

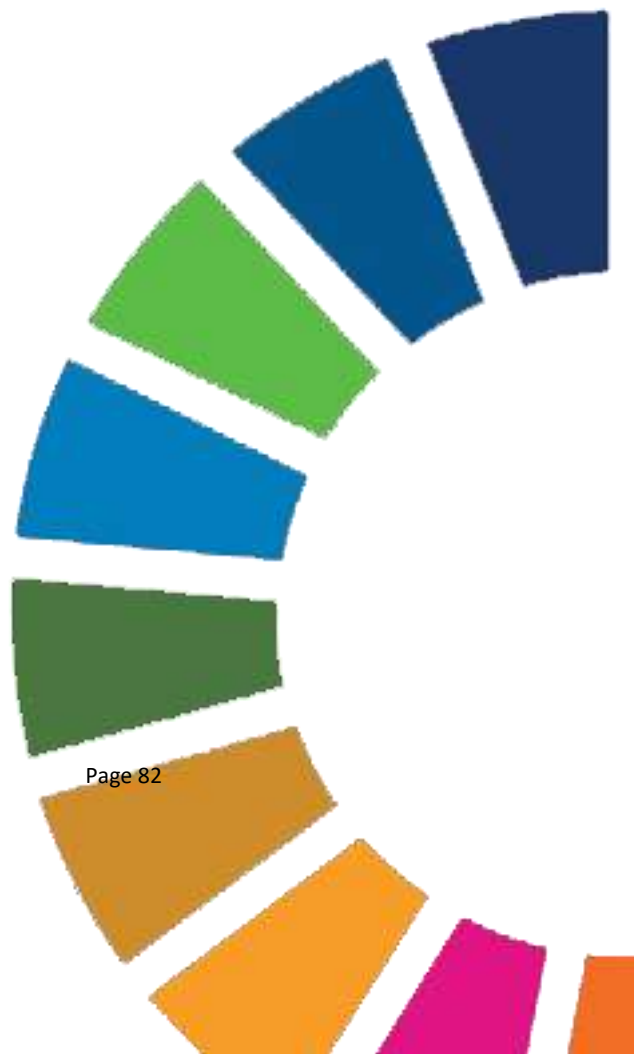
SUSTAINABILITY REPORT

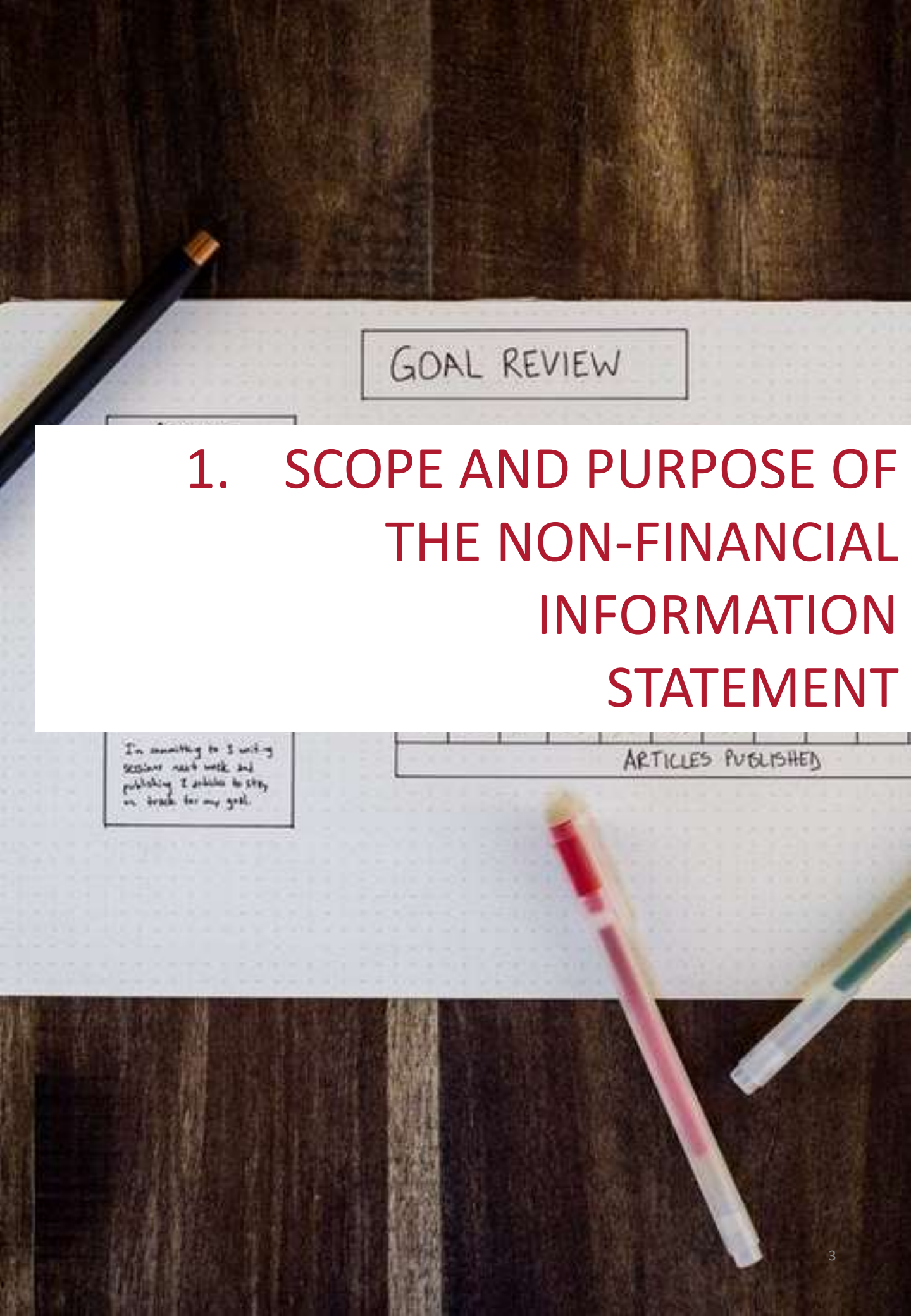
2019



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A hand-drawn goal review sheet is laid out on a dark wooden desk. The sheet is white with a dotted grid pattern. At the top, a box is labeled 'GOAL REVIEW'. Below it, there's a section for 'GOALS' with a box containing the text 'I'm committing to 3 writing sessions next week and publishing 2 articles to stay on track for my goals.' To the right of this is a section for 'ARTICLES PUBLISHED' with a row of 10 empty boxes. A black pen with a gold tip is in the top left corner. Two highlighters, one pink and one green, are in the bottom right corner.

GOAL REVIEW

1. SCOPE AND PURPOSE OF THE NON-FINANCIAL INFORMATION STATEMENT

I'm committing to 3 writing sessions next week and publishing 2 articles to stay on track for my goals.

ARTICLES PUBLISHED

1. Scope and purpose of the Consolidated Non-Financial Information Statement

102-14, 102-46, 102-50, 102-54, 102-55, 102-56

SCOPE

This report containing Grupo Ortiz's 2019 Non-Financial Information Statement (NFS) has been drawn up in accordance with Law 11/2018 of 28 December on the disclosure of non-financial information and diversity for our stakeholders and society in general.

It sets out the Group's financial highlights and describes the progress made in the following areas in 2019: good governance, commitment to human rights, research, development and innovation, respect for the environment and caring for people.

The report has been prepared jointly by the Company's management and employees so as to define Grupo Ortiz's commitments to sustainable development through continuous improvement and the building of shared value.

We are deeply involved in the most alive, dynamic system that has ever existed. The far-reaching economic and social transformations we are witnessing and in which Grupo Ortiz is playing an active role are not one-off events but quite the contrary, they are essentially a continuously changing process.

The line separating technical and economic reliability from the business values of good governance, environmental respect and protection, and social commitment has been completely erased. Nowadays, our behaviour in each of these areas not only affects our impact on others but also our strategic alignment.

It is, in short, a demanding context that forces us to renew our sustainability commitment every day so as to preserve global agent status.

Grupo Ortiz is a dynamic company with a long history because all our people are able to adapt to change.

Thanks to hard work, ongoing training and multidisciplinary teams, the Group's objectives can be achieved. Everybody is necessary.

As always, we will continue to perfect these projects and to innovate day after day.

PURPOSE

This Non-Financial Information Statement (NFS) forms part of the Consolidated Management Letter of Ortiz Construcciones y Proyectos, S.A. and Subsidiaries (the Group or Grupo Ortiz) and has been prepared in accordance with prevailing legislation set out in Law 11/2018, which includes Directive 2014/95/EU of the European Parliament, and the content recommended by the Global Reporting Initiative (GRI)'s *Sustainability Reporting Standards*.

The purpose is to offer our stakeholders and society as a whole all relevant sustainability-related information on GRUPO ORTIZ in a detailed, clear presentation, describing our commitments to society, the environment, good governance, climate change, people and innovation.

Our contributions to the United Nations Sustainable Development Goals are also defined.

A materiality analysis is carried out to identify the most significant matters for each business area, allowing us to identify priorities and risks.

This report explains and highlights all the activities that Grupo Ortiz undertakes and integrates into our business and strategy so that sustainability is the only basis for decision-making.

The firm Grant Thornton will be responsible for the external verification of the information presented here, which contains the most relevant and useful details, as stipulated in Law 11/2018. The companies covered by this Consolidated NFS are those included in Ortiz Group's consolidation scope for financial reporting.

The information set out in this document supplements the content of the following Group reports:

- Consolidated Annual Accounts.
- Consolidated Management Report.

Significant event

Since 2019, COVID-19, a new strain of coronavirus, has spread from China to other countries, including Spain. This event is significantly affecting economic activities worldwide and therefore business operations and financial results. The extent to which the coronavirus will impact our results will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and reduce its effects on the economy.

