are understood to be any event that cannot be correlated with the aforementioned effects, would be considered as deterioration.

- The sensors that are permanently installed on the structures are essentially accelerometers and temperature and humidity sensors. These sensors are wireless and autonomous in terms of power, as they are equipped with solar panels. The signals from all of these instruments is received by a router with access to the internet, which is also powered by a solar panel, and it sends the data to a cabinet for processing and analysis. This system is fully scalable for better adaptability.

5.10.2. INDUSTRIAL SERVICES

The ACS Group's Industrial Services area carries out significant work in promoting research, development and innovation through the different R&D departments in several of the companies in this line of business.

The R&D strategy is based on an external approach, aimed at its stakeholders, and an internal approach, aimed at process modernisation and improvement.

At the close of 2020, the industrial services companies of the ACS Group had a total of 82 projects in progress. A total investment of EUR 14.5 million was allocated to executing the projects.

IN-FAST PROJECT (SICE)

The IN-FasT project aims to establish a design and operation methodology that incorporates security requirements, measures and recommendations to detect and control any potential cyber-attacks. This RDP project (Research and Development Project) is co-financed by the Centre for Industrial Technological Development (CDTI) and aims to implement the measures in the SCADA SIDERA control and application system.

The ongoing evolution of traffic control systems, which not only obtain the information, but also relate it to other applications by analysing it using expert systems, is beginning a new era of Interconnected Smart Systems. These systems will represent an enormous qualitative leap in

improving land transport and, in turn, are faced with a series of significant security risks.

All technologies that are developed to work while connected to the Internet are open to cyber-attacks, which can represent significant economic and service quality threats and losses. In the case of STSs (Smart Transport Systems), these threats that involve everything from problems related to blocking the flow of data and information to the interruption of functions and/or services.

The objective of the IN-FasT project is to incorporate cybersecurity requirements starting with the design phase, in order to define an ITS operating framework to control critical transport infrastructure.

A series of measures to improve cybersecurity will therefore be included to ensure SIDERA's proper functioning in response to cyber-attacks and possible threats, preventing external actors from accessing the system or its components, as well as permitting the creation of measures to deter access by intruders, and mitigation measures that, among other things, make it possible to isolate equipment that is under attack.



MEISTER PROJECT (ETRA)

ETRA leads the European MEISTER project, which aims to promote the large-scale deployment of electric vehicles in the European Union, addressing the three main challenges faced by the sector: the cost of vehicles, the level of consumer acceptance and progress in the deployment of charging stations.

MEISTER provides cities, operators and users, platforms and interoperable services that allow easy and barrier-free access to electric vehicle recharge service. At the same time, the use of energy from renewable sources is encouraged.

To achieve this, MEISTER has developed five products that encourage large-scale adoption of electric mobility through:

- Demonstration of innovative and sustainable business models to reduce the installation and operating costs of charging infrastructure.
- Optimisation of the use of the infrastructure through the intelligent combination of charging and parking services.
- Integration of electric vehicles within the Sustainable Urban Mobility Plans of cities.
- Providing interoperable platforms and services to users for easy and barrier-free access to charging, billing and smart network services, including increased use of renewable energies and self-generation to power electric vehicles.

These solutions will be evaluated in three urban areas: Málaga (Spain), Berlin (Germany) and Stockholm (Sweden), involving a thousand electric vehicles, more than 500 charging stations and several tens of thousands of users.

Over the course of 2020, the MEISTER team prepared the Business Case Plan for the innovative business models that are being tested in the project. The Meister platform was also integrated; it includes two products: the roaming and accounting platform (roaming module in the MEISTER Backend) and integrated real-time information and reservation services (MEISTER Backend and 6 applications). The MEISTER Smart Charging and Storage platform was also launched.

In Malaga, MEISTER, in coordination with ETRA, is testing the projects 'E-Car Sharing' in the municipal fleet, 'City E-Logistics' for ultra low emission centres and 'Smart Park + Charge'. Some of the most important aspects are:

- In regard to the 'E-Car Sharing' project, the parking spaces in the City of Malaga and the municipal electric vehicles have been labelled with the MEISTER logo. In addition, the Malaga partners have prepared a manual for users and will prepare a training session for municipal employees.
- Regarding the 'City E-Logistics' project, the road signs will be installed in the electric vehicle charge and discharge zones (in the street) (just before the pilot test is launched). In addition, a training session will be held for project users.
- The 'Smart Park + Charge' application in the process of revising the letter of consent that will be sent to users to comply with the Data Protection Act. The procurement procedure for acquiring the first automatic barrier was also closed. The technical activities for the integration of the existing recharge station systems will be completed soon, and the test process will begin in the centre of Málaga (La Alcazaba car park).

For further information:

<https://meisterproject.eu/>

<https://www.recargavehiculoselectricos.com/>

www.grupoetra.com



MERLON PROJECT (COBRA)

In response to the challenges and needs of the energy system that is being proposed in Europe, which is based on a decentralised energy model in which consumers play a more important role, the MERLON project introduces an integrated modular framework for local energy management for the operational optimisation of local energy systems in the presence of high percentages of renewable energy.

MERLON also proposes the development of energy communities by combining and integrating decentralised storage. This is achieved by renewable technologies, such as photovoltaic solar power to optimise the energy system, including responding to demand, optimising the charging of electric vehicles and synergies with other energy vectors at the local level and offering flexibility to ensure optimal network management.

Another aspect of the project is to provide the parties involved with innovative and highly effective tools to establish solid business practices and to be able to exploit their microgrids and dynamic Virtual Power Plants as balancing assets to achieve stability in the network and ensure that the electrical parameters are within the specified limits.

Energy optimisation at MERLON is applied at multiple levels: it covers local production, demand and flexibility of storage, as well as the flexibility offered by electric vehicles (in their dual role as demand and storage assets) and the interconnection with heterogeneous energy vectors (cogeneration) to facilitate maximum integration of renewables in the grid, avoid congestion, meet balancing needs and provide ancillary services to the grid. This is achieved through the integration of innovative technologies for managing local energy systems (smart battery investors that are capable of working in grid formation mode), people-centred demand management, optimisation of energy storage, development of vehicle-to-grid technology, virtual storage of thermal energy and coordination with local cogeneration plants and their operational optimisation under a local energy management system.

Within the project, Cobra is leading the design of the technical specifications for the battery storage solutions, is developing the control software and is managing its operation in accordance with the project criteria. During the project, batteries will be installed in the pilot facilities, located in Crevillente (Spain) and Strem (Austria), to demonstrate the achievement of the project objectives during the test period, which will run through 2021.



5.10.3. SERVICES

To carry out this function, Clece has its own specific R&D department and a formal management system certified under the UNE 16602:2006 standard, which is audited by an independent third party.

As of 31 December 2020, EUR 1.3 million had been invested in 12 ongoing research and development projects.



5.11 LIST OF CONTENTS OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

The scope of each of the non-financial management indicators can be found in annex 7.3.4. Scope of non-financial data.

Information requested by the Non-Financial Information draft legislation	Link with GRI indicators	Location Information included
General information		
A brief description of the group's business model , which will include its business environment, organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future evolution.	102-2 Activities, trademarks, products and services 102-4 Location of operations 102-6 Markets served 102-7 Size of organisation 102-15 Main impacts, risks and opportunities	5.0. Business model 5.0.1 Strategy and trends Page 124-125
A description of the policies that the group applies in regard to the issues in question [environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as in regard to personnel, including any measures that have been adopted to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility], which will include the due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts and verification and control, including what measures have been adopted.	103-2 Management approach and its components	5.1. Environment 5.2. People in the ACS Group 5.4. Regulatory compliance 5.6. Contribution to Society Page 130-131, 160, 190-192, 192, 202
The results of these policies, which must include key relevant non-financial results to monitor and evaluate progress and to promote comparability between companies and sectors, in accordance with Spanish, European or international reference frameworks used for each area.	103-2 Management approach and its components 103-3 Evaluation of the management approach	5.1. Environment 5.2. People in the ACS Group 5.4. Regulatory compliance 5.6. Contribution to Society Page 130-131, 160, 190-192, 192, 202
The main risks related to these issues [environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as relating to personnel, including the measures that, where applicable, have been adopted to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of people with disabilities and universal accessibility] linked to the group's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and assess risks in accordance with Spanish, European or international frameworks of reference for each subject. Information on the impacts detected should be included, providing a breakdown, in particular of the main risks in the short, medium and long term.	102-15 Main impacts, risks and opportunities	5.0.2. Risks 5.1.5. Risk management in environmental issues 5.2.4. Risk management in Personnel issues 5.3.3. Management of risks related to safety and health 5.4.4. Management of risks related to Compliance issues 5.7.3. Management of risks in issues relating to the supply chain Page 126-127, 158-159, 175, 185, 197-198, 215

Information requested by the Non-Financial Information draft legislation	Link with GRI indicators	Location Information included
<p>Key indicators of non-financial results that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability. To facilitate comparison of information, both over time and between entities, standards of key non-financial indicators that can be generally applied and that comply with the European Commission's guidelines on this matter and the Global Reporting Initiative standards will be used, and the report must specify the Spanish, European or international framework used for each matter. The key non-financial result indicators should apply to each of the sections of the non-financial statement. These indicators must be useful, taking into account the specific circumstances and consistent with the parameters used in their internal risk management and assessment procedures. In any case, the information submitted must be accurate, comparable and verifiable.</p>	<p>103-2 Management approach and its components 103-3 Evaluation of the management approach 102-54 Statement of reporting in accordance with the GRI Standards</p>	<p>5.0.3 Evolution of relevant indicators for the non-financial management of the ACS Group Page 128-129</p>
Environmental Issues		
Detailed general information		
Current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety	102-15 Main impacts, risks and opportunities	5.1 Environment Page 130-132
Regarding Environmental assessment or certification procedures	102-11 Precautionary principle or approach 102-29 Identifying and managing economic, environmental and social impacts	5.1 Environment Page 131
Regarding resources devoted to environmental risk prevention	102-29 Identifying and managing economic, environmental and social impacts	5.1.5. Risk management in environmental issues Page 158
Regarding the application of the precautionary principle	102-11 Precautionary principle or approach	5.1 Environment Page 130-131
Regarding the quantity of provisions and guarantees for environmental risks	307-1 Non-compliance with environmental legislation and regulations	5.1.5. Risk management in environmental issues Page 158
Pollution		
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution	103-2 Management approach 302-4 Reduction in energy consumption 305-5 Reduction of GHG emissions 305-7 NOx, Sox and other significant atmospheric emissions	5.1.1. The fight against climate change 7.3.2 Additional indicators Page 133-142, 266
Circular economy and waste prevention and management		
Measures for the prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste	301-2 Recycled inputs 301-3 Reused products and packaging materials 303-4 Water discharges 306-1 Water discharge by quality and destination 306-2 Waste by type and method of disposal	5.1.2 Circular economy: sustainable use of resources and waste management 5.1.3 Efficient and responsible use of water resources Actions to combat food waste are not material for the ACS Group given the activity carried out by the Group Page 143-149, 150-153

Information requested by the Non-Financial Information draft legislation	Link with GRI indicators	Location Information included
Sustainable use of resources		
Water consumption and water supply in accordance with local limitations	303-1 Interaction with water as a shared resource 303-3 Water withdrawal 303-4 Water discharges 303.5 Water consumption	5.1.3 Efficient and responsible use of water resources Page 150-151
Consumption of raw materials and measures adopted to improve the efficiency of their use	301-1 Materials used by weight or volume 301-2 Materials used by weight and volume	5.1.2 Circular economy: sustainable use of resources and waste management Page 143-147
Direct and indirect consumption of energy	302-1 Energy consumption within the organisation 302-2 Energy consumption outside the organisation 302-3 Energy intensity 302-4 Reduction in energy consumption	5.1.1. The fight against climate change Page 141-142
Measures taken to improve energy efficiency	302-3 Energy intensity 302-4 Reduction in energy consumption 302-5 Reduction in energy requirements for products and services	5.1.1. The fight against climate change Page 141-142
Use of renewable energies	302-1 Energy consumption within the organisation	5.1.1. The fight against climate change Page 141
Climate Change		
Greenhouse Gas Emissions	305-1 Direct GHG emissions (scope 1) 305-2 indirect GHG emissions when generating energy (scope 2) 305-3 Other indirect GHG emissions (scope 3) 305-4 intensity of GHG emissions	5.1.1. The fight against climate change Page 135
Measures adopted to adapt to the consequences of climate change	305-5 Reduction of GHG emissions	5.1.1. The fight against climate change Page 135-142
Voluntary medium and long-term reduction targets to reduce greenhouse gas emissions and the means implemented for this purpose	305-5 Reduction of GHG emissions	5.1.1. The fight against climate change 2.3.3 Sustainably and responsibly Page 43, 135-136
Protection of biodiversity		
Measures taken to preserve or restore biodiversity	304-3 Protected or restored habitats	5.1.4. Protection of biodiversity Page 154-157
Impacts caused by activities or operations in protected areas	304-2 Significant impacts of activities, products and services on biodiversity	5.1.4. Protection of biodiversity Page 154-157
Social and personnel issues		
Employment		
Total number and distribution of employees based on diversity criteria (gender, age, country, etc.)	102-7 Size of the organisation 102-8 Information on employees and other workers 405-1. (b) The percentage of employees by employment category for each of the following categories of diversity: gender and age group	5.2. ACS Group employees Page 160-162
Total number and distribution of employment contract types, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification	102-8 Information on employees and other workers	5.2. ACS Group employees Page 160-162
Number of dismissals by gender, age and professional classification	401-1. (b) Total number and turnover rate during the reporting period, by age group, gender and region (for dismissals)	5.2. ACS Group employees Page 162
The average remuneration and its evolution broken down by gender, age and professional classification or equal value	405-2 Ratio of base salary and remuneration of women to men	5.2.2. Equal opportunities, diversity and inclusion Page 172
Wage gap, remuneration for equal or average jobs in the company	405-2 Ratio of base salary and remuneration of women to men	5.2.2. Equal opportunities, diversity and inclusion Page 172

Information requested by the Non-Financial Information draft legislation	Link with GRI indicators	Location Information included
The average remuneration of directors and executives, including variable remuneration, per diem, indemnity, and Payment to long-term savings systems and any other remuneration broken down by gender	102-35 Remuneration policies 102-36 Process for determining remuneration 201-3 Obligations of the defined benefit plan and other retirement plans	5.2.2. Equal opportunities, diversity and inclusion Page 171
Introduction of employment disconnection policies	103-2 Management Approach	5.2.3. Organisation of work and social relationships Page 173
Employees with disabilities	405-1 (b) The percentage of employees by employment category for each of the following diversity categories: gender and age group	5.2.2. Equal opportunities, diversity and inclusion Page 170
Organisation of work		
Organisation of work time	102-8 (c) The total number of employees per type of employment contract (full or part-time) and by gender	5.2.3. Organisation of work and social relationships Page 173-174
Number of hours of absenteeism	403-9 Work-related injuries	5.2.3. Organisation of work and social relationships Page 174
Measures to facilitate the enjoyment of work-life balance and encourage the co-responsible exercise of these measures by both parents	401-3 Parental leave	5.2.3. Organisation of work and social relationships Page 173
Health and safety		
Occupational health and safety conditions	403-1 Occupational Health and Safety Management System 403-2 Risk identification, risk assessment, and incident investigation 403-3 Occupational health services 403-5 Occupational Health and Safety training 403-6 Promotion of worker health 403-8 Workers covered by a occupational health and safety management system	5.3. Occupational Health and Safety Page. 176-185
Work-related accidents, particularly their frequency and severity, as well as occupational illnesses; broken down by gender.	403-9 Work-related injuries 403-10 Occupational illnesses	5.3.2 Safety statistics Page 181-184
Social relationships		
Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them	102-43 Approach for participation of stakeholders 402-1 Minimum notice periods on operational changes 403-4 Employee participation, consultation and communication on occupational health and safety	5.2.3. Organisation of work and social relationships Page 175
Percentage of employees covered by collective bargaining agreement, by country	102-41 Collective bargaining agreements	5.2.3. Organisation of work and social relationships Page 175
The balance of collective agreements, particularly in the field of occupational health and safety	403-4 Workers' participation, consultation and communication of occupational health and safety	5.2.3. Organisation of work and social relationships Page 175
Training		
The policies implemented in the field of training	404-2 Programmes for upgrading employee skills and transition assistance programmes	5.2.1. Professional Development Page 163-167
The total number of training hours by professional category	404-1 Average hours of training per year per employee	5.2.1. Professional Development Page 167
Universal accessibility of disabled persons		
Universal accessibility of disabled persons	103-2 Management approach	5.2.2. Equal opportunities, diversity and inclusion Page 170

Information requested by the Non-Financial Information draft legislation	Link with GRI indicators	Location Information included
Equality		
Measures adopted to promote equal treatment and opportunities between women and men	103-2 Management approach	5.2.2. Equal opportunities, diversity and inclusion Page 168-172
Equality plans (Chapter III of Organic Law 3/2007, March 22, on the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility of persons with disabilities	103-2 Management approach	5.2.2. Equal opportunities, diversity and inclusion Page 168
The anti-discrimination and, where applicable, diversity management policy	406-1 Cases of discrimination and corrective actions taken	5.2.2. Equal opportunities, diversity and inclusion Page 168
Respect for human rights		
Human Rights		
Application of human rights due diligence procedures; prevention of risks of human rights abuses and, where applicable, measures to mitigate, manage and remedy possible abuses committed	410-1 Safety personnel trained in human rights policies or procedures 412-1 Operations subject to reviews or human rights impact assessments 412-2 Training employees in human rights policies or procedures	5.4.4. Human Rights Page 192
Reports of cases of human rights abuses	102-17 Advisory mechanisms and ethical concerns 419-1 Non-compliance with laws and regulations in the social and economic fields	5.4.4. Human Rights Page 192
Promoting and complying with the provisions of the fundamental conventions of the International Labour Organisation relating to respect for freedom of association and the right to collective bargaining; eliminating discrimination in employment and occupation; eliminating forced or compulsory labour; effectively eliminating child labour.	103-2 Management approach	5.4.4. Human Rights Page 192
Prevention of corruption and bribery		
Corruption and bribery		
Measures adopted to prevent corruption and bribery	103-2 Management approach	5.4.3. Prevention of corruption and bribery Page 190-191
Measures to combat money laundering	103-2 Management approach	5.4.3. Prevention of corruption and bribery Page 190-191
Contributions to foundations and non-profit entities	103-2 Management approach 201-1 Direct economic value generated and distributed 415-1 Contribution to political parties and/or representatives	5.4.3. Prevention of corruption and bribery 5.6. Social action of ACS Group companies Page 191, 204
Information about the Company		
Company commitments to sustainable development		
The impact of the company's activity on employment and local development	204-1 Proportion of spending on local suppliers 413-1 Operations with local community participation, impact assessments and development programs	5.6. Giving back to society 5.7.1. The supply chain of the ACS Group Page 202-210, 212

Information requested by the Non-Financial Information draft legislation	Link with GRI indicators	Location Information included
The impact of the company's activity on local populations and on the territory	204-1 Proportion of spending on local suppliers 413-1 Local community operations, impact assessments and development programs 413-2 Operations with significant potential impacts or actual negative impacts on local communities	5.6. Giving back to society 5.7.1. The supply chain of the ACS Group Page 202-210, 212
Relations with local community agents and dialogue with local communities	102-43 Approach to stakeholder engagement 413-1 Local community operations, impact assessments and development programs	5.5. Management of the relationship with stakeholders Page 199-201
Association or sponsorship actions	102-13 Membership associations	5.5. Management of the relationship with stakeholders 5.6.1 Social action of ACS Group companies Page 200, 204
Subcontracting and suppliers		
Inclusion of social, gender equality and environmental issues in the procurement policy	103-2 Management approach	5.7. Suppliers and contractors Page 211-215
Consideration of social and environmental responsibility of suppliers and subcontractors in relations with them	102-9 Supply chain 308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts on the supply chain and actions 414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts on the supply chain and actions	5.7. Suppliers and contractors Page 211-215
Supervisory systems and audits and their results	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts on the supply chain and actions 414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts on the supply chain and actions	5.7. Suppliers and contractors Page 213
Consumers		
Measures for consumer health and safety	416-1 Assessment of the health and safety impacts of product or service categories	The issue is not material according to the materiality report (Chapter 7.2), because, due to the type of business (business to business), the company works mainly with clients not with end consumers. However, the information relating to the quality commitment with the customers is available in Chapter 5.8. Page 216-218
Complaint systems, complaints received and their resolution	102-17 Advisory mechanisms and ethical concerns (complaints received and resolution) 418-1 Fundamental claims relating to infringements of customer privacy and loss of customer data	5.8.2. Customer relations Page 218
Tax information		
Profit obtained by country	201-1 Direct economic value generated and distributed	5.9. Tax information Page 220-221
Profits tax paid	201-1 Direct economic value generated and distributed 207-4 Presentation of reports by country	5.9. Tax information Page 220-221
Public subsidies received	201-4 Financial assistance received from the government	5.9. Tax information Page 220-221

6. CORPORATE GOVERNANCE

6.1 GENERAL SHAREHOLDERS' MEETING

6.2 BOARD OF DIRECTORS





6. CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OF THE ACS GROUP

The ACS Group, following the latest recommendations of the reference entities, such as the National Securities Market Commission and best practices in corporate governance, has adopted a governance model consisting of the following bodies:

GENERAL SHAREHOLDERS' MEETING

The General Meeting is the highest body of expression of the Company's intentions and decisions, adopted in accordance with the provisions of the Bylaws, binding for all shareholders. It is responsible for approval of the Annual Accounts, implementation of the profits and approval of the social management. It is also responsible for the appointment and dismissal of directors, as well as any other functions that may be determined by Law or by the Bylaws.

BOARD OF DIRECTORS

The Board has the broadest powers to represent the company and to administer it as a supervisory and control body for its activity, but also to directly assume the responsibilities and decision-making regarding business management. It submits its management to the approval of the General Shareholders' Meeting.

DELEGATED COMMITTEES OF THE BOARD

EXECUTIVE COMMITTEE	AUDIT COMMITTEE	APPOINTMENTS COMMITTEE	REMUNERATION COMMITTEE
Delegated committee of the Board of Directors that may exercise all powers of the Board of Directors except those that cannot be delegated or those that the Board advocates as being within its competence.	Delegated committee of the Board of Directors responsible for the accounting and risk management functions, including supervision of compliance with corporate governance rules, internal Codes of Conduct and Sustainability Policy.	Delegated committee of the Board of Directors responsible for proposing the appointment of Directors and the Secretary General of the Board, appointment of Senior Managers and gender diversity issues in the Board of Directors.	Delegated committee of the Board of Directors responsible for control of the remuneration of directors and senior managers.

The ACS Group's governance model, as well as the composition, functioning and functions of government bodies, are developed in the Group's internal regulations.

The Group also has regulations on mechanisms for detecting, determining and resolving potential conflicts of interest between the company and/or its group, and its directors, senior management or significant shareholders.

ACS GROUP GOVERNANCE REGULATIONS



Company bylaws



**Rules of conduct
in the stock market**



**Diversity
policy**



**Rules of Procedure
of the General
Shareholders' Meeting**



**Rules of procedure
of the Board
of Directors**



6.1. GENERAL SHAREHOLDERS' MEETING

ACS, Actividades de Construcción y Servicios, S.A., parent company of the ACS Group, is a corporation registered in Spain whose share capital, as of December 31, 2020, amounted to EUR 155,332,297, represented by 310,664,594 shares, with a nominal value of EUR 0.5 per share, fully subscribed and disbursed, all of them in a single class and with the same rights.

The General Shareholders' Meeting is the highest body of expression of the Company's intentions and decisions, adopted in accordance with the provisions of the Bylaws and the Rules of Procedure of the General Shareholders' Meeting, binding for all shareholders, even those absent, disagreeing and abstaining.

The General Shareholders' Meeting is composed of all holders of at least one hundred shares, present or represented. Owners or holders of less than one hundred shares can be grouped to reach that number, representing themselves or another shareholder holding only the number of shares necessary to form part of the General Shareholders' Meeting.

The announcement of the summons for the General Shareholders' Meeting shall be published simultaneously in the Official Gazette of the Commercial Registry, on the company's website and on the website of the National Securities Market Commission, stating all the regulations governing the following matters:

- Addendum to the meeting announcement and submission of new agreement proposals.
- Attendance and voting rights and shareholder registration.
- Voluntary representation.
- Appointment or revocation of the representative and notification to the company, both in writing and electronically.
- Conflict of interest of the representative.
- Public request for representation and exercise of voting rights by directors in the event of a public request for representation.
- Remote early voting.
- Special information instruments: corporate website and electronic shareholders' forum.

From the same day of publication of the announcement of the General Shareholders' Meeting and until the fifth day before, including that scheduled for holding the meeting on first call, shareholders may request in writing any information or clarifications that they deem accurate or may ask in writing the questions they deem pertinent to matters covered by the agenda, as well as in



relation to information accessible to the public that had been provided by the company to the national securities market commission since the last general meeting or the report from the statutory auditor. The Board of Directors shall be obliged to provide written information until the day of the general meeting.

All of these requests for information may be carried out by sending a request to the registered office, sending it to the company by post or electronically or remotely. Valid requests for written information, clarifications or questions and replies provided in writing by the Board of Directors shall be included on the company's website.

In addition to written requests for information, during the General Meeting, the shareholders of the Company may verbally request information or clarification they deem appropriate on matters on the agenda or in relation to information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or the report from the Company's audit officer. If it is not possible to satisfy the shareholder's right at that time, the Board of Directors shall be obliged to provide written information within seven days of the termination of the General Meeting.

From the publication of the meeting announcement and until the holding of the general meeting, the company will continuously publish on its website www.grupoacs.com the following information that any shareholder may, likewise, examine in the registered office, or obtain immediately and free of charge:

- All documents or agreements to be voted on or considered by the general meeting, in particular reports from directors, auditors and independent experts.
- The system and forms for the issuance of the vote by representation, the forms for the delegation of the vote and the means to be used so that the company can accept an electronic notification of the representations conferred.
- Procedures and forms established for the issuance of remote voting.

The measures taken by the Group to encourage attendance at the General Shareholders' Meeting are reflected in the attendance percentages.

	2016	2017	2018	2019	2020
Total Quorum	70.00%	64.45%	61.51%	66.63%	53.72%
Quorum of shareholders present	6.85%	1.90%	1.59%	1.05%	0.93%
Quorum of shareholders represented	63.15%	62.54%	59.91%	65.57%	52.80%



6.2 BOARD OF DIRECTORS

The composition of the Board of Directors is based on a principle of proportionality, whereby the interests of all ACS shareholder groups are represented within the Board.

The mission of independent and external directors is to represent the interests of floating capital within the Board of Directors.

The General Shareholders' Meeting is responsible, upon request by the Board of Directors, for setting both the exact number of members of the Board and the appointment of people to hold those positions. As of December 31, 2020, the ACS Board of Directors

was composed of 16 members. The Company understands that the composition of the Board of Directors is adequate to represent the interests of shareholders, both majority and minority. In this regard, it should also be considered that a significant part (three out of four) of the other external directors are directors who, while, because the legal regulation for exceeding the maximum period of 12 years prevents them from being independent, are considered to be directors who, in accordance with their personal and professional capacities, can perform their functions without being conditioned by relations with the company or its group, its significant shareholders or its senior management.



Composition of the ACS Board of Directors
1. Management Bodies



Annual Corporate Governance Report

FUNCTIONS

The Board of Directors assumes the functions of representation and administration of the company, as the highest supervisory and control body for its activity. It includes among its non-delegable functions, among others¹, the following:

- Investment and financing policy.
- Definition of the structure of the group of companies.
- Corporate Governance Policy.
- Sustainability Policy.
- Approval of financial information.
- Strategic or Business Plan, management objectives, and annual budgets.
- Senior management remuneration and performance evaluation policy.
- Risk management and control policy, including fiscal risks, and oversight of internal information and control systems.
- Dividend policy, as well as the policy related to equity or shares.
- Related operations, except in those cases provided for by the Rules of Procedure.
- Determination of the Company's fiscal strategy.

Principles governing the composition of the Board and its functioning can be reviewed in the Corporate Governance Report prepared annually by the ACS Group.

¹ The full list of non-delegable functions can be found in Article 5 of the Rules of Procedure of the Board of Directors.