The Group has sufficient tools to confront these circumstances thanks to our liquidity and the availability of additional lines of financing at the year end, contractual clauses covering the impact of force majeure events and the geographic diversification of our businesses. This will let us manage risks and business continuity, so we currently envisage no consequences due to the failure to comply with contracts as a result of the epidemic.

At the date of this report, the economic impacts of the generalised crisis are unknown and so cannot be quantified.



2. DESCRIPTION OF THE GROUP

Mission, Vision and Values
Parent company
Business model
Grupo Ortiz in the World
Triple bottom line

2. Description of the Group

102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7 , 102-15, 102-16, 102-31, 102-45, 201-4

We are a global group operating concessions in the infrastructure and energy industries. We have over 60 years' experience in renewable energy project development, integrated concession services, sustainable infrastructures and property.

We undertake quality projects and investments that have a positive impact on people's lives and increase added value.

Our main aim is to win concessions for basic services in different countries.

We specialise both in all aspects of major energy projects (generation, transmission, distribution, operation and maintenance) and in large infrastructures.

We develop real estate for leasing with a view to growth.

MISSION, VALUES AND VISION

Our mission

Provide integrated services in concessions, renewable energy, sustainable infrastructures and engineering without losing sight of our values.

Undertake technical, high-quality projects and investments that have a favourable impact on people's lives and boost added value.

Innovate and adapt in order to foster sustainable development wherever we operate.

Our vision

Be a global project development and management benchmark for concessions, energy, infrastructures and engineering, using innovation as a tool to achieve increasingly efficient and scalable solutions: cleaner, more accessible energy and sustainable, resilient infrastructures.

Further diversify our business and added value.

Contribute, through our business areas, to a type of development that will allow current and future generations to enjoy a better life and a more sustainable planet.

The values that define us



Committed. We honour our commitments.

Our business is aligned with the best interests of our customers and our local communities. Each project we execute is an opportunity to put our sustainability pledge into practice to drive economic development, protect the environment and foment social progress.



Capable

Thanks to our experience, which guides us in the quest for technical excellence.

Thanks to our multidisciplinary human team, assuring lasting relationships based on trust.

Thanks to our flexibility and adaptation to change, letting us make swift decisions and honour our principles.



Reliable

We define our strategy independently. We know that working honestly and transparently means investing in our company's present and future.

We assess risks in advance so as to always bring added value and a socially valuable outcome.

PARENT COMPANY

The **BUSINESS GROUP's** parent company is **ORTIZ CONSTRUCCIONES Y PROYECTOS S.A.**, with tax code **A.19001205**.

Ortiz y Cía, S.L. was incorporated in 1961. In 1995, the Company's Bylaws were amended, changing the name to **ORTIZ CONSTRUCCIONES Y PROYECTOS, S.A.** The Annual General Meeting of 24 June 2010 moved the registered office to Madrid, Avda. Ensanche de Vallecas, 44.

The corporate objects are described in the Bylaws as follows:

- The contracting, management and execution of all kinds of public and private works and construction.
- All types of infrastructures, installations and works for buildings, roads, railways, runways, ports, hydraulic works and other specialised fitting work.
- Real estate and urban development activities, sale and purchase of properties and developments.
- Acquisition, holding and possession of all kinds of transferable securities for its own account and incorporation of or holding of interests in other companies having analogous objects.

On 16 September 2019, the General Shareholders' Meeting unanimously approved the merger of the companies **ORTIZ ÁREA INMOBILIARIA, S.A.U.**, **CONSTRUCCIONES ICMA-PROAKIS, S.A.U.**, **EMCA SOCIEDAD CONCESIONARIA, S.A.U.**, **ELECOR, S.A.U.**, **JUAN GALINDO, S.L.U.**, **TENDIDOS Y REDES DEL SUR, S.L.U.**, **ORTIZ INTERNATIONAL INVESTMENT, S.L.U.** and **ORTIZ ENERGÍA, S.A.U.** (as the target companies) into **ORTIZ CONSTRUCCIONES Y PROYECTOS, S.A.** (as the acquiring company).

Grupo Ortiz's headquarters.
Bioclimatic buildings.
"La Gavia" business complex.
Avda. Ensanche de Vallecas, 44
28051 Madrid

www.grupoortiz.com

GRUPORTIZ



BUSINESS MODEL

Our business areas:

Concessions

- Transport
- Healthcare
- Renewable energies
- Car parks
- Environment
- Culture
- Power lines and substations

Property

- Offices
- Rented housing
- High street retail
- Garage spaces
- Ortega y Gasset car park
- Service station
- Sports centre

Energy

- Photovoltaic
- Wind
- Solar thermal
- Cogeneration plants
- Biomass
- Electrical installations
- Mechanical installations
- Thermal installations
- Maintenance
- Energy services and efficiency
- Transmission and distribution lines
- Network maintenance

Infrastructures

- Transport infrastructures
- Hydraulic infrastructures
- Building
- Rehabilitation
- Environmental works
- Engineering and prefabrication
- Upkeep of transport infrastructures
- Green zone maintenance
- Waste collection
- Property upkeep and maintenance

GRUPO ORTIZ IN THE WORLD

Grupo Ortiz's international business began as a strategic process in 2010, centred on concessions, energy and infrastructures on 3 continents and in 14 countries.

We now have well-established branches and subsidiaries in Mexico, Colombia, Peru, Panama and Japan. Our solutions include the best technologies, continuous innovation and a personalised approach to each customer's needs.

The Group's international billings accounted for 64% of total revenue in 2019. **78% of the total portfolio is international.** International business represents **85%** of the energy order book and **53%** of the construction order book.

465 MWp Renewable energies	680 Kms Road infrastructures	HOSPITAL MEXICO & COLOMBIA Healthcare infrastructures	3,600 SPACES Car park infrastructures	WWTP + 30,000 m2 Environmental, cultural and sports infrastructures
32,389 t of CO2 emissions avoided	Building wealth in local communities	Healthcare for 650,000 people	Less polluting mobility	Environmental care and access to culture and sports

Mexico

- 8 photovoltaic projects
- Tepic hospital

Guatemala, Honduras, Chile El Salvador

- 7 photovoltaic and O&M projects

Japan

- 7 photovoltaic projects

Romania

- 2 hydraulic infrastructures

Italy, France

- 3 photovoltaic projects

Colombia

- Conexión Norte highway
- Transversal Signa highway
- Ruta del Caribe highway
- Metro aqueduct
- Bosa hospital

Bolivia

- Potosí hospital

Panama

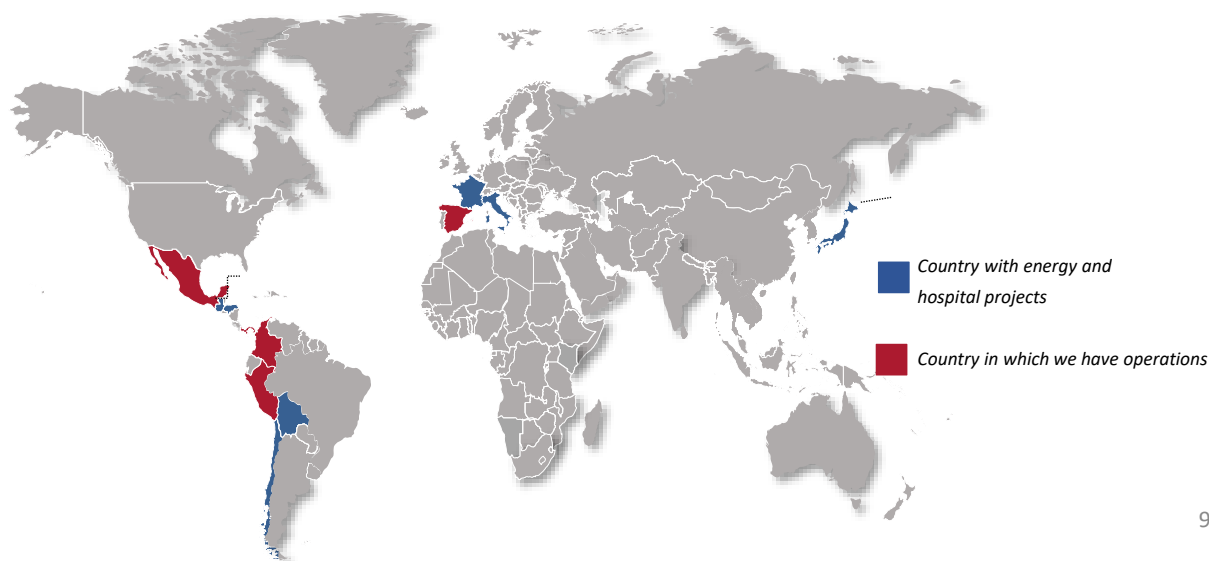
- Water treatment and Hydraulic Ring projects
- Cathedral restoration

Peru

- Andahuayas hospital
- Power line + 2 substations

Spain

- Highway and high-speed train infrastructures
- Power distribution
- 1 thermal solar plant
- 1 wind farm
- 7 photovoltaic projects
- More than 1,000 homes built in 2019
- Structural renovation of Edificio España (Madrid) in 2019
- Restoration and conservation



Financial highlights

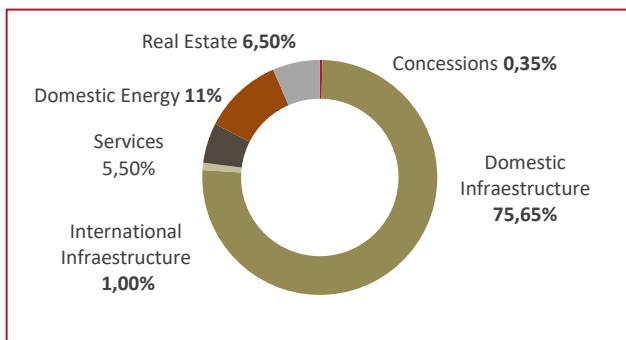
GRUPO ORTIZ'S REVENUE 2019: 640.26 M€

BUSINESS AREA		REVENUE 2019	REVENUE 2018
	INFRASTRUCTURES	308.61	270.34
	ENERGY	318.53	322.28
	PROPERTY (INCLUDES SALE OF ARCE VILLALBA + OTHER)	2.05	2.77
	CONCESSIONS HELD BY SUBSIDIARIES	11.01	9.92
	CONSOLIDATED GROUP TOTAL (RECURRING)	640.20	605.31

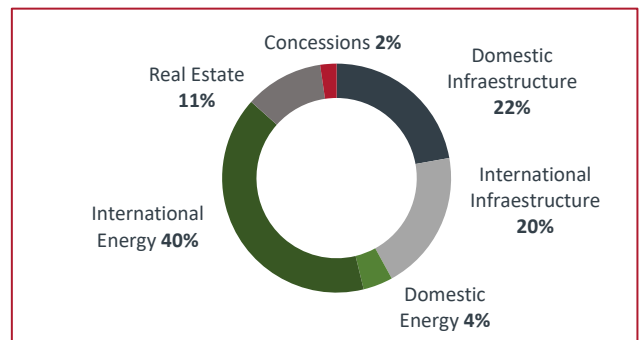
Data in million euro.