During the 2020 financial year, an analysis of the responsibilities of the members of the Board of Directors was prepared, the results of which are reflected in the following matrix of competences:

MATRIX OF COMPETENCES OF THE BOARD OF DIRECTORS

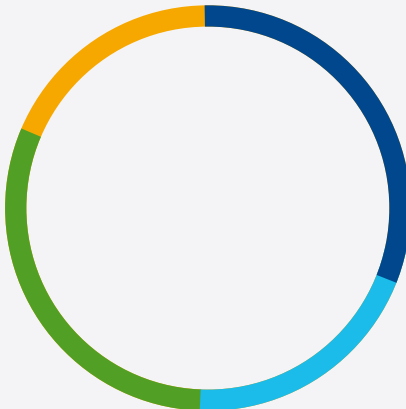
	Executive Chairman	CEO	Vice-Chairman	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8	Board Member 9	Board Member 10	Board Member 11	Board Member 12	Board Member 13
EXPERIENCE																
Sectorial	•	•	•	•		•		•	•		•	•		•	•	•
International	•	•				•	•		•		•			•	•	•
Academic	•				•		•	•	•	•			•	•		
Public Administration	•				•		•	•		•	•	•		•	•	•
KNOWLEDGE																
Accounting and finance	•	•	•	•		•	•		•		•	•				•
Risks	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Operations	•	•	•	•				•			•				•	
Legal and fiscal					•	•	•		•			•		•		•
Technology and digital Transformation		•				•										•
Human Resources	•	•	•			•		•		•	•		•	•	•	•

BOARD COMPOSITION



● WOMEN 3
● MEN 13

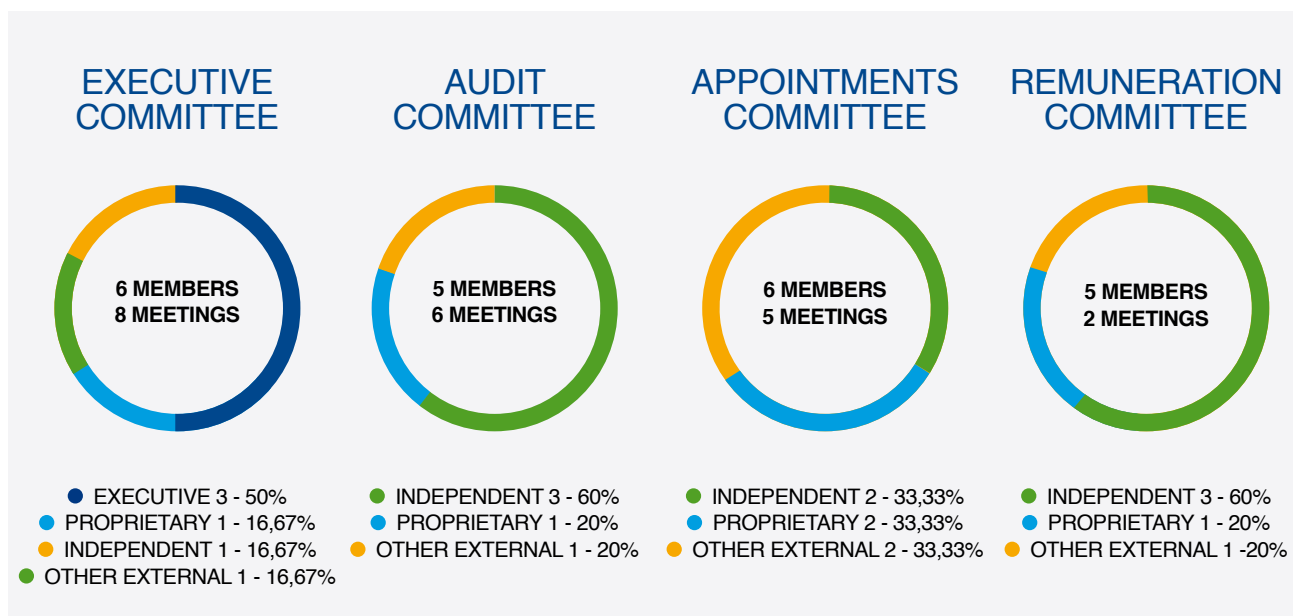
BOARD COMPOSITION BY TYPE OF DIRECTOR



● EXECUTIVE - 31%
● PROPRIETARY - 19%
● INDEPENDENT - 31%
● OTHER EXTERNAL - 19%

6.2.1. DELEGATED COMMITTEES

The specific and detailed functions of each of the Delegated Committees of the ACS Group Board of Directors are described in Title 4 of the ACS Group Rules of Procedure of the Board of Directors.



6.2.2. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board Members is defined by a general policy approved by the Board in full, in accordance with the recommendations of the Remuneration Committee.

The details of the remuneration received by the Governing Body, as well as the criteria for its determination, are published in the Annual Remuneration Report.

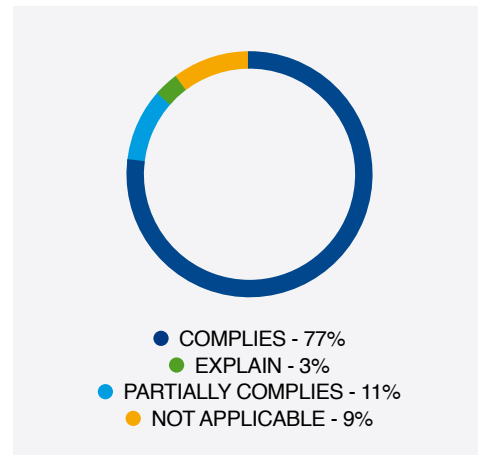
During the 2020 General Shareholders' Meeting, the Board's remuneration was approved with 96.26% of the votes cast in favor.



	Number	% over total
Votes cast	169.047.032	53,72%
Opposing votes	4.403.272	2,61%
Votes in favour	162.730.608	96,26%
Abstention	1.913.152	1,13%

6.2.3. GOOD GOVERNANCE

In the 2020 financial year, the ACS Group's parent company has continued to develop the work of adapting its internal regulatory body to monitor the recommendations of the Code of Good Governance of listed companies. The degree of monitoring can be found in point G. of the Corporate Governance Report which forms part of and is attached to this Consolidated Management Report.



7. ANNEXES

7.1 REPORTING PRINCIPLES

7.2 IDENTIFICATION OF RELEVANT ISSUES

7.3 NON-FINANCIAL INFORMATION ANNEXES

7.4 ECONOMIC-FINANCIAL ANNEXES





7.1 REPORTING PRINCIPLES

This report was prepared in accordance with the Exhaustive option of the GRI Standards. This Report of the ACS Group was also prepared following the principles established within the framework of the International Integrated Reporting Council (IIRC¹) and the sector supplement of *Construction and Real Estate* of the Standards of the *Global Reporting Initiative*.

The Annual Integrated Report responds to the recommendations of the National Securities Market Commission included in Guidelines for preparing the management report for listed entities, as well as Law 11/2018 on disclosure of non-financial information and diversity information. This includes the consolidated non-financial statement, as part of the ACS Group Management Report.

In regard to the Group's financial and management information, the information broken down in the consolidated and individual Annual Accounts audited and prepared by the Board of Directors and presented at the Shareholders Meeting was taken into account.

The issues relating to non-financial information identified as relevant for the ACS Group stakeholders and to which this report responds are the following (in order of importance):

[102-46]

- Responsibility to local communities.
- Efficient management of resources.
- Development and talent of diversity.
- Ethical and responsible companies.
- Zero accidents target.
- The climate: global concern.
- Responsible supply chain.
- Resilient and socially-responsible infrastructure.
- Protection of human rights.
- New financing models and tools.

Lastly, a limited review of the non-financial information was carried out by an independent third party in accordance with ISAE 3000 *Revised*, including the assurance letter on pages 280-281 of this document.

The ACS Group applied to the following criteria to prepare this report:

¹ For more information, see the website of the International Integrated Reporting Council <http://integratedreporting.org/>



PRINCIPLES TO DETERMINE THE CONTENT OF THE REPORT:

Inclusion of stakeholders: the ACS Group identifies and manages relevant issues taking into account the expectations of its stakeholders. The Group therefore has dialogue mechanisms adapted to its relationship with each of its stakeholders (indicated in section 5.5 this report). In line with this commitment, an exhaustive materiality review was carried out in 2018, both through external documentation and through 1,724 queries throughout the ACS Group with stakeholders to include their perspective on the relevant issues concerning the Group. In 2019/2020, this vision was updated by consulting the principal banks, financial institutions, investors and analysts with which the parent company of the ACS Group maintains relations.

Sustainability context: The purpose of this report is to explain the management of the ACS Group in each of the three sustainability areas: economic, social and environmental. Throughout this report, information is supplied in relation to the context of each of these areas.

Relevance: The ACS Group has carried out an analysis of material issues; the methodology and results can be consulted in section 7.2 of this report. This report made it possible to determine the issues that are relevant for the ACS Group and its stakeholders.

Exhaustiveness: In the process of preparing this report, the coverage and scope thereof was clearly defined, giving priority to information considered to be material and including all significant events that took place in 2020, without omitting information of relevance to our stakeholders.

[102-48], [102-49]

The scope of the report was determined along with its content. In 2018 and 2019, ACS Group companies took part in transformation processes which have involved organisational and administrative changes, which resulted in a change in the scope of certain indicators. Likewise, 50% of Thies was sold in 2020, as reflected in Note 02.02 of the 2020 annual accounts of the ACS Group. Annex 7.3.4 indicates the scope and coverage of each of the indicators reported. In addition, if there are any significant changes in coverage, they must be indicated in these chapters.

The relevant issues, the indicators included herein and the issues covered by the 2020 Annual Integrated Report offer an overview of the significant impacts on the economic, social and environmental fields and on the ACS Group's activities.

[102-46]

PRINCIPLES TO DETERMINE THE QUALITY OF THE REPORT:

Accuracy and clarity: This report contains tables, graphs and diagrams, the purpose of which is to make the report easier to understand. The information included in the report is meant to be clear and accurate in order to be able to assess the ACS Group's actions. In addition, the use of technical terms whose meaning may be unknown to stakeholders has been avoided as much as possible.

Balance: This report includes both positive and negative aspects, in order to present an unbiased image and enable stakeholders to reasonably assess the Company's actions.

[102-46], [102-48], [102-49]

Comparability: As far as possible, the information included in this report has been organised in such a manner that stakeholders may interpret the changes undergone by the ACS Group with respect to previous years. Certain figures for 2019 have been recalculated with the same scope as those reported in 2020 so that, whenever possible, they can be more comparable. In regard to indicators that indicate that "it was not possible to recalculate the figures retroactively for certain indicators", the historically reported data is included for the purposes of information.

Reliability: the reliability of the information included in this 2020 Annual Integrated Report in regard to corporate social responsibility was checked by KPMG, the firm responsible for its verification. The assurance letter can be found on page 280-281.

Timeliness: The ACS Group is required report the Group's performance on an annual basis. This Report relates to the Group's actions and activities in 2020 in the economic, social and environmental fields.

7.2 IDENTIFICATION OF RELEVANT ISSUES

[102-46] ,[102-47]

Following the principles established by the GRI Standards to define the content of the 2020 Integrated Report, the ACS Group carried out a materiality analysis that identifies the relevant issues.

In this regard, a process was carried out in 2019 to update the materiality analysis. Although a comprehensive review of the materiality analysis was not carried out in 2020, ACS did carry out a consistency analysis on the results of the analysis to ensure that they are aligned with the current needs and expectations of the stakeholders and the Group, taking into account the change of context in the last year caused by the COVID-19 health crisis.

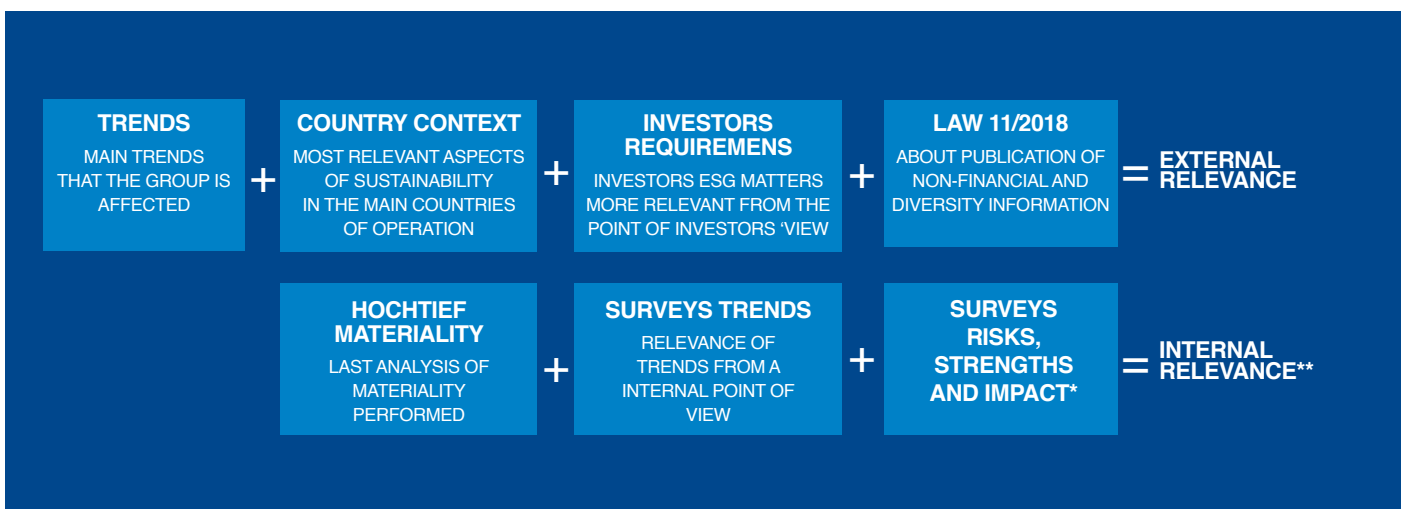
The updating of the materiality process in 2019 consisted of a review of the list of relevant issues, originally identified in 2015, using it as the basis and updating it through an external desk study.

The **external valuation analysis** consisted of a review of public sources and international reference bodies to identify the main trends and challenges affecting the sector. Furthermore,

from the external perspective, the main aspects assessed by investors in financial and non-financial issues were considered. In regard to the analysis of the risks and opportunities present in the different markets, the analysis carried out in 2015 was considered still valid and was updated only briefly. It also emphasised the regulatory changes introduced in the reporting of non-financial information and diversity (Law 11/2018).

[102-44]

For the **internal valuation analysis**, the materiality study carried out by HOCHTIEF was taken into account. Likewise, the results of surveys carried out in 2018 in different areas of the company were taken into account in terms of their perception of the relevance of the different trends identified and the identification of the main risks for the company, as well as the expansion made in 2019 with the consultation of the main banks, financial institutions, investors and analysts with which the parent company of the ACS Group maintains relations. Likewise, in these internal surveys, the relevance of the issues based on the Group's strengths in the management of each issue and their potential impact.



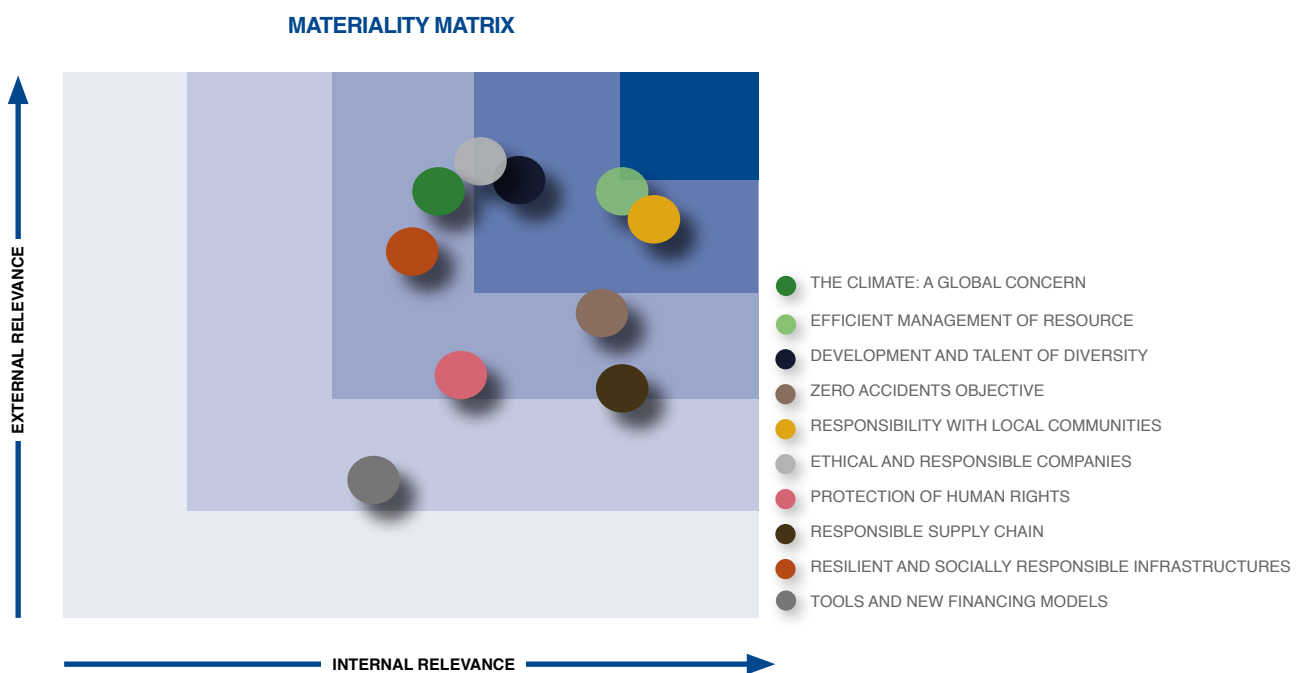
*The results of surveys carried out in 2018 to different areas of the company have been considered in terms of their perception of the relevance of the different trends identified and the identification of the main risks for the company, as well as the analysis carried out in 2019 with the consultation of the main banks, financial institutions, investors and analysts with whom the parent company of the ACS Group is related.

**The Materiality study conducted in 2015 was taken into account to adjust the results in order to avoid a great disruption between the materiality of 2015 and the current one.



[102-47], [103-1]

The results of weighting the topics identified both at an internal and external level were used to design a materiality matrix representing the results obtained in accordance with their external and internal relevance, identifying the ten relevant issues for the ACS Group, which are described below:



[102-47], [102-44]

The ten material issues identified in the materiality matrix have been ordered in a hierarchy according to their overall relevance, as shown in the following table:

RESPONSIBILITY WITH LOCAL COMMUNITIES	High
EFFICIENT MANAGEMENT OF RESOURCES	High
DEVELOPMENT AND TALENT OF DIVERSITY	High
ETHICAL AND RESPONSIBLE COMPANIES	High
THE CLIMATE: A GLOBAL CONCERN RESPONSIBLE	Medium
ZERO ACCIDENTS OBJECTIVE	Medium
RESPONSIBLE SUPPLY CHAIN	Medium
RESILIENT AND SOCIALLY RESPONSIBLE INFRASTRUCTURES	Moderate
PROTECTION OF HUMAN RIGHTS	Moderate
TOOLS AND NEW FINANCING MODELS	Moderate

- HIGH RELEVANCE
- MEDIUM RELEVANCE
- MODERATE RELEVANCE

The importance of the issues was also identified for each of the main countries in which the Group operates and for each of its business areas, identifying a series of specific sub-issues for each material topic. Although these issues were considered relevant for the ACS Group, an assessment was also made of the importance of each of these issues for each Group business; Construction, Industrial Services and Services.

The issues identified as relevant, the specific sub-issues assessed and the risks associated with the Integrated Report, as well as the management policies and approach of the ACS Group, are as follows:

[102-44], [102-47]

RESPONSIBILITY WITH LOCAL COMMUNITIES	RELEVANCE INTERNAL 100% EXTERNAL 89%	BUSINESSES 
ASSOCIATED RISKS AND OPPORTUNITIES	SUB-ISSUES CONSIDERED	
<p>The company's activity may give rise to risks due to opposition from communities to the execution of projects or due to a negative perception of the management. This could jeopardise the Group's reputation and the social license to operate. It is therefore important to foster ongoing dialogue with the community and provide tools to facilitate proactive and open communication and involvement of communities from the start of the projects. If at the same time jobs are created and local business and industrial fabric is boosted, it will increase efficiency and reduce costs. By appropriately managing local expectations and driving local development, the project can become a source of pride for the community.</p>	<ul style="list-style-type: none"> • Social and environmental impact assessments of projects. • Proactive dialogue with the community and communication tools. • Contribution to the well-being of local communities. • Measures for community health and safety. • Training and transfer of knowledge to the local business fabric. • Economic value generated and distributed. 	
MANAGEMENT FOCUS	APPLICABLE POLICIES	
<p>The Group encourages a proactive dialogue with the community through those responsible for the specific companies and projects.</p>	<ul style="list-style-type: none"> • Code of Conduct. • Code of Conduct for Business Partners. • The ACS Group's Social Action Policy. • Sustainability Policy. • Human Rights Policy. • Corporate Protocol for Due Diligence in the area of Human. 	
<p>ACS seeks to contribute value to the communities through its business strategy, and in the current context, in which the health crisis has seriously damaged the economic and social fabric, ACS's commitment to economic and social progress in the countries in which it operates is more important than ever. This commitment is laid out in an Action Plan that defines the procedures in the different businesses: responsibilities, areas and geography of action, project categories, contribution types and monitoring models.</p>		 <ul style="list-style-type: none">  INFRASTRUCTURE  INDUSTRIAL SERVICES  SERVICES  HIGH RELEVANCE  MEDIUM RELEVANCE
<p>The ACS Foundation reinvests part of the Group's profits in society, through patronage, sponsorship and other programs.</p>		

EFFICIENT MANAGEMENT OF RESOURCES

RELEVANCE

BUSINESSES

INTERNAL 93% EXTERNAL 93%



ASSOCIATED RISKS AND OPPORTUNITIES

Inefficient management of resources can significantly increase construction and management costs, negatively affecting the agreements reached with the client. Similarly, the improper management of natural capital, in addition to having a direct impact on the ecosystems in which the Group carries out its activities, may harm its reputation. On the other hand, responsible and sustainable management of resources reduces costs for the company and improves the company's perception and legitimacy.

MANAGEMENT APPROACH

The Group's 20-20 plan defines its commitment and objectives for the improvement of eco-efficiency and use of resources. Each company develops policies and plans to comply with ISO 14001. The environmental priorities of each activity include improvement objectives and programmes, the supervision of which is the responsibility of the management of the Environment of the group of companies.

SUB-ISSUES CONSIDERED

- Responsible environmental management and awareness.
- Resources devoted to environmental risk prevention.
- Circular economy: reduction, reuse and recycling. Use of efficient, environmentally-friendly and long-lasting materials.
- Efficient water and energy management.
- Innovation and new efficient technologies.

APPLICABLE POLICIES

- Environmental policy.
- Construction Materials Policy.
- Sustainability Policy.

DEVELOPING TALENT AND DIVERSITY

RELEVANCE

BUSINESSES

INTERNAL 75% EXTERNAL 97%



ASSOCIATED RISKS AND OPPORTUNITIES

Having a pluralistic environment, where diversity and equal opportunities take precedence, offers competitive advantages for companies, such as loyalty and productivity for employees. Furthermore, the increasing complexity of projects and the new requirements of the sector - for example, energy efficiency and sustainability standards and certifications in construction - require greater knowledge and specialisation. If these are not acquired quickly, the company will be at a disadvantage in regard to its competitors, to the detriment of the business. Nevertheless, efforts at attracting and retaining talent, and the commitment to training, help ACS stay at the forefront.

MANAGEMENT APPROACH

The 20-20 Plan includes a commitment to improving professional performance by increasing investment in training. Within this common framework, each company manages the development of its professionals in accordance with its specific needs, taking into account the Group's policy. They define training and professional and personal development programs, and assess their impact on participants. The change in people management models, as a result of the impact of the COVID-19 pandemic, led to the need to adapt in-person training plans to new online training courses.

SUB-ISSUES CONSIDERED

- Contribution to economic development and job creation.
- Remuneration, type of employment contract and distribution in the workforce.
- Strategies for attracting, developing and retaining talent.
- Measures for social dialogue, organisation, flexibility and work-life balance.
- Policies, plans and measures for diversity and equality between men, women and persons with disabilities.

APPLICABLE POLICIES

- Code of Conduct.
- Human Rights Policy.
- Diversity Policy.
- Talent Development and Assessment Policy.
- Sustainability Policy.

ETHICAL AND RESPONSIBLE COMPANIES

RELEVANCE
INTERNAL 71% | EXTERNAL 100%

BUSINESSES



ASSOCIATED RISKS AND OPPORTUNITIES

Organisations that do not comply with the highest ethical standards and that do not conduct themselves with integrity may harm their reputations. A governance model based on professional and ethical criteria, adequate and controlled risk management, is expected. ACS must therefore have the means necessary to fight corruption, fraud and bribery. It must compete fairly in the market, comply with tax obligations in all jurisdictions and demonstrate good practices such as tax transparency and collaboration with the corresponding tax authorities.

MANAGEMENT APPROACH

To guarantee the principles of transparency, ethics and integrity, the ACS Group has the Ethics Channel, the Code of Conduct and the Monitoring Committee to ensure compliance, as well as the Compliance Committee. The 20-20 Plan includes the commitment to these principles through objectives that prevent and eradicate improper practices.

ACS has developed and adapted its regulatory bodies and compliance management systems to obtain certification under UNE 19601 and UNE-ISO 37001.

SUB-ISSUES CONSIDERED

- Compliance policies and systems.
- Mechanisms to prevent corruption and fight against money laundering, such as complaints channels.
- Transparency in tax policy, tendering processes and contributions to foundations.
- Corporate Governance.

APPLICABLE POLICIES

- Corporate Tax Policy, Internal Financial Reporting Control System (IFRCS).
- Enforcement and anti-bribery policy.
- Treasury stock, Rules of Conduct in the Stock Exchange.
- Sustainability Policy.
- Code of Conduct.
- Code of Conduct for Business Partners.
- Human Rights Policy.
- Corporate Protocol for Due Diligence in the area of Human Rights.

OBJECTIVE: ZERO ACCIDENTS

RELEVANCE
INTERNAL 90% | EXTERNAL 66%

BUSINESSES



ASSOCIATED RISKS AND OPPORTUNITIES

Despite the progress made in the infrastructure and services sector, the frequency indices in accident rate ratios remain higher than in the other sectors, negatively affecting the perception of the stakeholders. This fact, together with the costs associated with the employee accident rate and low productivity, negatively affects the companies. To avoid this, have proper management of health and safety is vital, improving metrics, reducing operational costs and improving reputation.

MANAGEMENT APPROACH

The 20-20 Plan is committed to reducing the accident rate among employees.

To achieve this global commitment, each company independently manages health and safety, planning and implementing activities and measures such as periodic risk assessments and the definition of prevention plans with annual objectives. Most companies have a management system to comply with the action plans approved by senior management. The Group collaborates with specialised organisations and participates in congresses on this matter.

The health crisis arising from COVID-19 made health and safety issues even more important. As a result of the impact of the pandemic, many measures and actions were required to be able to carry out the different activities of the Group without putting the health and safety of employees and stakeholders at risk.

SUB-ISSUES CONSIDERED

- Health and safety standards, also required for the supply chain.
- Zero-accident policies: mitigation plans and reduction targets.
- Safety and health training and awareness.
- Monitoring of accident rates, frequency and severity indicators.

APPLICABLE POLICIES

- Sustainability Policy.
- Code of Conduct.
- Code of Conduct for Business Partners.

THE CLIMATE: GLOBAL CONCERN

RELEVANCE

INTERNAL 77% EXTERNAL 92%

BUSINESSES



ASSOCIATED RISKS AND OPPORTUNITIES

The ACS Group faces physical risks arising from climate change (for example, natural disasters), as well as transition risks arising from regulatory changes (stringent green energy targets, efficiency and reduction of emissions by governments), technological changes or new market preferences. However, climate change also offers opportunities, such as developing resilient infrastructure or developing products and services that contribute to the decarbonisation of the economy. In this regard, it is important to highlight that stakeholders such as the investment community are giving growing importance to managing these risks and opportunities, due to their potential impact on the income statement.

MANAGEMENT APPROACH

The Group's 20-20 plan defines its commitment and objectives for the improvement of eco-efficiency and use of resources. The ACS Board of Directors has overall responsibility for the climate change strategy.

Each company is responsible for keeping an inventory of emissions, identifying main sources and developing initiatives to reduce them. The Group offers its customers construction products and services that help to promote a low carbon economy.

SUB-ISSUES CONSIDERED

- Climate change mitigation and adaptation policies, strategies and resources.
- Pollution prevention and reduction measures.
- Efficient technologies and renewable resources.
- Targets for reduction of pollutant emissions.
- Carbon pricing.

APPLICABLE POLICIES

- Environmental policy.
- Construction Materials Policy.
- Sustainability Policy.

RESPONSIBLE SUPPLY CHAIN

RELEVANCE

INTERNAL 96% EXTERNAL 49%

BUSINESSES



ASSOCIATED RISKS AND OPPORTUNITIES

Poor practices by a company's suppliers pose a potential risk that, if it were to materialise, could hinder its ability to do business. It is necessary to assess the counterparty risks to which it is exposed and to constantly improve its performance. Supplier and contractor management systems allow the Group to mitigate the potential risks by improving the processes and working conditions, thus benefiting all parties.

MANAGEMENT APPROACH

All of the Group's companies have specific rules and a formal system for classifying, approving and controlling the risk of suppliers and subcontractors, which considers, among other aspects, non-financial - environmental and social - criteria, and that establishes corrective measures in the event of non-compliance.

Likewise, collaboration between all of the agents in the supply chain, adopting responsible practices, has proved decisive during the pandemic.

SUB-ISSUES CONSIDERED

- Procurement policy that considers ESG aspects.
- Preparation of procedures and codes for suppliers.
- Classification, assessment and approval of suppliers based on risk.
- Systems for measuring achievement of the responsible objectives.
- Corrective measures in the event of non-compliance.

APPLICABLE POLICIES

- Code of Conduct for Business Partners.
- Sustainability Policy.
- Human Rights Policy.
- Corporate Protocol for Due Diligence in the area of Human Rights.

RESILIENT AND SOCIALLY-RESPONSIBLE INFRASTRUCTURE

RELEVANCE

BUSINESSES

INTERNAL 62% EXTERNAL 80%



ASSOCIATED RISKS AND OPPORTUNITIES

The increasingly frequent extreme weather events, the scarcity of natural resources, the social state and context of the territory are conditioning factors for the Group's activities. ACS must work on designing and implementing resilient, sustainable and environmentally-friendly infrastructure. It must develop projects that involve sustainable management of resources for the client, responding to a growing demand. This opportunity is presented in emerging countries, with high demand for infrastructure, and in developed countries, with the adaptation and maintenance of existing infrastructure.