The following tables show the trend in the Group's business diversification and globalisation in the last 9 years, shifting from construction in Spain as the core business to now obtain 20% of revenue from infrastructures.

2010



2019



Grupo Ortiz Properties, SOCIMI

In 2016, Grupo Ortiz Properties SOCIMI was formed, a property investment company with a long-term strategy based on the leasing of assets throughout Spain that is listed on the Alternative Stock Market.

Corporate structure 2019

- ✓ Ortiz = 49.7%
- ✓ Institutional investors = 21.29%
- ✓ 145 investors = 28.93%

Corporate structure 2018

- ✓ Ortiz = 48.81%
- ✓ Institutional investors = 22.29%
- ✓ 130 investors = 28%



Our investment in Concessions

INVESTMENT IN OPERATIONS	➡	1,520 M€
INVESTMENT IN EXECUTION	➡	1,750 M€

TOTAL INVESTMENT
3,270 M€

Tax information

In the interests of transparency, we report that Grupo Ortiz has made economic and social contributions in the form of taxes totalling €47,165,000 paid in all the countries in which we operate at 31 December 2019.

The main countries in which taxes were paid were Spain, Mexico and Colombia, as follows:

TYPE OF TAX	2019	2018
Personal income tax (PIT)	10,131	9,030
Social Security and similar contributions	18,479	16,740
Value added tax (VAT)	9,200	8,810
Corporate income tax	4,555	6,550
Other taxes	4,800	3,340
	47,165	44,470

The above amounts include refunds and reimbursements and relate to tax payments made during the period 01/01/2019 to 31/12/2019, whether or not they relate to prior-year taxes. Grupo Ortiz has received no significant grants in recent years.

BY COUNTRY	2019	2018
Spain	34,344	33,330
Guatemala	1,031	127
Panama	1,540	2,196
Colombia	2,846	1,123
Japan	862	683
Peru	1,221	1,195
Italy	42	90
Honduras	338	231
El Salvador	11	3
Chile	58	85
Bolivia	712	232
Mexico	4,160	5,175
	47,165	44,470

Amounts expressed in thousand €.

TRIPLE BOTTOM LINE

Grupo Ortiz's triple bottom line reflects measurements for the main economic, environmental and social indicators for 2019. The amounts are stated in million euro.

Economic performance

• Sales	€640,20
• EBITDA	€46.43
• Pre-tax profit	€20
• Total innovation	€1.84
• ISO 9001 certified activity (%)	100%
• ISO 14001 certified activity (%)	100%

Social performance

• Group's average total headcount	1,917
• Total training hours	26,000 hours
• People with different disabilities	2%
• Women employees	24%
• No. of fatal accidents (own employees)	0
• Permanent contracts % of total	69 %
• Social contribution *	€1.65*
• Investment in health and safety	€1.24

Environmental performance

• Primary energy saving at headquarters (%)	11%
• Natural gas saving at headquarters (%)	23%
• Water saving at headquarters (%)	+3.7%
• Total CO ₂ emissions avoided	32,389 t
• Recycled soil	62,502 m ³
• Recycled hazardous waste	25,218 Kg
• Recycled inert waste	35,404 m ³
• Recycled paper	590,000 Kg
• Metal recycled in Spain (kg)	267,967 Kg

* Includes: Donations, sponsorship, training, pension plans, childcare allowance, luncheon vouchers and medical insurance.



3. THE GROUP'S MATERIALITY ANALYSIS



Stakeholder identification
Materiality analysis table



3. The Group's materiality analysis

STAKEHOLDERS

102-15, 102-31, 102-40, 102-42, 102-44, 102-55

In view of the diverse nature of the Group's business activities, the most significant sustainability matters that could affect people and their local areas must be identified and targeted.

We must tackle, resolve and oversee these aspects in our projects and for our stakeholders. In short, we aim to address the benefits we can bring through our business and the risks in each case.

STAKEHOLDER IDENTIFICATION

In the interests of long-term sustainability, Grupo Ortiz analyses our stakeholders' needs and expectations, engaging in dialogue and communication to enhance each relationship.

All our Group companies take the view that the correct identification of stakeholder expectations and demands, followed by the integration of these aspects into the Company's strategy, is one of the most powerful socially responsible positioning tools.

We distinguish SRI and ESG aspects by analysing the matters that are most relevant to our business and the possible impacts of our activities.



Socially Responsible Investment (SRI) applies ethical criteria in addition to the traditional approach.

Investors increasingly want to take part in socially responsible projects. So this approach to investment strategies is becoming more common.

We regard liquidity, return and risk to be traditional investment criteria, among others. SRI brings in an approach referred to as ESG or "**Environmental, Social and Corporate Governance**".

We use GRI indicators as guidelines to assure transparency and quality in the information reported (balance, comparability, accuracy, frequency, clarity and reliability).

The Group's goal when applying the GRI method is to help to ensure that the information disclosed on economic, environmental and social aspects follows easily comparable criteria so that stakeholders can understand the impact of organisations in terms of sustainability.

The three pillars of sustainable development are addressed in this report, where **environmental** sustainability is oriented towards the responsible use of natural resources, **economic** sustainability is focused on efficiency and **social** sustainability relates to matters of cohesion and shared progress.

The following table contains the aspects identified as relevant to Group Ortiz's materiality and the associated GRI indicators.

GRI	GRUPO ORTIZ MATERIALITY ANALYSIS	SCOPE
GRI 102-43 GRI 103	SERVICE QUALITY AND CUSTOMER SATISFACTION Internal procedures and tools to facilitate communication between customers and companies and to evaluate customer satisfaction.	INTERNAL EXTERNAL
GRI 102-8 GRI 103 GRI 202-1 GRI 405-406	HUMAN CAPITAL AND EQUALITY Investment in training and internal procedures for evaluating professional progress and for talent retention. Equality plan in place to foment a work-life balance and reduce the wage gap.	INTERNAL
GRI 103 GRI 403	HEALTH AND SAFETY Implementation of awareness building protocols, training and controls to reduce occupational accidents.	INTERNAL EXTERNAL
GRI 103 GRI 302 GRI 305	CLIMATE CHANGE Investment in renewable energies and new policies and measures established by the Group in connection with energy efficiency, carbon footprint, greenhouse gas emissions, biodiversity, etc. to combat climate change.	INTERNAL EXTERNAL
GRI 103 GRI 406,407, 408, 409, 410	HUMAN RIGHTS A relevant aspect to reduce the risk of infringing human rights in relation to matters such as child labour, discrimination or freedom of association. Implementation of measures and controls to guarantee these rights.	INTERNAL EXTERNAL
GRI 103 GRI 201	INNOVATION Adaptation to new technologies and increase in R&D&i investment to undertake new business projects.	INTERNAL EXTERNAL
GRI 102-15 GRI 103	NON-FINANCIAL RISKS The detection and analysis of risks in all our business activities in each country from a social, environmental and good governance viewpoint is deemed relevant to promote the responsible expansion of the business.	INTERNAL
GRI 102-16-17 GRI 103 GRI 205	ETHICS AND GOOD GOVERNANCE Preparation of an internal code of ethics and policies on anti-corruption and good governance as stipulated in applicable legislation and observance of the code and policies.	INTERNAL EXTERNAL
GRI 103 GRI 203 GRI 204 GRI 413	LOCAL COMMUNITIES The Group's business has positive impacts on the local communities in which it operates, providing social wealth, employment and access to infrastructures. It also entails risks and negative impacts due to disruptions caused by construction work, such as the alteration of biodiversity, temporary noise pollution, population movement, etc. which must be managed and minimised by means of Social Management Plans and dialogue with the local community.	INTERNAL EXTERNAL
GRI 103 GRI 303, 304,306	ENVIRONMENT The necessary internal policies and procedures are in place to guarantee adequate environmental management, assessing possible adverse impacts on the environment and complying with applicable regulations, as well as obtaining Environmental Management System Certification as applicable to each project.	INTERNAL EXTERNAL
GRI 103 GRI 306-2-4	WASTE MANAGEMENT AND CIRCULAR ECONOMY Implementation and update of policies for appropriate waste management, reuse and recycling, to the extent possible, thus contributing to a circular economy through the efficient use of natural resources.	INTERNAL EXTERNAL
GRI 103 GRI 201	ECONOMIC PERFORMANCE A relevant aspect forming part of the Group's triple bottom line as it includes sustainability factors such as economic value generated, cost efficiency and profitability.	INTERNAL EXTERNAL
GRI 103 GRI 204 GRI 308 GRI 414	SUPPLY CHAIN Each mandatory policy and procedure applicable to our companies' activities must be applied to our supply chain and our suppliers must in turn observe ethical, social and environmental criteria when contracting.	INTERNAL EXTERNAL
GRI 102-43 GRI 103 GRI 201	RENEWABLE ENERGIES AND ELECTRICITY SERVICE QUALITY The new business opportunities and investment models are resulting in renewable energy project strategies that involve public and/or private entities to guarantee returns. Customers must be offered access to facilities that guarantee power supply safety and quality.	INTERNAL EXTERNAL



4. GROUP ORTIZ'S COMMITMENT



Good governance
Supply chain
People
Environment
Climate change
Innovation

4. Grupo Ortiz's Commitment 102-14, 102-15, 102-44

Dedication and commitment to make the world a better place

Grupo Ortiz is a company that means to stay in business. This reflection, prior to any goal we may set ourselves, makes us perfectly aware that planning for the future entails working to ensure that the Company continues to exist. We endeavour to take nothing for granted while bringing the business to life on a daily basis.

We work to objectives. In the process, we are inspired by our belief in the United Nations 17 Sustainable Development Goals.

All areas of the Company reflect this focus so as to align our business vision with social benefits and sustainable development without losing sight of our principles. In this way, our social impact is positive and helps to build a better world. Our management bodies continue to promote the Group's commitments to enhance aspects as relevant as good governance, quality of life, combating climate change, innovation, environmental care and value creation for society.

Grupo Ortiz's belief in sustainability is reflected in our contribution to the goals defined by the United Nations.

We contribute directly to the following goals through our business activities



Better access to improved healthcare infrastructures



Water availability, supply and treatment



Energy using renewable sources in developing countries



R&D&i investment to increase infrastructure efficiency



Energy efficiency measures and use of natural resources in infrastructure projects for communities



Goal: Reduction of CO2 emissions and further contributions to the fight against climate change



Support for the ecosystem through green zones, reforestation and fauna care and relocation



Agreements with public authorities and private bodies to ensure our projects are managed correctly

Through our Sustainability Policy



Policies such as Healthy Company and encouraging people to do sport



In-house equality plan and a workforce in which 24% are women



Talent management
Training
Work-life balance
Social benefits



Job market integration and equal opportunities



Sustainable production and new kinds of consumption



Waste management measures for toxic waste and recycling to minimise the consumption of plastics



Our Good Governance, Code of Ethics and Compliance Programme guide the Company's actions



Collaborations with various institutions to achieve sustainability objectives

Through our Cooperation Policy



Solidarity projects focused on education, healthcare, inclusion and cooperation with associations in a number of countries

Committed to Good Governance

Through Grupo Ortiz's governing bodies and our compliance model, we manage the business with the necessary transparency, effectiveness and rigour to meet social demands.

Committed to combating climate change

We believe in working and investing in projects that always respect the environment and contribute towards the fight against climate change by minimising our impact and cutting CO₂ emissions. Our renewable energy and energy efficiency projects are critical in this respect.

Committed to society and local communities

Our overall pledge to society is to help improve the quality of life.

In all our business areas, we undertake projects that contribute to sustainable and economic development in our local communities, so our business conduct must benefit all those concerned through an ongoing dialogue with local people and inputs to achieve more sustainable communities.

We also work with charities by encouraging our employees and collaborators to get involved, endeavouring to increase the number of solidarity projects year after year.

Committed to innovation

We believe that research builds knowledge and lays the foundations for growth and evolution.

Grupo Ortiz has made a promise to step up investment and improve in all aspects of R&D&i and to develop new technologies that enhance knowledge.

Innovation management forms part of the Group's integrated management system.

Committed to the environment

Grupo Ortiz has pledged to protect the environment in all our activities so as to always minimise environmental impacts associated with waste generation and consumption, as well as actions to protect biodiversity and social management initiatives in the areas affected by our projects.

Committed to people

We are aware of the great value our team brings to assure that the Company's activities go as planned, so we believe in upgrading the work environment to reach the highest standards of occupational risk prevention, we defend the use of indefinite employment contracts, we foster equal opportunities, we improve training plans to allow professional growth and we take on people with different capabilities.





RESPONSIBLE
GROWTH

COMPLIANCE

TRANSPARENCY

4.1 GOOD GOVERNANCE

Governing bodies
Crime prevention model
Cybersecurity
Communication and Transparency

Good Governance 102-14, 102-15, 102-16, 102-17, 102-18, 205-2, 205-3, 411-1, 412-1,

Governance structure. Transparency. Ethics and integrity.

Grupo Ortiz implements good corporate governance practices to bolster control and transparency mechanisms.

The Board of Directors of ORTIZ CONSTRUCCIONES Y PROYECTOS, S.A. is the body with competence to approve corporate policies, general strategies and, in particular, the corporate governance policy of the Company and its Group ("Ortiz" or "Grupo Ortiz").

Control and governance structure, combined with a culture of transparent, accessible information.

Principles of good corporate governance.

The good governance system is founded on the following principles:

1. Corporate governance strategy

The Group has a set of principles and values reflecting our commitment to corporate good governance, business ethics and corporate social responsibility.

The Code of Ethics contains these principles and values and is applicable in all activities controlled directly or indirectly by the Group.

2. Regulation of the main governing bodies

One of the roles of corporate governance is to regulate relations among the Company's principal governing bodies: board of directors, shareholders and executive management.

The professionalisation of the board of directors favours responsible business management, as does the setting of long-term sustainable growth targets.

3. Control mechanisms

The social responsibility policy aims to put controls in place and build stakeholder trust by demonstrating sound corporate governance.

4. Efficient management

Thanks to our good governance codes, administration is more efficient, better use is made of resources and fairer labour policies are put in place.

5. Risk management

The Company is permanently committed to applying corporate governance practices and to developing, overseeing and maintaining effective compliance rules and policies. The Company promises to watch out for and penalise fraudulent acts and conduct, build awareness in all workers and create a business culture of ethics and honesty, as reflected in our Crime Prevention Plan and Code of Ethics.

6. Swift decision-making

We have a management structure in which decisions are made more quickly and effectively.

7. Creation of synergies between business objectives and stakeholders.

8. Benefits for the economy. Job creation

The Group is responsible for generating economic, social and environmental benefits in the interests of a better, fairer society. Good corporate governance practices enhance the transparency of companies, revealing their true social impact. Good governance is the basis of good performance and favours growth and job creation in society.

The business project's long-term sustainability is upgraded thanks to the **regulations and codes of good practice** implemented by **regulators** and the Group's own rules and ongoing management training.

Grupo Ortiz's Bylaws do not lay down any kind of restriction or maximum limit on the exercise of voting rights by shareholders. Neither are there any legal or Bylaw restrictions on the acquisition or transfer of shares, besides the pre-emptive acquisition right reciprocally recognised by all shareholders in accordance with the Spanish Companies Act.

Sustainability matters are coordinated by the following bodies in terms of strategy and decision-making:

1. SHAREHOLDERS - GENERAL SHAREHOLDERS' MEETING

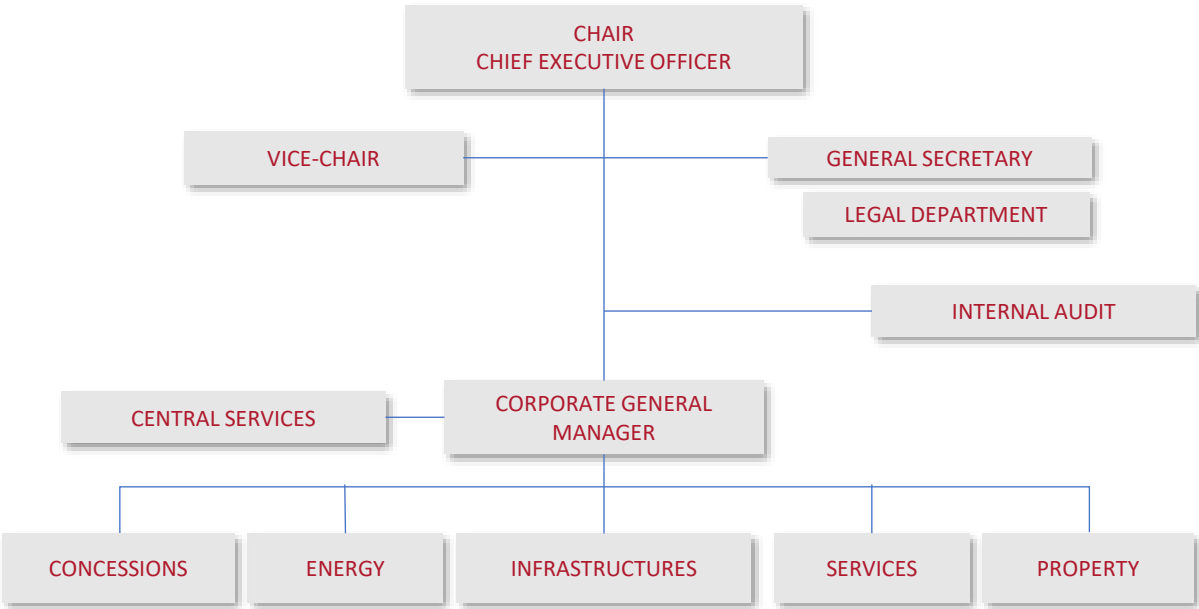
2. BOARD OF DIRECTORS

3. MANAGEMENT COMMITTEE

4. COORDINATION COMMITTEE
5. SUSTAINABILITY COMMITTEE

6. COMMUNICATION AND HR COMMITTEE

7. ETHICS AND CRIME PREVENTION COMMITTEE.



GOVERNING BODIES

Shareholders – General Shareholders' Meeting ¹⁰²⁻²²

At the preparation date of this Non-Financial Information Statement, the share capital of the parent company (ORTIZ CONSTRUCCIONES Y PROYECTOS, S.A.) consists of 1,913,226 fully-subscribed and paid-up registered shares with a par value of €30.05 each.