MANAGEMENT FOCUS

The ACS Group, through its different activities, provides services that help create more efficient and sustainable infrastructure and cities - sustainable construction, construction of public transport systems, traffic management services, etc.

ACS offers customers the use of recycled and/or certified construction materials. Projects of Hochtief, Turner, CIMIC and Dragados comply with different sustainable construction certification requirements, as well as CEEQUAL, ISCA and Greenroads, in terms of efficient infrastructure. The Group also develops different innovation projects to develop new, more resilient and efficient materials.

SUB-ISSUES CONSIDERED

- Resilience of infrastructure to climate change.
- Sustainable and environmentally-friendly projects and services.
- Measures adopted to preserve, reduce and restore the impact on biodiversity.
- Making customers aware of long-lasting and efficient construction.

APPLICABLE POLICIES

- Environmental policy.
- Construction Materials Policy.
- Sustainability Policy.

PROTECTION OF HUMAN RIGHTS

RELEVANCE

BUSINESSES

INTERNAL 68% EXTERNAL 53%



ASSOCIATED RISKS AND OPPORTUNITIES

If systemic violations of human rights occur in certain countries, then protection policies must be applied in a robust and uniform manner, and they must be applied across the entire supply chain. ACS must become an active agent that protects human rights within its sphere of influence, implementing measures and mechanisms to verify compliance with its commitments in all of its activities. Inadequate implementation of monitoring systems can overlook human rights violations that have a significant impact on the company's reputation and that jeopardise its corporate license to operate.

MANAGEMENT FOCUS

The 20-20 Plan includes the Group's commitment to train its employees in regard to human rights, ethics or integrity.

The Code of Conduct includes the principles of the United Nations Global Compact. The Group is complying with a due diligence process to identify, prevent, mitigate and report the adverse consequences on human rights. It has developed and adapted internal regulations and management systems, including evaluations and preventive measures to comply with the regulatory aspects in regard to human rights.

SUB-ISSUES CONSIDERED

- Human Rights Policy.
- Due diligence procedures in regard to human rights, risk prevention and measures to counteract possible abuse.
- Human rights training.
- Reports of cases of violations.

APPLICABLE POLICIES

- Human Rights Policy.
- Corporate Protocol for Due Diligence in the area of Human Rights.
- Code of Conduct.
- Universal Declaration of Human Rights, United Nations Ruggie Report.
- Sustainability Policy.

ASSOCIATED RISKS AND OPPORTUNITIES

The wide variety of financing tools, initiatives and organisations for investment in infrastructure: multilateral entities, institutional investors, pension funds, sovereign funds and smaller agents, opens up a range of opportunities for companies in the sector, which must remain attentive to the proposals for new projects. Failure to promptly adapt to these new models or to have the necessary tools leads to a potential loss of business opportunities and a risk for companies if they are not recognised by stakeholders as innovative agents and pioneers of 'green' projects.

MANAGEMENT FOCUS

The Group looks for opportunities in markets that are in conditions that are favourable for investment, from the point of view of security at the administrative, financial and legal levels. To do this, it engages in public-private projects - as a good alternative in infrastructure development - and follows state investment and development plans.

SUB-ISSUES CONSIDERED

- Public-private alliances.
- Search for local partners.
- Sustainable financing.
- Financial solvency and robustness.
- Public subsidies received.

APPLICABLE POLICIES

- n/a.



7.3 NON-FINANCIAL INFORMATION ANNEXES

7.3.1 GRI CONTENT INDEX

This report was prepared in accordance with the Exhaustive option of the GRI Standards. For *Materiality Disclosures Services*, GRI Services reviewed the GRI content index to ensure that it is clear, and that the references for Contents 102-40 to 102-49 correspond to the sections indicated in the report.



GRI content index				
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions	External verification
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
Organisational profile	102-1 Name of the organisation	24		Yes (280-281)
	102-2 Activities, trademarks, products and services	24-25, 124		Yes (280-281)
	102-3 Location of the headquarters	24		Yes (280-281)
	102-4 Location of operations	26-27		Yes (280-281)
	102-5 Ownership and legal form	242		Yes (280-281)
	102-6 Markets served	26-27		Yes (280-281)
	102-7 Size of the organisation	24		Yes (280-281)
	102-8 Information on employees and other workers	160-161		Yes (280-281)
	102-9 Supply chain	212		Yes (280-281)
	102-10 Significant changes in the organisation and its supply chain	38-39		Yes (280-281)
	102-11 Precautionary principle or approach	130-131		Yes (280-281)
	102-12 External initiatives	273, 200		Yes (280-281)
	102-13 Membership associations	200		Yes (280-281)
Strategy	102-14 Statement from senior decision-makers	12-13		Yes (280-281)
	102-15 Key impacts, risks and opportunities	52-56, 126-127, 158-159, 175, 185, 197-198, 215		Yes (280-281)
Ethics and transparency	102-16 Values, principles, standards and norms of behaviour	26,27, 186-198		Yes (280-281)
	102-17 Advisory mechanisms and ethical concerns	194		Yes (280-281)
Governance	102-18 Governance structure	240-241		Yes (280-281)
	102-19 Delegating authority	240-241		Yes (280-281)
	102-20 Executive-level responsibility for economic, environmental and social topics	244-245		Yes (280-281)
	102-21 Consulting stakeholders on economic, environmental and social projects.	252-253		Yes (280-281)
	102-22 Composition of the highest governance body and its committees	16-17		Yes (280-281)
	102-23 Chair of the highest governance body	16-17		Yes (280-281)



GRI content index				
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions	External verification
Governance	102-24 Nomination and selection of the highest governance body	244		Yes (280-281)
	102-25 Conflicts of interest	241		Yes (280-281)
	102-26 Role of the highest governance body in setting purpose, values and strategy	244		Yes (280-281)
	102-27 Collective knowledge of the highest governance body	245		Yes (280-281)
	102-28 Evaluating the highest governance body's performance	244		Yes (280-281)
	102-29 Identifying and managing economic, environmental and social impacts.	52-56, 158-159, 175, 185, 197-198, 215		Yes (280-281)
	102-30 Effectiveness of risk management processes	52-56		Yes (280-281)
	102-31 Review of economic, environmental and social topics	Economic topics at least quarterly. Environmental and social topics, at least annually.		Yes (280-281)
	102-32 Role of the highest governance body in preparing sustainability reports	240-241		Yes (280-281)
	102-33 Communicating critical concerns	194-195, 199-200		Yes (280-281)
	102-34 Nature and total number of critical concerns	194-195		Yes (280-281)
	102-35 Remuneration policies	244, 246		Yes (280-281)
	102-36 Process for determining remuneration	246		Yes (280-281)
	102-37 Stakeholders' involvement in remuneration	246		Yes (280-281)
	102-38 Annual total compensation ratio	171		Yes (280-281)
	102-39 Percentage increase in annual total compensation ratio	171		Yes (280-281)

GRI content index				
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions	External verification
Stakeholder engagement	102-40 List of stakeholder groups	199-200		Yes (280-281)
	102-41 Collective bargaining agreements	174		Yes (280-281)
	102-42 Identifying and selecting stakeholders	199-200		Yes (280-281)
	102-43 Approach to stakeholder engagement	199-200		Yes (280-281)
	102-44 Key issues and concerns raised	252-254		Yes (280-281)
Reporting practice	102-45 Entities included in the consolidated financial statements	9		Yes (280-281)
	102-46 Defining report content and topic Boundaries	250-252, 269-272		Yes (280-281)
	102-47 List of material topics	253		Yes (280-281)
	102-48 Restatements of information	251		Yes (280-281)
	102-49 Changes in reporting	251		Yes (280-281)
	102-50 Period covered by the report	9		Yes (280-281)
	102-51 Date of last report	Marzo 2020		Yes (280-281)
	102-52 Reporting cycle	251		Yes (280-281)
	102-53 Contact point for questions regarding the report	273		Yes (280-281)
	102-54 Claims of reporting in accordance with the GRI standards	9, 250, 260		Yes (280-281)
	102-55 GRI content index	260-265		Yes (280-281)
	102-56 External verification	280-281		Yes (280-281)
Material issues				
Zero accidents target				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	256, 176		Yes (280-281)
	103-2 Management approach and components	256		Yes (280-281)
	103-3 Evaluation of the management approach	176		Yes (280-281)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	178		Yes (280-281)
	403-2 Hazard identification, risk assessment and incident investigation	178		Yes (280-281)
	403-3 Occupational health services	178-179		Yes (280-281)
	403-4 Workers' participation, consultation and communication of occupational health and safety	174		Yes (280-281)
	403-5 Occupational Health and Safety training	180		Yes (280-281)
	403-6 Promotion of worker health	178-179		Yes (280-281)
	403-7 Prevention and mitigation impact on the health and safety of workers directly linked by business relationships	176		Yes (280-281)
	403-8 Workers covered by an occupational health and safety management system	178		Yes (280-281)
	403-9 Work-related injuries	181-184, 267-268		Yes (280-281)
	403-10 Occupational illnesses	181-184, 267		Yes (280-281)
G4 Sector Disclosure: Construction and Real Estate	CRE6 Percentage of the organisation that operates in accordance with internationally recognised and verified health and safety management systems	178		Yes (280-281)
Developing talent and diversity				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	255, 163-169		Yes (280-281)
	103-2 Management approach and components	255, 163-169		Yes (280-281)
	103-3 Evaluation of the management approach	163-169		Yes (280-281)
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	167		Yes (280-281)
	404-2 Programmes for upgrading employee skills and transition assistance programmes	163-167		Yes (280-281)
	404-3 Percentage of employees receiving regular performance and career development reviews	166		Yes (280-281)

GRI content index				
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions	External verification
Responsible supply chain				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	257, 211-215		Yes (280-281)
	103-2 Management approach and components	257, 211-215		Yes (280-281)
	103-3 Evaluation of the management approach	257, 211-215		Yes (280-281)
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	212		Yes (280-281)
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	26,36%		Yes (280-281)
	308-2 Negative environmental impacts in the supply chain and actions taken	213-214		Yes (280-281)
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	26,36%		Yes (280-281)
	414-2 Negative social impacts in the supply chain and actions taken	213-214		Yes (280-281)
Responsibility to local communities				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	26, 254, 202-210		Yes (280-281)
	103-2 Management approach and components	26, 254, 202-210		Yes (280-281)
	103-3 Evaluation of the management approach	26, 202-210		Yes (280-281)
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	25,74%		Yes (280-281)
	413-2 Operations with significant potential impacts or actual negative impacts on local communities	0,00%		Yes (280-281)
G4 Sector Disclosure: Construction and Real Estate	CRE7 Number of persons voluntarily or unintentionally displaced or resettled, broken down by project	Not available		No
Efficient management of resources				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	255, 130-132, 141-153		Yes (280-281)
	103-2 Management approach and components	255, 130-132, 141-153		Yes (280-281)
	103-3 Evaluation of the management approach	130-132, 141-153		Yes (280-281)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	147, 266		Yes (280-281)
	301-2 Recycled inputs	266		Yes (280-281)
	301-3 Reused products and packaging materials	143-147		Yes (280-281)
GRI 302: Energy 2,016	302-1 Energy consumption within the organisation	141, 266		Yes (280-281)
	302-2 Energy consumption outside the organisation	141, 266		Yes (280-281)
	302-3 Energy intensity	141		Yes (280-281)
	302-4 Reduction in energy consumption	141		Yes (280-281)
	302-5 Reduction in energy requirements for products and services	141-142		Yes (280-281)
GRI 303: Water and effluents 2018	303-1 Interaction with water as a shared resource	150-153		Yes (280-281)
	303-2 Management of water discharge-related impacts	150-153		Yes (280-281)
	303-3 Water withdrawal	150		Yes (280-281)
	303-4 Water discharge	150		Yes (280-281)
	303-5 Water consumption	150-151		Yes (280-281)
GRI 306: Water 2016	306-1 Water discharge by quality and destination	150		Yes (280-281)
	306-2 Waste by type and disposal method	148-149		Yes (280-281)
	306-3 Significant spills	In 2020, there were 9 significant spills		Yes (280-281)
	306-4 Transport of hazardous waste	148		Yes (280-281)
	306-5 Water bodies affected by water discharges and/or run-off	Information is not available	We do not have the systems for managing and recording this indicator. Measures will be taken to improve this.	No

GRI content index				
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions	External verification
G4 Sector Disclosure: Construction and Real Estate	CRE1 Building energy intensity.	Complete information on this indicator is not available	Only partial information on this indicator is collected. Page 133-142	No
	CRE2 Building water intensity	Complete information on this indicator is not available	Only partial information on this indicator is collected. Page 150-153	No
	CRE5 Remediated land and land that needs remediation due to the existing or expected uses of the land, in accordance with the applicable legal requirements	Complete information on this indicator is not available	Only partial information on this indicator is collected. Page 154-157	No
	CRE8 Type and number of certificates, qualifications or sustainability labels for new construction, management, occupation or restoration	134, 137-138		Yes (280-281)
The climate: global concern				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	257, 130-140		Yes (280-281)
	103-2 Management approach and components	257, 130-140		Yes (280-281)
	103-3 Evaluation of the management approach	130-140		Yes (280-281)
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	135		Yes (280-281)
	305-2 Energy indirect (scope 2) GHG emissions	135		Yes (280-281)
	305-3 Other indirect (scope 3) GHG emissions	135		Yes (280-281)
	305-4 GHG emissions intensity	135		Yes (280-281)
	305-5 Reduction of GHG emissions	135		Yes (280-281)
	305-6 Emissions of ozone-depleting substances (ODS)	266		Yes (280-281)
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	266		Yes (280-281)
G4 Sector Disclosure: Construction and Real Estate	CRE3 Greenhouse gas emissions intensity from buildings.	Complete information on this indicator is not available	Only partial information on this indicator is collected. Page 135	No
	CRE4 Greenhouse gas emission intensity from new construction and restoration activities	135		Yes (280-281)
Protection of human rights				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	258, 192		Yes (280-281)
	103-2 Management approach and components	258, 192		Yes (280-281)
	103-3 Evaluation of the management approach	192		Yes (280-281)
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	192		Yes (280-281)
	412-2 Training employees on human rights policies or procedures	196		Yes (280-281)
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	192		Yes (280-281)
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	174, 192		Yes (280-281)
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	192		Yes (280-281)

GRI content index				
GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions	External verification
Ethical and responsible companies				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	256, 186-198		Yes (280-281)
	103-2 Management approach and components	256, 186-198		Yes (280-281)
	103-3 Evaluation of the management approach	186-198		Yes (280-281)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	190-191		Yes (280-281)
	205-2 Communication and training on anti-corruption policies and procedures	196		Yes (280-281)
	205-3 Confirmed incidents of corruption and actions taken	No cases of corruption were detected in 2020		No
GRI 206: Anti-unfair competition 2016	206-1 Legal actions relating to anti-competitive behaviour, anti-trust and monopoly practices	11 cases		Yes (280-281)
Resilient and socially-responsible infrastructure				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	258, 130-149, 222-231		Yes (280-281)
	103-2 Management approach and components	258, 130-149, 222-231		Yes (280-281)
	103-3 Evaluation of the management approach	137-139, 130-149		Yes (280-281)
New financing models and tools				
GRI 103: 2016 management approach	103-1 Explanation of the material topic and its boundary	259		Yes (280-281)
	103-2 Management approach and components	259		Yes (280-281)
	103-3 Evaluation of the management approach	259		Yes (280-281)



7.3.2. ADDITIONAL INDICATORS

ENVIRONMENT

(301-1 y 301-2) Total materials used and percentage of materials recycled	2019	2020
Total wood purchased (m ³)	2.236.064	1.152.348
Percentage of certified wood ¹	36,0%	33,6%
Total steel purchased (t)	637.769	546.515
Percentage of recycled steel ²	41,0%	63,1%
Total concrete purchased (m ³)	6.064.660	3.706.055
Percentage of cement/concrete with recycled aggregate	49,6%	11,5%
Total glass purchased (m ²) ³	208.264	86.848
Percentage of glass recycled ⁴	0,4%	0,4%

1. Scope of procurement expenditure data of 17.87% in 2019 and 16.67% in 2020.

2. Scope of procurement expenditure data of 17.94% in 2019 and 16.67% in 2020.

3. Scope of procurement expenditure data of 62.1% in 2019 and 16.21% in 2020.

4. Scope of procurement expenditure data of 62.13% in 2019 and 66.25% in 2020.

Other atmospheric emissions (kg)	2019	2020
Amount of significant atmospheric emissions, in kg of NOx.	12.151.471	10.865.972
Amount of significant atmospheric emissions, in kg of SOx.	6.668	6.401
Amount of significant atmospheric emissions, in kg of other significant atmospheric emissions.	941.292	855.196

For the calculation of significant air emissions of NOx, SOx and other (NMVC), the fuel, electricity and kilometres travelled conversion factors of the European Environment Agency (EEA) published in 2019 were used as a reference.