Since it was incorporated in 1961, the parent company's capital has been held by people closely related to the Company, mainly workers and managers, who still own their shares or have passed them on to their direct heirs. This highlights the authentic profile, loyalty and continuity of our shareholders.

These are shareholders who, since the Company was formed, have made and carry on making a firm commitment to this business group, where importance is given to both the business and the human team, in which our shareholders feel they belong.

The spirit of continuity has been passed down from generation to generation, so those that inherit the shares remain loyal and trusting, assuring a stable shareholder structure with no need for agreements on relations with the Company and the Group.

Shareholdings are as follows:

- *Participaciones la Cartuja, S.L. holds 48.88%.*
- *Carpingran Sociedad Participada, S.L. holds 7.17%*
- *Participaciones CGA 2014, S.L. holds 7.53%.*
- *28 minority shareholders own 36.42%*

The Company (Ortiz) has no beneficial owner because no natural person directly or indirectly owns more than 25% of share capital.



Grupo Ortiz's shareholders form part of the business project through a relationship of trust and loyalty

Board of Directors

The Board of Directors is the ultimate management and representative body.

The Board's composition is designed to ensure that shareholders are represented in the fairest way possible based on their interest in the Company's capital.

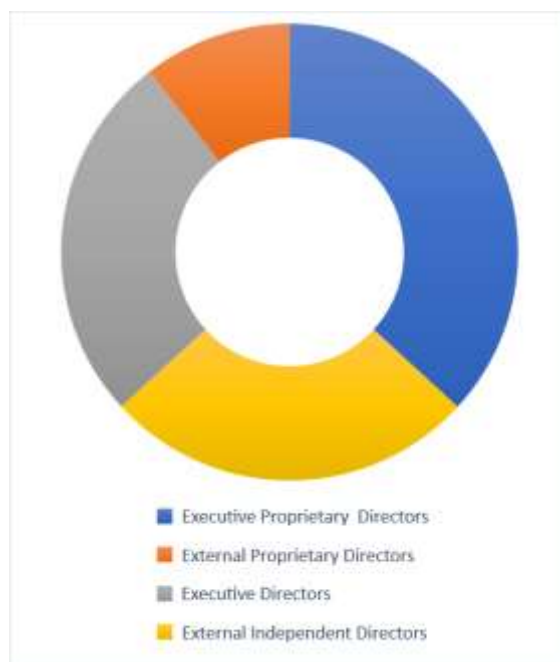
Board members are in the following categories:

- Executive nominee directors 3/8
- External nominee directors 1/8
- Executive directors 2/8
- Independent external directors 2/8

The parent company's Board of Directors currently has eight members:

- Mr. Juan Antonio Carpintero López
- Mr. Emilio Carpintero López
- Mr. Javier Carpintero Grande
- Ms. Sara Carpintero Grande
- Mr. Raúl Arce Alonso
- Mr. Juan Luis Domínguez Sidera
- Mr. Carlos Cuervo-Arango Martínez
- Mr. Alejandro Moreno Alonso

Chart showing Board membership by type of office.



The Group's Board has brought in two professional independent external directors since 18 December 2002, by resolution of the Extraordinary General Shareholders' Meeting of ORTIZ CONSTRUCCIONES Y PROYECTOS, S.A.

Grupo Ortiz's Board of Directors also receives legal counsel from Mr. Abelardo Hernández Fernández, a government lawyer on leave of absence, who attends all Board meetings in his capacity as legal advisor.

Women account for 12.50% of the total number of Board members, as in the previous year.

The directors receive an attendance allowance for each Board meeting the amount of which is determined by the Annual General Meeting in accordance with the Spanish Companies Act.

The Board of Directors has delegated all its powers, barring those that may not be delegated, to the Chief Executive Officer.

The Occupational Risk Prevention functions were delegated to the manager of Grupo Ortiz's Joint Prevention Service in the Board meeting of 15 April 2015.

The Board of Directors has the broadest powers for all matters related to Company administration, representation and management, as well as the administration and management of its assets and all powers not attributed by law or the Bylaws to the General Shareholders' Meeting.

2019 Board meetings, announcements and agendas:

The Board meetings were called sufficiently in advance and all the agenda items were included in the announcements. Certain matters, in particular the follow-up of the business plan and regulatory compliance, were repeated.

Duration of Board meetings and documentation furnished:

The duration of the Board meetings was sufficient to address the agenda items to the depth required.

The Board directors were provided, sufficiently in advance, with all the information and documents necessary in relation to each agenda item to ensure that they could participate actively in deliberations and decision-making.

Minutes of the meetings, deliberations and Board secretary's role:

The minutes of each Board meeting were approved at the start of the following meeting.

The non-executive directors considered the information received to date to be complete and to have been furnished sufficiently in advance to form an informed opinion.

The Board secretary acted objectively and impartially, playing a key role in assuring that the Board's procedures were followed and reviewed regularly.

In addition to this advisory and support function, the Board is responsible for overseeing the Management Committee's activities, representing the interests of shareholders and of all those involved with the Company, and assuring compliance with prevailing legislation.

In fact, these two governing bodies complement and obtain feedback from each other. Both the Board of Directors and the Management Committee have responsibilities in common areas of good governance and business management, but each has its own specific functions on two levels, approval and execution:

The Board of Directors proposes the inclusion of new Board directors and removal of existing ones, as well as directors' remuneration, for ratification by the General Meeting. Board directors are selected avoiding conflicts of interest so as to facilitate the resolution of conflicts of interest between the Company and its significant shareholders, directors or managers.

The Group fulfils the transparency principle, not only in formal terms but also from a qualitative perspective by providing the shareholders with complete and accurate information on the Board's management of the Company's affairs, activities and figures, paying special attention to related-party transactions and conflicts of interest.



Management Committee

The Management Committee is formed by the executive team and led by the Chief Executive Officer. Its main mission is to project the Company into the future, focusing on financial and non-financial objectives that are defined by the Board of Directors.

The members of Grupo Ortiz's Management Committee are as follows:

- Chief Executive Officer.
- Corporate General Manager (finance and business).
- General Secretary (legal).
- Corporate Development Director (organisation).
- Department directors are also occasionally invited to meetings.

The Management Committee carries out the following tasks:

- Proposing the five-year Business Plan and the annual budget to the Board of Directors.
- Defining and promoting the corporate culture.
- Together with the other committees, it is involved in business strategy and sustainability decisions.
- Regularly assessing the degree of fulfilment of GRUPO ORTIZ's objectives and taking decisions in the event of non-fulfilment.
- Proposing improvements and investments to the Board of Directors.
- Assessing and analysing certain projects which require oversight in view of their size, timeline and strategic significance.
- Leading and developing the Group's entire human team.

Coordination Committee

The Coordination Committee is formed by professionals with different posts and responsibilities in the Company, all of whom have broad experience.

It meets once a week and liaises between the Management Committee and the Group's other areas.

The Coordination Committee, chaired by the Chief Executive Officer, brings together all the production and general services areas and is in charge of defining priorities for projects so as to enhance efficiency and speed during the day-to-day management of activities, ensuring that the Group's principles and values are observed.

In recent years, Grupo Ortiz has changed its business and management approach to a project-based system.

Sustainability Committee

In January 2019, the Sustainability Committee was formed by employees of the departments engaged in sustainability initiatives and in preparing the Non-Financial Information Statement (NFS). The committee is integrated with the Management Committee and they work together on all sustainability matters.

Composition:

- Corporate Development Director
- Human Resources Director
- Heads of the Corporate Social Responsibility area
- Communications Department
- Human Resources Department
- Training Department



The committee is responsible for delegating tasks and monitoring the commitments made and targets set in relation to good governance, the environment, climate change, communities, employment, innovation and health and safety, its main functions being:

- Prepare and submit sustainability policies to the Board of Directors, working with the Management Committee.
- Draw up and report on the NFS prior to approval by the Board.
- Monitor the Group's involvement in achieving the SDGs.
- Assess and review the implementation of sustainable development and corporate social responsibility policies.
- Foster a culture of sustainability among the organisation's members.
- Inform and advise on sustainability matters.
- Report on sustainable development, trends and objectives.

The Sustainability Committee holds weekly meetings and may be convened by any governing body whenever necessary to ensure that issues are properly monitored.

Communication and Institutional Relations Committee

The Communication and Institutional Relations Committee was formed in September 2019. It holds monthly meetings to oversee actions undertaken by the Communication and Institutional Relations Department and to direct Grupo Ortiz's communication, image and institutional relations strategy in all the countries in which we operate.

Members of the Communication and Institutional Relations Committee:

- General Manager
- General Secretary
- Corporate Development Director
- Human Resources Director
- Institutional Relations Director



CRIME PREVENTION MODEL

Grupo Ortiz has a **Criminal Risk Prevention System** to prevent or minimise the risk of crime and malpractice in the organisation. The system's overall scope spans all the Group companies and all the geographic areas in which business is deployed.

The programme is based on a **Code of Ethics** that reflects our belief in integrity and is the common reference framework for ethical behaviour and legal compliance in all sectors and geographic areas, regardless of cultural peculiarities in each location. Applying the code, a set of procedures has been put in place covering all business processes. The Code of Ethics can be downloaded by visitors to the corporate website.

In 2019, work began on a new version of the **Whistleblower Channel** protocol for reporting behaviour that could infringe our Code of Conduct or prevailing legislation. It is also a consultation tool for any issues related to the infringement or interpretation of rules. In 2019, 7 reports were received and case files were opened.

The whistleblower channel may be used by both employees and stakeholders, using a website form or the email address comitecodigoetico@grupoortiz.com, as well as by post.

The **Ethics and Crime Prevention Committee** is the body designated by the Board of Directors to oversee and update the Crime Prevention System. The **committee** has a chairperson and 4 members.

The main tools employed in our Crime Prevention System are the following rules and control bodies:

Code of Ethics	Absolute observance of the law and business ethics.
Ethics and Crime Prevention Committee	Body responsible for the compliance Policy.
Crime Prevention Plan	Set of internal legal and ethical prevention and control rules.
Anti-Corruption Policy	Set of anti-corruption rules. Zero tolerance.
Whistleblower Channel	Confidential, secure.

Strategy and ethics

Grupo Ortiz has a set of principles and values reflecting our commitment to corporate good governance, business ethics and corporate social responsibility.

The Code of Ethics contains these principles and values and is applicable to all the companies controlled directly or indirectly by the Group.

All those that form part of Grupo Ortiz and those who work with us must respect diversity, inclusion and non-discrimination. The Code of Ethics is available in the website and the internal compliance procedures may be consulted by all the Group's personnel in our shared digital files.

Grupo Ortiz's Code of Ethics set out the principles and standards for good corporate governance.

It reflects the Group's belief in integrity in all acts and processes, guiding all our employees' actions in line with applicable legislation and ethics.

Pursuant to Article 31 (ii) of the Criminal Code, the **penalty regime** defines infringements of the Code of Conduct and of all Grupo Ortiz's regulations on crime prevention and internal procedures as a minor, serious or very serious sanctionable offence, depending on whether or not financial harm is caused and the amount, or if there are criminal or reputational implications for the Group.

The **anti-corruption policy** is an important part of the Crime Prevention System. All kinds of corruption are prohibited in line with internationally recognised criteria and practices: the United Nations Convention against Corruption (UNCAC), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Council of Europe Criminal Law Convention on Corruption, the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and the Spanish Criminal Code. Bribery of all kinds and facilitating or grease payments are specifically prohibited.



Observance of the anti-corruption programme is mandatory at all levels and for all functions and areas of the Company.

The anti-corruption policy is completed by the following guides:

- Anti-Money Laundering Guide.
- Sponsorships, Donations and Patronage Guide.
- Gift Acceptance and Giving Guide.

The **main activities** undertaken by Grupo Ortiz in 2019 under our Crime Prevention and Detection Model were as follows:

I. Internal audit of the following offences:

- **Money laundering.** Art. 302 of the Criminal Code. In association with the law firm SMA Abogados y Asociados.
- **Environmental offences.** Art. 328 of the Criminal Code. Completed pursuant to ISO 14001. AENOR
- **Privacy offence and unauthorised access.** Art. 197 of the Criminal Code. SMA Abogados. New risk assessment.
- **Offences against workers' rights.** Health and Safety. Art. 316 of the Criminal Code. AENOR CERTIFICATE. OSHAS audits.

II. Report processing:

- Of the seven reports received, two were shelved due to insufficient proof and the rest were investigated without finding evidence of an offence.

Complaint Management Process



III. Update of the Crime Prevention System.

- The Crime Prevention Manual is under review.
- New protocol for Private Agreements with Third Parties. Process simplification, greater control over risks and specification of those responsible.

IV. Compliance training and awareness

- Through the Training and Communication Departments, Grupo Ortiz assures that our employees are aware of and familiar with the relevant procedures applicable to their performance. This forms part of the Annual Training Plan.
- Nine face-to-face data protection training sessions were taught in 2019.
- Compliance module in the annual workshops for technical and site personnel.
- Compliance module in the annual workshops for expatriate personnel.
- The compliance procedures, Code of Ethics and Whistleblower Channel information were distributed by email and included in the internal newsletter for May.

V. Analysis of partners and customers

- These processes are carried out before entering into any business relationship so as to have control over our customers' and collaborators' ethical conduct and compliance. In 2019, 36 partners and 19 customers were analysed.
- The Crime Prevention System must continue to expand and improve in 2020 so as to have the capacity to adapt and not only gradually improve but also remain useful in the changing circumstances faced by the organisation and society.

CYBERSECURITY

In view of the threats and mass cyber attacks currently suffered by many companies, in 2019 we initiated protection measures to avoid computer viruses, private data theft, conversation theft, identify theft and digital reputation damage.

A risk analysis was first carried out to identify threats, frequency and consequences before preparing a security plan.



Actions implemented under the Security Plan

Viruses (all):

- Antivirus software in equipment
- 70% of users no longer have administrator permissions (cannot install anything)

Damage to data/information:

- Daily back-ups of application DBs and work in the network

Damage to equipment (all equipment):

- Hardware renewal (85%)
- High server availability

Unauthorised access (all):

- Corporate data protected by permissions

Unauthorised access (all):

- Corporate data protected by permissions

Penalties (all):

- GDPR (General Data Protection Regulation)

Electrical failure (headquarters):

- Uninterruptible power supply (UPS) to network servers and electronic devices (UPS 20 minutes)
- Power generator

Identity theft (all):

- Protection of Board director/senior manager data
- Centralised payment policies and procedures (non-acceptance of email payment orders)

Fire (headquarters):

- Fireproof data centre in the headquarters
- Smoke detectors in the data centre and building
- Fire extinguishers in the building

Flooding (headquarters):

- Waterproofing between floors

Investment in new technologies

The investment made in 2019 in both software and hardware brought us up to date with the latest technologies so that our services and outputs can meet market needs while at all times seeking efficiency and effectiveness. The aim is to flee from obsolescence and lean towards excellence.

The Group's investment in new aspects such as digitalisation and Office 365 means that we can strengthen employment relationships through an exponential rise in the speed of communications and processes among all our work centres.

All software tools are officially licensed.

€515,000
Investment
in ICT






COMMUNICATION AND TRANSPARENCY

Our communication channels allow an effective relationship based on trust and insight as we report on the Group's actual situation.

Grupo Ortiz publishes all its financial and corporate data so that our stakeholders can access information on economic, social and environmental matters that is public, accessible, clear, complete and accurate.

To achieve all this, Grupo Ortiz needs a suitable Communication Plan to optimise external and internal channels, increasing our capacity to inform our stakeholders of actions implemented, thereby highlighting their significance.

This Communication Plan is implemented through the following channels:

 Information	By means of corporate media (website, newsletter, presentations and dossiers, etc.), our stakeholders can access all the Company's information.
 Image	The Institutional Relations Department oversees the corporate pieces and content prepared to ensure that communication is aligned with the Group's purposes and identity.
 Market communication	By reporting price-sensitive information in the Group's markets (Alternative Fixed Income Market and Alternative Stock Market), bondholders and investors can access relevant economic and financial data.
 Internal communication	By means of the corporate website, internal communiqués and the monthly newsletter, employees are kept up to date with the Company's most important events.
 Digitalisation	The Company is currently undergoing a cross-cutting digital transformation that will optimise our internal processes.

Our strategy in the communication process is based on:

- ✓ Loyalty-building in investors, shareholders and financial institutions.
- ✓ Transparent, truthful information.
- ✓ Active presence in markets (Alternative Fixed Income Market and Alternative Stock Market).
- ✓ Low profile in the media.
- ✓ Improvement of the Company's internal communication to retain talent, attract new talent and build loyalty.
- ✓ A continuous digital presence.

Access from Spain: 44%
Other access: Mexico, Colombia, Peru, Panama
LinkedIn per year: 19,000 persons
Page most visited: "work with us"

No. of Grupo Ortiz websites: 16
People who access the websites per year: 124,000
People who access the websites per day: 300

“THE MOST IMPORTANT
THING ABOUT
COMMUNICATION IS TO
LISTEN TO WHAT IS NOT
SAID.”

Peter Drucker

Main actions taken in 2019 through our communication channels:

- **10 internal newsletters published** addressing sustainability, relevant new contracts, the Group's financial information and results, etc. The average rate of opening is 39%, the June newsletter being the most read at 43.7%.
- **60 internal communiqués sent out** (HR, IR, Systems, Medical Service, Concessions, Chairperson's Office, Corporate General Management, Maintenance, CSR) and **7 external corporate communiqués** (MARF, bondholders, investors and insurance).
- **Information sent to the market** for our stakeholders:
 - Alternative Stock Market:** Price-sensitive information on GOP SOCIMI, financial information, audited annual accounts, General Shareholders' Meeting announcements.
 - Alternative Fixed Income Market.-** Price-sensitive information on ORTIZ CONSTRUCCIONES y PROYECTOS S.A, financial information, audited annual accounts, rating update, General Shareholders' Meeting announcements.
- **Monitoring of news on Grupo Ortiz** in different media. 115 news stories referring to Grupo Ortiz were analysed in 59 different media.
- **Updating the corporate website** (front page, investor area, business (concessions, energy, construction, services and property), human resources, sustainability, prevention and safety, etc.
- **New corporate website** (text preparation, audiovisual content, review of drafts, strategy). This new website is designed to provide an overview of Grupo Ortiz today by means of a modern digital design compatible with all devices.
- **Management report and annual accounts.**

Covering all the Group's financial data and business activities. They are filed at the Commercial Registry and posted on Grupo Ortiz's own website.
- **Non-Financial Information Statement** (Sustainability Report).

Addressing all sustainability aspects and progress each year. Available in GRUPO ORTIZ's website and in the intranet. As from the current year and following the approval of the Law on Non-Financial Information, it will be attached to the annual management report.
- **Progress report for the Spanish Global Compact network.**

At the same time as the annual Sustainability Report, the Global Compact progress report required by the United Nations for the Group to remain a signatory is being drawn up. It is a public report and may be accessed through the Spanish Global Compact network's website.