(302-1) Energy consumption by source	2017	2018	2019	2020
Total ACS Group				
Petrol + Diesel (million liters)	928	1.138	1.189	1.064
Liquefied Petroleum Gas (million liters)	nd	0,25	1,17	3,17
Natural Gas (kWh)	25.007.499	37.983.207	40.653.763	32.351.560
Biofuel (million liters)	0,0	0,1	0,7	0,4
Electricity (MWh)	660.173	516.211	574.170	429.921
Electricity from renewable sources (MWh)	28.357	23.771	63.323	64.246
Infrastructure				
Petrol + Diesel (million liters)	906	1.103	1.148	1.026
Liquefied Petroleum Gas (million liters)	nd	0,00	0,83	2,79
Natural Gas (kWh)	3.633.455	9.348.439	9.510.479	6.608.569
Biofuel (million liters)	0,0	0,1	0,7	0,4
Electricity (MWh)	537.996	382.747	397.647	361.320
Electricity from renewable sources (MWh)	26.682	20.539	29.689	23.872
Industrial Services				
Petrol + Diesel (million liters)	19	31	37	35
Liquefied Petroleum Gas (million liters)	nd	0,24	0,32	0,28
Natural Gas (kWh) ¹	59.044	189.321	2.952.876	58.814
Biofuel (million liters)	0,0	0,0	0,0	0,0
Electricity (MWh)	96.488	109.512	146.753	41.347
Electricity from renewable sources (MWh)	1.667	876	6.193	13.177
Services				
Petrol + Diesel (million liters)	4	4	3	3
Liquefied Petroleum Gas (million liters)	nd	0,01	0,02	0,10
Natural Gas (kWh)	21.976.351	28.445.447	28.190.408	25.684.178
Biofuel (million liters)	0,0	0,0	0,0	0,0
Electricity (MWh)	25.689	23.952	29.770	27.255
Electricity from renewable sources (MWh)	9	2.356	27.441	27.198

1. In relation to natural gas consumption, and for fiscal year 2020, there has been a change in the criteria for accounting for Manchasol's natural gas consumption, as it has been considered that it is not its own consumption.

HEALTH AND SAFETY

	2017	2018	2019	2020
Total number of hours worked	352.572.161	374.536.406	404.419.164	359.674.790
Total number of hours worked (Men)	nd	252.561.561	262.081.851	227.384.757
Total number of hours worked (Women)	nd	121.974.819	142.337.312	132.290.033
Total number of accidents with time off from work	4.318	4.166	4.232	3.258
Total number of accidents with time off from work (Men)	nd	1.495	1.443	1.257
Total number of accidents with time off from work (Women)	nd	2.671	2.846	2.001
Fatal accidents for own employees	1	4	4	9
Fatal accidents for own employees (Men)	nd	4	4	9
Fatal accidents for own employees (Women)	nd	0	0	0
Fatal accidents for contractor employees	2	7	4	5
Total number of occupational disease cases (employees)	65	104	150	81
Total number of occupational disease cases (Male employees)	nd	74	107	50
Total number of occupational disease cases (Female employees)	nd	30	44	31
Frequency Index of Occupational Disease (employees)	0,184	0,278	0,371	0,225
Frequency Index of Occupational Disease (Male employees)	nd	0,293	0,408	0,220
Frequency Index of Occupational Disease (Female employees)	nd	0,246	0,309	0,234
Total number of occupational disease cases (contractors)	0	6	1	0
Frequency Index of Occupational Disease (contractors)	0	0,002	0,002	0,000
Percentage of days lost due to absenteeism	1,5%	1,3%	1,3%	1,9%

(403-4) HEALTH AND SAFETY INDICATORS

	2019	2020
Total ACS Group		
Percentage of workers represented on formal joint health and safety committees for management and employees	80,84%	82,22%
Health and safety issues covered in formal agreements with trade unions	99,59%	95,32%
Infrastructure		
Percentage of workers represented on formal joint health and safety committees for management and employees	92,36%	91,47%
Health and safety issues covered in formal agreements with trade unions	99,87%	93,89%
Industrial Services		
Percentage of workers represented on formal joint health and safety committees for management and employees	85,52%	89,25%
Health and safety issues covered in formal agreements with trade unions	98,35%	89,32%
Services		
Percentage of workers represented on formal joint health and safety committees for management and employees	67,00%	70,00%
Health and safety issues covered in formal agreements with trade unions	100,00%	100,00%

(403-9) WORK-RELATED INJURIES. EMPLOYEES	2019	2020
Number of deaths resulting from work-related injuries	4	9
Infrastructure	0	5
Industrial Services	4	4
Services	0	0
Death rate resulting from work-related injuries⁽¹⁾	0,01	0,03
Infrastructure	0,00	0,03
Industrial Services	0,04	0,05
Services	0,00	0,00
Number of work-related injuries with significant consequences	35	21
Infrastructure	5	3
Industrial services	24	12
Services	6	6
Rate of work-related injuries with significant consequences ⁽²⁾	0,09	0,06
Infrastructure	0,03	0,02
Industrial services	0,22	0,05
Services	0,05	0,14
Number of recordable work-related injuries	9.808	7.459
Infrastructure	747	488
Industrial services	1.980	1.516
Services	7.081	5.455
Rate of recordable work-related injuries⁽³⁾	4,85	4,15
Infrastructure	0,90	0,66
Industrial services	3,68	3,49
Services	10,86	8,73

(403-9) WORK-RELATED INJURIES CONTRACTORS	2019	2020
Number of deaths resulting from work-related injuries	4	5
Infrastructure	4	2
Industrial services	0	3
Services	0	0
Death rate resulting from work-related injuries⁽¹⁾	0,02	0,03
Infrastructure	0,02	0,01
Industrial services	0,00	0,06
Services	0,00	0,00
Number of work-related injuries with significant consequences	15	12
Infrastructure	12	9
Industrial services	3	3
Services	0	0
Rate of work-related injuries with significant consequences ⁽²⁾	0,07	0,06
Infrastructure	0,07	0,06
Industrial services	0,05	0,06
Services	0,00	0,00
Number of recordable work-related injuries	759	1.147
Infrastructure	509	969
Industrial services	250	178
Services	0	0
Rate of recordable work-related injuries⁽³⁾	0,69	1,18
Infrastructure	0,63	1,33
Industrial services	0,84	0,73
Services	0,00	0,00

(1) Number of deaths resulting work-related accidents per million hours worked.

(2) Number of work-related injuries with significant consequences per million hours worked.

(3) Number of recordable work-related injuries per two hundred thousand hours worked.

7.3.3. SCOPE OF THE DATA

[102-46]

ENVIRONMENT

% of turnover	2019	2020
Implementation of ISO 14001 certification	96,79%	98,42%
Implementation of other certifications	96,79%	98,42%
Projects registered and certified as per efficient construction certifications	100,00%	100,00%

% of turnover	2017	2018	2019	2020
Petrol (million litres)	97,52%	95,67%	96,79%	98,42%
Diesel (million litres)	97,52%	95,67%	96,79%	98,42%
LPG (million litres)	nd	95,67%	96,79%	98,42%
Natural gas (kWh)	96,94%	95,67%	96,79%	98,42%
Biofuel (million litres)	96,94%	95,67%	96,79%	98,42%
Electricity (MWh)	97,52%	95,67%	96,79%	98,42%
Electricity from renewable sources (MWh)	95,47%	95,67%	96,79%	98,42%
Business travel: total km travelled on short-haul flights (< 500 km)	96,94%	95,67%	96,79%	98,42%
Business Travel total km travelled on medium-haul flights (500 km < X < 1,600 km)	96,94%	95,67%	96,75%	98,42%
Business travel total km travelled on short-haul flights (< 1,600 km)	96,94%	95,67%	96,79%	98,42%
Business Travel Total km travelled in private vehicles for business purposes	96,31%	95,67%	96,79%	98,42%
Business Travel Total km travelled by train	96,94%	95,67%	96,79%	98,42%
Business Travel Total km travelled by boat	96,94%	95,67%	96,79%	98,42%
Others (t CO2eq)	94,17%	94,03%	96,79%	98,36%
Efficient use of water resources				
Water withdrawal (m ³)	62,10%	95,67%	95,81%	98,36%
Water withdrawal in water stress areas (m ³)	nd	nd	95,81%	98,36%
Water discharge (m ³)	nd	nd	95,81%	98,36%
Water discharge in water stress areas (m ³)	nd	nd	95,81%	98,36%
Waste management				
Non-hazardous waste generated (t)	95,61%	95,67%	96,75%	98,36%
Hazardous waste generated (t)	95,61%	95,67%	96,79%	98,36%

Atmospheric emissions (kg)	2019	2020
Quantity of significant atmospheric emissions, in kg of NOx	96,79%	98,42%
Amount of significant atmospheric emissions, in kg of SOx.	96,79%	98,42%
Quantity of significant atmospheric emissions, in kg, of other significant atmospheric emissions.	96,79%	98,42%

Materials (% of Group procurements)	2019	2020
Total wood purchased (m ³)	92,08%	89,84%
Percentage of certified wood	17,83%	16,67%
Total steel purchased (t)	97,78%	89,66%
Percentage of recycled steel	22,90%	16,67%
Total concrete purchased (m ³)	97,89%	89,90%
Percentage of cement/concrete with recycled aggregate	22,88%	16,21%
Total glass (m ²)	26,00%	67,08%
Percentage of recycled glass≠	25,23%	66,25%

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PEOPLE

Total % of employees	2019	2020
Total employees	100,00%	100,00%
Local employees	98,15%	96,35%
Employees by area of activity	100,00%	100,00%
Personnel by professional category and area of activity	100,00%	100,00%
Breakdown by type of contract	100,00%	100,00%
Personnel by professional category and gender	100,00%	100,00%
Personnel by geographical area	100,00%	100,00%
Total staff turnover	98,15%	97,32%
Total turnover for men	98,15%	97,32%
Total turnover for women	98,15%	97,32%
Voluntary turnover	98,15%	97,32%
Voluntary turnover for men	98,15%	97,32%
Total turnover for women	98,15%	97,32%
Of the employees reported, number of women with a management position (construction/project manager or similar and superior)	98,15%	97,32%
Of the employees reported, number of men with a management position (construction/project manager or similar and superior)	98,15%	97,32%
Of the employees reported, number of women management positions	98,15%	97,32%
Of the employees reported, number of men management positions	96,78%	97,32%
Remuneration Directors and Executive Management	100,00%	100,00%
Average annual remuneration	98,12%	97,32%
Measures to promote equal treatment and opportunities for men and women	98,15%	97,32%
Protocols against sexual harassment	98,15%	97,32%
Measures to ensure equal opportunities and avoid discrimination in the selection process for any position	98,15%	97,32%
Disabled persons	78,98%	79,95%
Systems to ensure universal accessibility for employees	78,06%	97,32%
Work-family life balance measures	98,15%	97,32%
Percentage of men/women who return to work after paternity/maternity leave	98,15%	97,32%
Total number of absenteeism days	98,15%	97,32%
Employees affiliated with trade union organisations	76,05%	76,69%
Employees covered by collective bargaining agreements or by an independent trade union	98,15%	97,32%
Workers of the ACS Group represented on formal joint health and safety committees for management and employees	99,43%	99,58%
Safety and Health issues covered by agreements	98,54%	99,48%
Employees covered by a formal professional development system	98,15%	97,32%
Employees subject to performance evaluation processes	98,15%	97,32%
Employees covered by variable remuneration systems	98,15%	97,32%
Employees trained	98,15%	97,32%
Total teaching hours given	98,15%	97,32%
Investment in training (millions of euros)	98,15%	97,32%
Breakdown of hours by professional category	98,15%	97,32%

[102-46]

HEALTH AND SAFETY

% of employees	2017	2018	2019	2020
Percentage of total employees covered by OSHAS 18001 and ISO45001 certification	100,00%	99,94%	99,43%	99,58%
Total number of hours worked (own employees)	100,00%	99,94%	99,43%	99,58%
Total number of hours worked own employees (men)	N/A	99,94%	99,43%	99,58%
Total number of hours worked own employees (women)	N/A	99,94%	99,43%	99,58%
Total number of accidents with time off (own employees)	80,22%	99,94%	99,43%	99,58%
Total number of accidents with time off (men)	N/A	99,94%	99,43%	99,58%
Total number of accidents with time off (women)	N/A	99,94%	99,43%	99,58%
Total number of working days lost (own employees)	100,00%	99,94%	99,43%	99,58%
Total number of working days lost own employees (men)	N/A	99,94%	99,43%	99,58%
Total number of working days lost own employees (women)	N/A	99,94%	99,43%	99,58%
Total number of hours worked (contractors)	87,90%	91,30%	96,66%	99,58%
Total number of accidents with time off (contractors)	87,90%	99,94%	99,43%	99,58%
Total number of working days lost (contractors)	86,75%	91,30%	96,66%	99,58%
Own employee deaths due to work-related accidents	100,00%	99,94%	99,43%	99,58%
Own employee deaths due to work-related accidents (men)	N/A	99,94%	99,43%	99,58%
Own employee deaths due to work-related accidents (WOMEN)	N/A	99,94%	99,43%	99,58%
Contractor deaths due to work-related accidents	100,00%	99,94%	99,43%	99,58%
Investment in health and safety (millions of euros)	100,00%	99,94%	99,43%	99,58%
Total number of cases of occupational diseases (employees)	100,00%	94,11%	93,23%	99,58%
Total number of cases of occupational diseases (male employees)	N/A	94,11%	93,23%	99,58%
Total number of cases of occupational diseases (female employees)	N/A	94,11%	93,23%	99,58%
Total number of cases of occupational diseases (contractors)	96,61%	91,30%	90,46%	90,45%
Own employee deaths due to occupational illnesses	N/A	N/A	72,76%	90,45%
Contractor deaths due to occupational illnesses	N/A	N/A	72,76%	90,45%
Number of work-related injuries with significant consequences (employees)	N/A	N/A	72,76%	74,97%
Number of recordable work-related injuries (employees)	N/A	N/A	99,43%	99,58%
Number of work-related injuries with significant consequences (contractors)	N/A	N/A	72,76%	74,97%
Number of work-related injuries (contractors)	N/A	N/A	90,46%	99,58%