BRAND REPUTATION January-December 31st

2018 🔍

2019 🔍

POSITIVE NEWS 😊 65%
NEGATIVE NEWS 😞 24%
NEUTRAL NEWS 😐 11%
175 news stories analysed

POSITIVE NEWS 😊 65%
NEGATIVE NEWS 😞 18%
NEUTRAL NEWS 😐 17%
115 news stories analysed

Group's presence in the main Spanish and international media



AVERAGE % OF PEOPLE WHO OPENED THE NEWSLETTER
39.0%

CLASSIFICATION OF NEWS STORIES BY THEME

- 🏢 projects 29%
- ★ new contracts 22%
- 🏛️ legal 13%
- 📊 financial data 9%
- 📰 general articles 9%
- 🔄 sponsorship 3%
- 🏆 prizes 3%
- 📄 tenders 4%
- 🤝 customers 2%
- 👤 services 2%
- 🏢 Socimis 2%
- 👤 Customers 2%
- 🏠 urban development 1%
- + partners 1%
- 🏢 Ccs concessions 1%
- 🚨 Incidents 1%

TOP 10 MEDIA THAT HAVE PUBLISHED NEWS RELATING TO GRUPO ORTIZ

NEWSLETTER





TRANSPARENCY. Keep up the quality of publications and increase reach and frequency using specific online communication tools that are more accessible and intuitive. The imminent launch of Grupo Ortiz's new website in two languages (Spanish and English) will be a decisive step.

Increase the number of channels targeting all the Company's stakeholders. This will entail preparing a specific communication plan for website content and the Group's profile in the 3 social media used.

SMOOTH, EFFICIENT COMMUNICATION. Develop existing protocols to systematise communication and create new ones to boost process quality, reducing interference and the number of steps the recipient has to take to obtain the information.

Finalise and deploy the website and the corporate intranet to harness their potential as the Group's information points.

Complete the brand unification in all media through cross-cutting actions that define us as a sustainable enterprise.

ENHANCEMENT OF GRUPO ORTIZ'S BUSINESS STRATEGY. Speed up the upgrade of databases shared by different departments in the interests of efficient multidisciplinary work.

Prepare our own content focused on the activities of each business area. The spotlight will also be put on special initiatives relating to significant dates so as to recall the Group's origins as well as present and possible future events.

Prepare a timeline of external information activities relating to the Group's business lines.



4.2 VALUE CHAIN



Local communities
Social action
Customers
Supply chain

4.2 Value chain

102-12, 102-13, 203-1, 203-2, 204-1, 308-1, 308-2, 409-1, 412-1413-1, 413-2, 414-1, 414-2, 416-1, 416-2, 418-1

Our work continues so that everybody benefits

The projects undertaken by all our business areas have a **considerable social impact because they promote sustainable and economic development in our local context and improve quality of life by creating more sustainable communities.**

Our business activity and strategy are aligned with our relationship with all stakeholders, the environment and society.

In 2019, we honoured our commitments to customers, we fostered sustainable consumption and we helped to reduce environmental impacts.

Innovation in our projects, ongoing training and transparency were again matters of the utmost importance as a responsible company.

Corporate Social Commitment, Sustainability and Good Governance: New internal awareness building initiatives were undertaken in 2019 so that each employee is conscious of the significance of these aspects in and outside the organisation.

On 25 July, our Corporate General Manager took part in the COFIDES event announcing the strategic plans that must be followed by businesses to favour responsible investment in three essential areas: **globalisation, development and sustainability.**

Climate change: In 2019 we established the measurement and calculation methods for our carbon footprint in relation to Scopes 1 and 2 in order to reduce CO2 and greenhouse gas emissions. The findings were satisfactory.

Business ethics. New training courses, awareness-building initiatives and protocols were implemented so that all our employees are familiar with their responsibilities during work and relations with customers and suppliers.

Occupational health and safety. During 2019, 721 control and oversight visits were made to work centres, including all the projects in Colombia and Mexico.

"NON-discrimination". New additions of personnel in situations of social exclusion in our services company INDITEC and of people with different capabilities in GO BARAJAS.

Social management and training plan. Besides the plans previously implemented, in 2019 a new management plan was drawn up for the "La Lucha" photovoltaic plant in Mexico, in association with the local community, to reduce impacts and minimise risks.

Sustainability, biodiversity, waste treatment and management and water treatment training actions were also launched targeting employees in several countries. Employees received training on the main environmental issues: global warming, caring for water and rivers, species in danger of extinction, forest fire prevention and water scarcity.

"A responsible company is one that manages to align business values with those of its employees and stakeholders. It also helps to combat climate change and implements sustainable projects and investments.

***Sustainability Committee
Grupo Ortiz***

LOCAL COMMUNITIES

Our pledges to communities

We work on projects requiring a permanent relationship between the enterprise and communities, seeking harmony between economic profitability, social wellbeing and environmental protection. Our business activity brings major social improvements and benefits, particularly in emerging countries and geographically underprivileged areas, while boosting local employment, economic development and training programmes.

We work with all social agents involved to build a fairer, more sustainable society by promising to:

- Carry on our activities in a socially responsible way, respecting cultural diversity and principles in the local communities.
- Comply with legislation applicable to the local people.
- Respect biodiversity on the land affected by our business activities.
- Invest in projects that favour economic growth and demographic development
- Develop social management plans in each ongoing project to provide inhabitants with resources to minimise adverse impacts and meet local needs.



Grupo Ortiz's positive influence on society relates to three main areas:

- **Investment in sustainable projects.**
- **Social action and cooperation.**
- **Actions carried out through our Volunteering Programme.**

100%
Investment in
Sustainable Projects

On 7 June 2019, Grupo Ortiz submitted a new progress report for 2018 as a signatory of the United Nations Global Compact, to which we adhered in 2010. The progress report can be consulted online in the website:

https://compactlink.pactomundial.org/services/documentmanager/file_handlers/embed_file.php?h=c489a293188f3db2ae775e630322dd4551a41559905085



Grupo Ortiz believes in contributing to all the United Nations Sustainable Development Goals (SDG) that affect our business.

Investment in Sustainable Projects.

Both Grupo Ortiz's investment in sustainable projects and our own business activity are particularly relevant in **developing countries** as we foster local development.

We provide solutions for transport, healthcare and energy infrastructures. **Grupo Ortiz's socially responsible investment reflects Environmental, Social and Corporate Governance (ESG) criteria**, which we in turn demand from all those involved.

465 MWp Renewable energies	680 Km Road infrastructures	HOSPITAL MEXICO & COLOMBIA Healthcare infrastructures	3,600 SPACES Car park infrastructures	Environmental, cultural and sports infrastructures
32,390 t of CO ₂ emissions avoided	Building wealth in local communities	Healthcare for 650,000 people	Less polluting mobility	Environmental care and access to culture and sports
				

We have brought social benefits to people in each project's area of influence in the form of programmes and initiatives to create sustainable communities and through a business approach and behaviour that favours all parties.

Improved transport, energy and healthcare infrastructures 	Training and awareness building for local workers on environmental, social, human rights and peace management matters 	Energy efficiency measures and use of renewable natural resources. 465 MWp in photovoltaic and solar thermal plants
Environmental and social responsibility plans. Awareness building and training in waste management and recycling 		Training actions in communities to address the impact of projects, reaching over 4,000 social agents
Support for ecotourism. Planting of green zones using local species. Reforestation of affected areas and relocation of fauna	Development of impoverished, depopulated rural economies	Direct local job creation in 2019

SOCIAL ACTION

Cooperation

Grupo Ortiz **cooperates with various associations and foundations** so that, through their projects, we can help the most disadvantaged population groups by supporting social inclusion, education, healthcare, sports and culture.

Social inclusion

- ✓ **AFIM Foundation.** Annual collaboration favouring job market inclusion for people with different capabilities.
- ✓ Collaboration with the **INUIT FOUNDATION** to support several education, development and social inclusion projects.
- ✓ Participation in a creative workshop for disabled people provided by the **Prodis Foundation** (Madrid) and organised by Obra Social La Caixa.
- ✓ **Habitat project** using 3 rented homes to give special benefits to homeless people.
- ✓ Participation in **Cruz Roja's** Annual Draw to help socially disadvantaged families.
- ✓ Helping to manage funding for the St. Jude Children's Home in Uganda through Obra Social la Caixa.



Education

- ✓ Monthly collaboration with **Zerca y Lejos**. Thanks to our contributions to this NGO, two pre-school education centres are still open in Cameroon for more than 40 children.
- ✓ Collaboration with **Arquitectura sin Fronteras** by means of a solidarity draw organised by employees and a direct contribution from Grupo Ortiz to build two primary school rooms in Senegal.



Health

- ✓ Annual contribution to **GAVI ALLIANCE**. Since 2008, we have cooperated with this foundation engaged in vaccinating children worldwide, more than 700 children having been treated to date.



Sport

- ✓ Contribution of 25% of **monthly gym fees** for employees to encourage them to exercise. More than 30 people currently benefit from this.
- ✓ Annual contribution to **Fundación Deporte Joven** to foster exercise and healthy habits in children and young people.
- ✓ Collaboration with the **solidarity race against cancer** held in Alboraya (Valencia).
- ✓ Distribution of **37 corporate t-shirts** bearing the Grupo Ortiz logo for runner colleagues. The amount paid for each t-shirt will be donated to charity.



Culture

- ✓ We take part in activities such as talks on matters of relevance to our employees and we collaborate with the **publication of books relating to our areas of influence, as well as with foundations set up by universities and music schools.**

Volunteering Programme

One of our objectives was fulfilled in 2019 when Grupo Ortiz's volunteering programme was launched to organise awareness raising, social inclusion, environmental and sports activities. We currently have a total of 21 volunteers.