% of employees	2019	2020
Employees who have received health and safety training during the year (%)	99,43%	99,58%
Employees who have received health and safety training during their career with the company (%)	99,43%	99,58%
Percentage of workforce represented on formal joint health and safety committees for management and employees	99,43%	99,58%
Health and safety issues covered in official agreements with trade unions	98,54%	98,62%

COMPLIANCE

% of employees	2019	2020
Number of communications received and handled by the Ethics Channel	100,0%	100,00%
Scope of the training plans regarding the company's human rights, ethics, integrity, conduct or compliance procedures (% of employees)	98,15%	99,26%
Number of courses given with content covering the company's human rights, ethics, integrity, conduct or compliance procedures	98,15%	99,26%
Number of employees trained in Human rights, ethics, integrity, conduct or compliance procedures during the year	98,15%	99,26%
Training hours per trained employee	98,15%	99,26%
Lawsuits for human rights violations	100,00%	100,00%
Value of contributions to associations (scope % turnover)	28,37%	27,79%

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GIVING BACK TO SOCIETY

% of turnover	2019	2020
Investment in social action by Group companies	94,58%	99,57%
Estimated number of beneficiaries	94,58%	95,57%
Number of citizen awareness courses or activities carried out	28,37%	27,79%
Number of events (conferences, exhibitions, sporting activities, among others) sponsored	28,37%	27,79%
Number of foundations or NGOs that received grants/support during the year	28,37%	95,57%
Budget allocated by the Foundation	100,0%	100%

SUPPLIERS AND CONTRACTORS

% of Group procurements	2020
Number of suppliers	89.90%
Signing or acceptance of the Code of Conduct for Business Partners	89.90%
Training in the Code of Conduct for Business Partners	71.83%
Supplier approval systems:	89.90%
Weight of non-financial criteria	88.38%
Supplier commitment standards	89.20%
Suppliers identified as critical	89.33%
Critical suppliers. % of total	89.33%
Suppliers screened in terms of sustainability	89.20%

COMMITMENT TO QUALITY WITH THE CUSTOMER

% of turnover	2019	2020
Production certified under ISO 9001: Total ACS Group	97,42%	93,55%
Number of quality audits	97,42%	93,55%
Investment in measures to promote and improve quality	55,25%	54,30%
System for measuring client satisfaction	29,85%	30,86%
Number of client satisfaction surveys received	29,85%	30,86%
Client responses which are "satisfied" or "very satisfied" out of the total number of surveys received (%)	29,85%	30,86%
System for measuring client complaints and claims	29,85%	30,86%
Number of complaints and claims from clients received in the reporting period	29,85%	30,86%
Number of complaints and claims from clients resolved in the reporting period	29,85%	30,86%

INNOVATION

% sobre ventas	2020
Investment in research, development and innovation by the ACS Group	26,36%
Number of innovation projects in progress in 2020 of the ACS Group	26,36%
Number of patents registered by the ACS Group in 2020	26,36%
Number of patents registered by the ACS Group over the last ten years	26,36%

7.3.4. AWARDS, RECOGNITIONS AND MEMBERSHIPS

- ACS, Construction Activities and Services, was included in *Dow Jones Sustainability Index* global and European. Inclusion in these DJSI indices recognises the commitment and ongoing effort made by all of the ACS Group companies in terms of sustainability and value generation shared by the whole company. HOCHTIEF and CIMIC, listed companies of the ACS Group, are also included in the DJSI. Specifically, HOCHTIEF is included in the *DJSI World*, and CIMIC, in the *DJSI Australia*.
- For another year, ACS Actividades de Construcción y Servicios was included in the 2021 *Sustainability Yearbook* published by S & P Global, and was given the 'Bronze Class' distinction for its excellent sustainability performance.
- In 2020, FTSE Russell confirmed that the ACS Group had been independently evaluated in accordance with the FTSE4Good criteria and had met the requirements to become a component of the FTSE4Good index series.
- The ACS Group is a signatory to the United Nations Global Compact.
- The ACS Group supports the *Carbon Disclosure Project* initiative.
- ACS is the world's seven largest company by turnover, according to the ENR magazine ranking published in December 2020. It is the top listed company in that list and the company with the most international business.



7.3.5 WE WOULD LIKE TO KNOW YOUR OPINION

As you may have observed in the preceding pages, the ACS Group is committed to transparency of information and the relationships with its various stakeholders. The ACS Group considers the assumption of reporting principles to be a process of ongoing improvement, in which it is essential to count on the informed opinion of the various stakeholders. We would therefore greatly appreciate any feedback you may have on this report at:

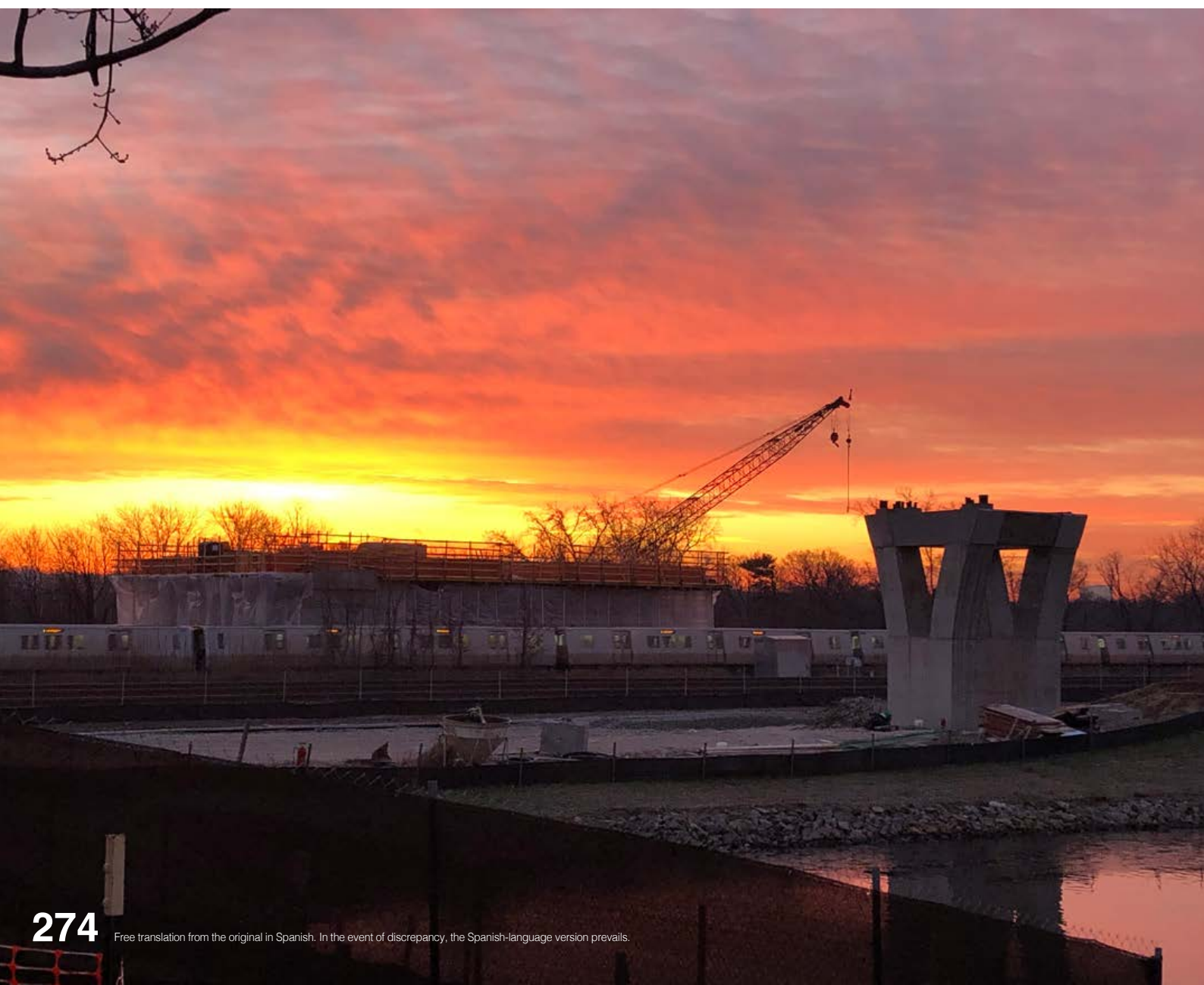
GRUPO ACS
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Tfno. +34 91 343 92 00
E-mail: infogrupoacs@grupoacs.com

7.4 ECONOMIC-FINANCIAL ANNEXES

7.4.1. TREASURY SHARES

As of 31 December 2020, the Group held 25,604,641 shares in the Parent Company, with a nominal value of EUR 0.5, representing 8.2% of the share capital. The details of the operations carried out during the year are as follows:

	2019		2020	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of period	6,442,991	221,505	11,386,246	402,542
Purchases	15,753,833	570,410	32,494,620	738,218
Amortization and sale	(10,810,578)	(389,373)	(18,276,225)	(504,769)
At end of period	11,386,246	402,542	25,604,641	636,009



7.4.2. IRIDIUM CONCESSIONS BACKLOG*

CONCESSION - DESCRIPTION	Stake	Consolidation Method	Country	Activity	Phase	Units	Expiration Date	Total Investment (mn€)	ACS Group Investment (mn€)
Autovía de La Mancha	19.50%	P.E.	Spain	Highways	Exploitation	52	Apr-33	128	5
Reus-Alcover	26.00%	P.E.	Spain	Highways	Exploitation	10	Dec-38	69	4
Santiago Brión	18.20%	P.E.	Spain	Highways	Exploitation	16	Sep-35	117	4
Autovía de los Pinares	16.47%	P.E.	Spain	Highways	Exploitation	44	Apr-41	97	4
Autovía Medinaceli-Calatayud	100.00%	Global	Spain	Highways	Exploitation	93	Dec-26	183	24
Autovía del Pirineo (AP21)	26.00%	P.E.	Spain	Highways	Exploitation	45	Jul-39	233	21
Autovía de la Sierra de Arana	40.00%	P.E.	Spain	Highways	-	39	n.a.	200	2
EMESA (Madrid Calle 30)	50.00%	P.E.	Spain	Highways	Exploitation	33	2025 - 12/09/2040	185	0
Eje Diagonal	26.00%	P.E.	Spain	Highways	Exploitation	67	Jan-42	405	40
A-30 Nouvelle Autoroute 30	12.50%	P.E.	Canada	Highways	Exploitation	74	Sep-43	1,250	18
FTG Transportation Group	12.50%	P.E.	Canada	Highways	Exploitation	45	Jun-34	503	2
Windsor Essex	33.33%	P.E.	Canada	Highways	Exploitation	11	Feb-44	823	6
Signature on the Saint-Lawrence Group	25.00%	P.E.	Canada	Highways	Exploitation	3	Nov-49	1,569	14
Highway 427	50.00%	P.E.	Canada	Highways	Construction	11	Sep-50	229	4
Gordie Howe Bridge	40.00%	P.E.	Canada	Highways	Construction	2,5	30-11-2054	2,477	24
CRG Waterford	33.33%	P.E.	Ireland	Highways	Exploitation	23	Apr-36	338	0
CRG Portlaoise	33.33%	P.E.	Ireland	Highways	Exploitation	41	Jun-37	361	23
N25 New Ross Bypass	50.00%	P.E.	Ireland	Highways	Exploitation	14	Feb-43	169	9
M11 Gorey – Enniscorthy	50.00%	P.E.	Ireland	Highways	Exploitation	32	Jan-44	253	13
Sper - Planestrada (Baixo Alentejo)	15.14%	N.C.	Portugal	Highways	Exploitation	347	Dec-38	268	15
A-13, Puerta del Tâmesis	75.00%	P.E.	UK	Highways	Exploitation	22	Jul-30	268	20
SH288 Toll Lanes-Texas	21.62%	P.E.	USA	Highways	Exploitation	17	Aug-68	848	64
Portsmouth Bypass	40.00%	P.E.	USA	Highways	Exploitation	35	Dec-53	435	16
US 181 Harbor Bridge	50.00%	P.E.	USA	Highways	Construction	9	Oct-40	789	0
I595 Express	12.50%	P.E.	USA	Highways	Exploitation	17	Feb-44	1,309	21
Total Highways (km)						1,103		13,505	354
Línea 9 Tramo II	10.00%	N.C.	Spain	Railways	Exploitation	11	Oct-42	879	7
Línea 9 Tramo IV	10.00%	N.C.	Spain	Railways	Exploitation	11	Sep-40	645	6
Metro de Arganda	8.13%	N.C.	Spain	Railways	Exploitation	18	Dec-29	149	3
ELOS - Ligações de Alta Velocidade	15.22%	N.C.	Portugal	Railways	-	167	2.050	1,637	20
Rideau Transit Group (Ligth RT Ottawa)	40.00%	P.E.	Canada	Railways	Exploitation	13	May-48	1,331	19
Crosslinx Transit Solutions	25.00%	P.E.	Canada	Railways	Construction	20	Sep-51	3,518	16
Ottawa Phase II variation	33.33%	P.E.	Canada	Railways	Exploitation	n.a.	May-48	317	0
Finch West LRT	33.33%	P.E.	Canada	Railways	Construction	11	Sep-53	883	5
Angels flight	86.66%	Global	USA	Railways	Exploitation	n.a.	Apr-47	2	1
LAX Automated People Mover	18.00%	P.E.	USA	Railways	Construction	4	May-48	1,988	14
Metro de Lima Línea 2	25.00%	P.E.	Peru	Railways	Exploitation	35	Apr-49	3,631	24
Total km Railways						289		14,979	117
Cárcel de Brians	100.00%	Global	Spain	Jails	Exploitation	95,182	Dec-34	108	14
Comisaría Central (Ribera norte)	20.00%	P.E.	Spain	Police Station	Exploitation	60,330	May-24	70	3
Comisaría del Vallés (Terrasa)	20.00%	P.E.	Spain	Police Station	Exploitation	8,937	Apr-32	17	1
Comisaría del Vallés (Barberá)	20.00%	P.E.	Spain	Police Station	Exploitation	9,269	Apr-32	20	1
Los Libertadores	100.00%	Global	Chile	Border Facility	Exploitation	32,011	Nov-30	65	8
Public Facilities (m2)						205,729		279	25
Hospital Majadahonda	11.00%	N.C.	Spain	Hospitals	Exploitation	749	Jul-35	257	4
Nuevo Hospital de Toledo, S.A.	33.30%	P.E.	Spain	Hospitals	Exploitation	760	Mar-45	285	22
Hospital Son Espases	9.90%	N.C.	Spain	Hospitals	Exploitation	987	Oct-39	305	3
Hospital de Can Misses (Ibiza)	8.00%	N.C.	Spain	Hospitals	Exploitation	297	Oct-42	129	2
Hospitals (number of beds)						2,793		976	31
Intercambiador Plaza de Castilla	4.40%	N.C.	Spain	Transfer Stations	Exploitation	59,650	Feb-41	174	1
Intercambiador Príncipe Pío	8.40%	N.C.	Spain	Transfer Stations	Exploitation	28,300	Dec-40	66	1
Intercambiador Avda América	12.00%	N.C.	Spain	Transfer Stations	Exploitation	41,000	Jun-38	114	2
Total Transfer Stations (m2)						128,950		354	4
Iridium Aparcamientos	100.00%	Global	Spain	Parkings	Exploitation	12,217	2058	49	47
Serrano Park	50.00%	P.E.	Spain	Parkings	Exploitation	3,297	Dec-48	130	21
Total Parkings (number of places)						15,514		179	67
TOTAL CONCESSIONS								30,271	599

* At December 31, 2020.

7.4.3. INDUSTRIAL SERVICES CONCESSIONS*

NAME	% ACS STAKE	LOCATION	STATUS	#	EXPIRATION DATE
WIND FARMS					
P.E. Monte Das Augas, S.L.	60%	Galicia (Spain)	Exploitation	3	2032
P.E. Requeixo	25%	Galicia (Spain)	Exploitation	11	2024
Kincardine Offshore	90%	United Kingdom	Expl. / Constr.	50	2042
Oaxaca	100%	Mexico	Exploitation	102	2032
Kiyú	100%	Uruguay	Exploitation	49	2041
Pastorale	90%	Uruguay	Exploitation	53	2037
Península	70%	Mexico	Partial Exploitation	90	2035
Valdehierro	100%	Burgos (Spain)	Construction	15	-
Tadeas	100%	Palencia (Spain)	Construction	39	2045
EOLFI Greater China	90%	Taiwan	Promotion	2,500	n/a
OWL	81%	United Kingdom	Promotion	485	n/a
Villonaco	100%	Ecuador	Promotion	110	n/a
THERMOSOLAR PLANTS					
Tonopah	100%	Tonopah (USA)	Exploitation	110	n/a
Manchasol 1	100%	Ciudad Real (Spain)	Exploitation	50	2035
Karoshhoek Solar One	13%	South Africa	Exploitation	100	2038
PHOTOVOLTAIC PLANTS					
Tedagua Energías Renovables	100%	Canarias (Spain)	Exploitation	0.1	2028
Bonete	100%	Albacete (Spain)	Exploitation	146	n/a
Galisteo	100%	Cáceres (Spain)	Construction	50	n/a
Peaker	100%	Escatrón (Zaragoza, Spain)	Promotion	24	n/a
Euro Asset*	25%	Spain	Exploitation/ Promotion	1,360	n/a
PSF CALIZA SOLAR	100%	Hijar (Teruel, Spain)	Promotion	50	n/a
PSF ALCAÑIZ SOLAR	100%	Hijar (Teruel, Spain)	Promotion	50	n/a
NAVABUENA	100%	Villalba de Alcores (Valladolid, Spain)	Promotion	50	n/a
ANDARRIOS	100%	Villalba de Alcores (Valladolid, Spain)	Promotion	62	n/a
PALMARES	100%	Villalba de Alcores (Valladolid, Spain)	Promotion	50	n/a
SF LEVANTE	100%	Villalba de Alcores (Valladolid, Spain)	Promotion	288	n/a
PSF TABURETE	100%	Botorita (Zaragoza, Spain)	Promotion	43	n/a
PSF ICTIO ALCANTARA 1	100%	Alcantara (Cáceres, Spain)	Promotion	30	n/a
PSF ICTIO ALMARAZ	100%	Saucedilla (Cáceres, España)	Promotion	50	n/a
PSF ICTIO ORION	100%			50	n/a
PSF ICTIO PHOENIX	100%			50	n/a
Requenas	100%	Valencia (Spain)	Promotion	218	n/a
PV Visigodas	100%	Spain	Promotion	1,126	n/a
PV Visigodas a traspasar a GALP	100%	Spain	Promotion	839	n/a
SAN JOSÉ	-	Mexico	Promotion	553	n
PEDRICEÑA	-	Mexico	Promotion	69	n/a
HYDROELECTRIC PLANTS					
Hidromanta	100%	Perú	Construction	20	2040
RENEWABLES				8,458	

NAME	% ACS STAKE	LOCATION	STATUS	#	EXPIRATION DATE
TRANSMISSION LINES					
Brilhante	50%	Brazil	Exploitation	444	2039
Brilhante II	50%	Brazil	Exploitation	N/A	2042
Sete Lagoas	100%	Brazil	Exploitation	N/A	2041
Redenor	30%	Chile	Partial Exploitation	276	2067
LA NIÑA	100%	Peru	Promotion	317	2054
JMM Transmisora de Energía	50%	Brazil	Exploitation	861	2045
Mantiqueira Transmisora de Energía	50%	Brazil	Construction	1,320	2045
Transmissora Sertaneja de Electricidade	50%	Brazil	Construction	485	2047
Giovanni Sanguinetti Transmisora de Energía	50%	Brazil	Partial Exploitation	435	2047
Veredas Transmissora de Electricidade	50%	Brazil	Partial Exploitation	451	2047
Chimarrao	50%	Brazil	Construction	937	2049
Pampa Transmissora de Energia	50%	Brazil	Construction	316	2049
TRANSMISSION LINES				5,842	
DESALINATION PLANTS					
Benisaf Water Company	51%	Algeria	Exploitation	200,000	2035
Hydromanagement	80%	Spain	Exploitation	72,000	2034
TAIF	50%	Saudi Arabia	Construction	160,000	2047
Al Hamra Water company	40%	United Arab Emirates	Construction	100,000	2042
Caitan	50%	Chile	Development	86,400	2040
WATER TREATMENT PLANTS					
Taboada	100%	Peru	Exploitation	1,012,068	2034
Provisur	100%	Peru	Construction	35,610	2039
IRRIGATION PROJECTS					
Majes	100%	Peru	Construction	52,500	Suspension Contract
WATER				1,718,578	
OTHERS					
Planta Reserva Fría de Generación Eten	50%	Peru	Exploitation	230	2035

Renewables: Installed Capacity (MW); Transmission Lines (KM); Water: (000 m³/day)

* Includes Operational Projects, under construction and promotion

Investment volume to 31.12.2020 (€ million)	Incurred Investment	ACS contribution
WIND FARMS	973	171
THERMOSOLAR PLANTS	1,330	428
PHOTOVOLTAIC PLANTS	710	224
HYDROELECTRIC PLANTS	47	22
RENEWABLES	3,061	844
TRANSMISSION LINES	1,362	207
TRANSMISSION LINES	1,362	207
DESALINATION PLANTS	836	215
WATER TREATMENT PLANTS	150	55
IRRIGATION PROJECTS	45	40
WATER	1,031	310
OTHERS	59	18
TOTAL	5,513	1,380

7.4.4. ANNUAL CORPORATE GOVERNANCE REPORT

In accordance with that established in commercial law, the Annual Corporate Governance Report, which forms an integral part of the 2020 directors'

report, is attached by reference and is available on the CNMV's website.

7.4.5 GLOSSARY

The ACS Group presents its results in accordance with International Financial Reporting Standards (IFRS), however, the Group uses certain alternative performance measures (APM) to provide additional in-

formation that facilitates the comparability and understanding of its financial information and the decision making and assessment of the Group's performance. The most noteworthy APMs are detailed below.

CONCEPT	DEFINITION AND CONSISTENCY	Dec-20	Dec-19
Market capitalization	Number of shares at the end of the period x listing at the end of the period	8,435	11,218
Earnings per share (EPS) (€)	Net profit of the period / Average number of shares in the period	1.95	3.13
Net Income Attributable	Total income - Total expenses of the period - Income attributable to minority interests	574	962
Average number of shares in the period	Daily average of shares in circulation in the period adjusted by the treasury shares	293.8	307.5
Backlog	Value of the work contracts awarded and closed pending execution. Section 1.1 provides a breakdown between direct and proportional (referring to the proportional interest in joint operating companies and projects not consolidated globally in the Group)	69,226	77,756
Gross Operating Profit (EBITDA)	Operating profit excluding (1) provisions and amortizations and (2) non-recurring and/or non-cash-generating operating results + Result by the equity method (Partners and Joint Ventures)	2,397	3,148
(+) Operating profit	Income - Operating expenses	1,165	1,793
(-) 1. Provisions and amortizations	Cash-flow provisions + Allowance for amortization of fixed assets	(964)	(1,022)
(-) 2. Non-recurring and/or non-cash-generating operating results	Impairment and result from disposal of fixed assets + other profit	(70)	221
(+) Profit of the Equity Method (Partners and Joint Ventures)	Includes the net income of the companies accounted for by the equity method. Among others, the net profit from operating investments, such as Abertis, and the profit before taxes from joint ventures abroad consolidated with the equity method. It is similar to the joint venture regime in Spain, therefore it is included in the EBITDA in order to standardize the accounting criteria with the foreign companies of the Group.	197	553
Net Financial Debt / EBITDA	Net Financial Debt / annualized EBITDA. This ratio is broken down by activity areas of the Group	0.8x	0.0x
Net Financial Debt/(Treasury) (1)-(2)	Gross external financial debt + Net debt with Group companies - Cash and other equivalent assets	1,820	54
(1) Gross Financial Debt	Debt with credit institutions + Bonds and other negotiable securities + Funding of projects and debt with limited resources + Finance lease obligations + Other long-term non-banking financial debt + Debt with companies of the Group	11,256	9,482
(2) Cash and other equivalent assets	Temporary financial investments + Long-term taxations + Cash and other equivalent assets	9,436	9,429
Annualized EBITDA	EBITDA of the period / number of months of the period x 12 months	2,397	3,148

CONCEPT	DEFINITION AND CONSISTENCY	Dec-20	Dec-19
Net Cash Flows	(1) Cash flows from operational activities + (2) Cash flows from investment activities + (3) Other cash flows	(1,495)	(689)
1. Cash Flows from Operational Activities (FFO)	Adjusted net attributable profit + Changes in operating working capital	1,173	2,379
Adjusted net attributable profit	Net attributable benefit (+/-) adjustments that do not entail operating cash flow	1,886	2,596
Changes in operating working capital	Changes in Working Capital during the period (+/-) adjustments for non-operational items (e.g. dividends, interest, taxes, etc.)	(712)	(217)
2. Cash Flows from Investment Activities	Net investments (collected/paid)	(134)	(1,349)
(-) Investment payments	Payments for operational, project and financial investments. This figure may differ from the amount shown in the flow statement for payment deferral reasons (accrual)	(2,173)	(1,796)
(+) Proceeds from disinvestments	Proceeds from operational, project and financial disinvestments. This figure may differ from the amount shown in the flow statement for collection deferral reasons (accrual)	2,039	447
3. Other Cash Flows	Purchase/sale of own shares + Dividend payments + Other sources of funding (includes payment of operating Lease principal (IFRS 16))	(2,534)	(1,719)
Ordinary Financial Result	Financial Income - Financial Expenditure	(272)	(292)
Net Financial Result	Ordinary financial result + Exchange differences result + Fair value variation in financial Inst. + Impairment and result from disposal of financial inst.	(137)	(1,719)
Working capital	Stocks + Total clients - Total creditors - other current liabilities	(5,614)	(7,116)

NOTE: All financial indicators and APMs are calculated under the principles of coherence and consistency, allowing for comparability between periods and respecting current accounting standards.

Data in millions of euro unless expressly stated.

CONCEPT	USE
Market capitalization	The value of the company on the stock exchange.
Earnings per share (EPS)	Indicates the part of the net earnings that corresponds to each share
Backlog	This is an indicator of the Group's business activity. Its value divided by the average duration of the projects is an estimate of the revenue to be received in the following periods
Gross Operating Profit (EBITDA)	Comparable performance measure to evaluate the evolution of the Group's operational activities, excluding amortizations and provisions (more variable items depending on the accounting criteria used). This APM is widely used to evaluate companies' operational performance as well as part of ratios and multiples of evaluating and measuring risks
Net Financial Debt/EBITDA	Comparable ratio of the Group's level of indebtedness. Measures the ability to return funding in terms of the number of years.
Net Financial Debt (1)-(2)	Level of total net debt at the end of the period. The breakdown of net financial debt associated with projects (Project Finance) and the debt associated with the business is provided in section 4.2
(1) Gross Financial Debt	Level of gross financial debt at the end of the period
(2) Cash and other equivalent assets	Liquid current assets available to meet the repayment needs of financial liabilities
Annualized EBITDA	
Net Cash Flows	Measures the cash generated or consumed during the period
2. Cash Flows from Investment Activities	Funds consumed/generated by investment needs or disinvestments undertaken during the period
3. Other Cash Flows	
Ordinary Financial Result	A measure of evaluating the result from the use of financial assets and liabilities. This concept includes both income and expenses directly related to net financial debt and other non-related financial income and expenses
Net Financial Result	
Working capital	



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Independent Assurance Report on the Consolidated Non-Financial Information Statement of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for 2020

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the shareholders of ACS, Actividades de Construcción y Servicios, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have provided limited assurance on the Consolidated Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2020, of ACS, Actividades de Construcción y Servicios, S.A. (hereinafter the Parent) and subsidiaries (hereinafter the Group) which forms part of the consolidated Directors' Report of the Group for 2020.

The consolidated Directors' Report includes additional information to that required by current mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance the information contained in table "List of Contents of the Consolidated Non-Financial Statement" in the accompanying consolidated Directors' Report.

Directors' responsibility

The Board of Directors of the Parent is responsible for the preparation of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with each subject area in table "List of Contents of the Consolidated Non-Financial Statement" of the aforementioned Group's Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The directors of the Parent's are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.



We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Parent that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2020 based on the materiality analysis performed by the Parent and described in the annex "7.2 Identification of relevant issues", considering the content required in prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2020.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2020.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2020 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the GRI Standards selected in accordance with each subject area in the table "List of Contents of the Consolidated Non-Financial Statement" of the aforementioned consolidated Directors' Report.

Use and distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Ramón Pueyo Viñuales

31 March 2021





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