- **The “Three Rs” campaign** at Grupo Ortiz’s headquarters: Reuse, Reduce, Recycle. Employees are participating in this awareness campaign on the proper management and recycling of waste.
- **Awareness workshop** on caring for our environment targeting Grupo Ortiz's employees, families, friends and neighbours in association with Madrid City Council.
- **Open day for young students.** On 20 June 2019, we were visited by a group of young students so they could witness the day-to-day life in a company and gain perspective for the future.
- **Workshop to promote environmental volunteering in Panama.** In October 2019, a workshop was led by the National Director for the Promotion of Environmental Responsibility to foster volunteering committed to the Sustainable Development Goals and combating climate change. It was attended by over 30 administrative and technical personnel.
- **Training initiative for plumbing students.** In October, technical personnel from Grupo Ortiz volunteered to teach students of plumbing at the Tomillo Foundation.
- **Christmas toy collection campaign.** Collecting toys in November and December for distribution to the NGO “Ningún niño sin Sonrisa” (No child without a Smile).
- **Open Office at the Marcovia plant (Honduras).** Training day for students of the highschool Instituto "Superacion" Choluteca when our colleagues taught a course that included a visit to the photovoltaic plant.
- **Charity paddle tennis tournament.** The first paddle tennis tournament was organised in favour of the Las Claves de la Felicidad Foundation, which is engaged in helping minors who live in shelters in the Madrid region.
- **Participation in the “Companies Race”:** Colleagues from Grupo Ortiz took part in the traditional Companies Race to encourage the workforce to do sport.



Open day for young students



Awareness workshop

CUSTOMERS

Business excellence and customer satisfaction remain Grupo Ortiz’s main goals. We achieve this thanks to a personalised service and a dialogue guaranteeing that the commitments and expectations of both company and customers are met.

We measure customer satisfaction through post-project surveys in which suggestions can be made.

All these aspects allow us to carry out remarkable projects to a high level of technical complexity with the focus on continuous innovation. Information, technology and occupational safety must form part of daily activities.

As in our business areas, our customer portfolio is also very diversified. Our Concessions area now manages a varied customer portfolio, undertaking infrastructure projects (roads, railways, car parks, environment, culture, sports, service stations) and energy projects (solar thermal, wind, photovoltaic, energy efficiency).

Nearly all our projects are in the operating phase.



GLOBALLY DIVERSIFIED
CUSTOMER PORTFOLIO

PRIVATE ENTITIES

- NORTHLAND POWER
- ALTEN CUBICO
- CLH
- TERNA
- PACIFIC SOLAR
- X-ELIO ENERGY
- ENDESA
- NATURGY
- AENA
- TRINA SOLAR
- DHAMMA ENERGY
- ALTAMIRA
- SERVIHABITAT
- CANADIAN SOLAR INDUST.
- GRUPO ONYX
- BOSA
- RED DE ENERGIA DEL PERÚ
- PLENIUM PARTNERS
- GRUPO RIU
- PRIMARK
- ALDI
- GESTILAR

PUBLIC BODIES

- CENTRAL GOVERNMENT
- LOCAL GOVERNMENT
- REGIONAL GOVERNMENTS
- MEXICO FEDERAL ELECTRICITY COMMISSION
- GOVERNMENT OF PANAMA
- PANAMA NATIONAL INSTITUTE OF AQUEDUCTS AND SEWAGE SYSTEMS
- ISSTE
- COLOMBIAN NATIONAL INFRASTRUCTURE AGENCY
- COLOMBIAN NATIONAL ROAD INSTITUTE
- SINDETER
- ADIF
- MADRID METRO
- CONADES
- MADRID METRO
- BOGOTA METRO
- PUBLIC SCHOOLS AND UNIVERSITIES
- HOSPITAL UNIVERSITARIO 12 DE OCTUBRE
- COLOMBIAN ENERGY MINING PLANNING UNIT



Average level of
satisfaction

4.3 out of 5

SUPPLY CHAIN

Grupo Ortiz has implemented a procurement model aligned with all aspects of environmental respect, human rights and good practices.

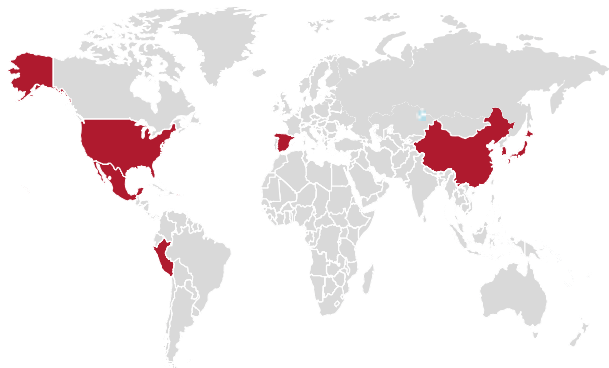
We have adapted to a constantly changing market by implementing a series of improvements in order to work efficiently and sustainably with our supply chain, all of which forms part of our new procurement procedure.

Our Legal Department has drawn up global framework agreements which are now entered into with the Company's strategic suppliers so as to continuously improve the procurement process. Our essential commitment is to bring value to the supply chain and we require our suppliers to apply the same sustainability policies and good practices, as well as a pledge to reduce environmental risks and the infringement of human rights.

PURCHASING VOLUME 2019

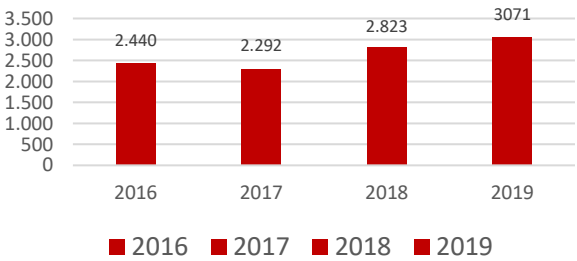
95% of our purchases came from seven countries in 2019:

Spain, Mexico, China, Japan, Peru, United States and South Korea.

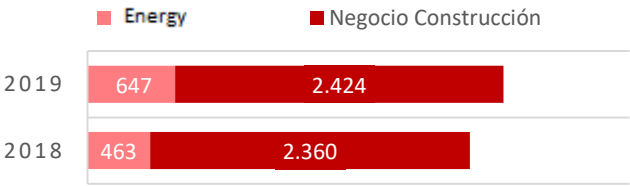


SUPPLY CHAIN DATA

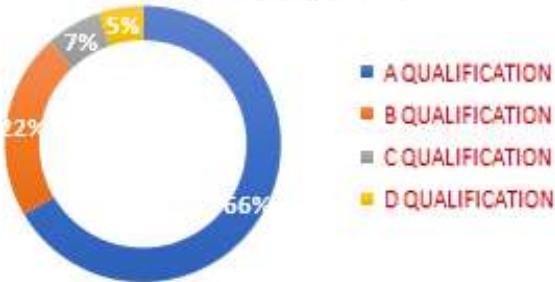
CONTRACTS SIGNED



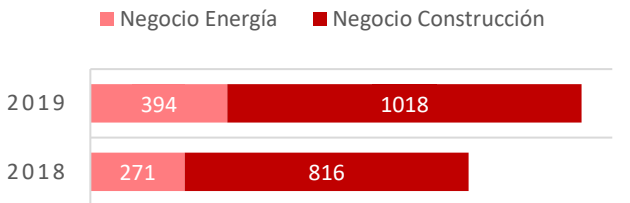
CONTRACTS SIGNED BY BUSINESS AREA



2019 CLASSIFICATIONS



NO. OF SUPPLIERS



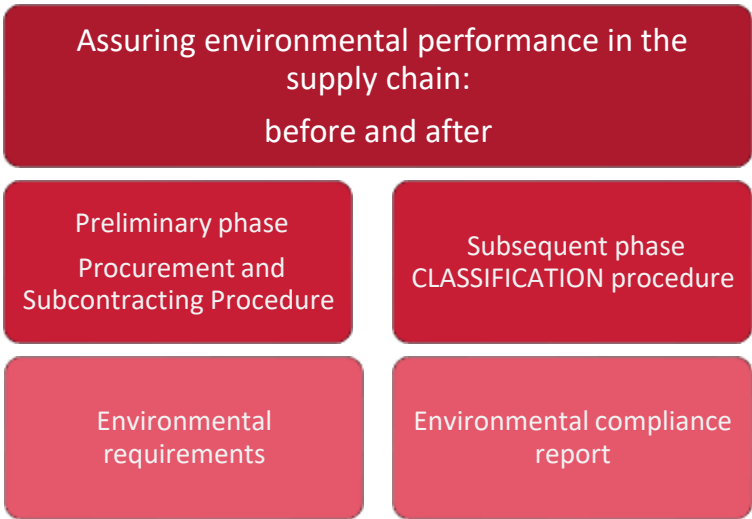
Classifications to be assigned to suppliers are based on their scores for quality, environment, deadlines and cooperation.

Suppliers are chosen by means of a **classification process** taking into account sustainability criteria such as waste management and environmental care, quality and occupational safety systems, and compliance with labour legislation on respect for human rights.

Environmental performance of subcontractors

Grupo Ortiz assures that subcontractors of both services and supplies comply with a code of ethics. Our Procurement and Subcontracting Procedure also includes supplier classification.

This procedure lays down the system to be followed to purchase the materials and equipment necessary to execute the projects, services or activities carried out by Grupo Ortiz, as well as to subcontract services to collaborating companies. It defines the activities necessary to assure that procurement and subcontracting are managed effectively, including quality and compliance with environmental requirements.



We have pledged to cut emissions, discharges and energy consumption to reduce our environmental impact.

The supplier classification procedure defines the criteria for identifying and classifying suppliers of materials or equipment, and subcontractors, so as to assure that they are correctly classified with an A, B, C or D before the following purchase or service is contracted.

When a subcontracted service is completed, the subcontractor is classified from an environmental viewpoint by means of the **Contract Compliance Report**.

Mandatory standard contractual clauses are included in contracts for services, works execution contracts and supply contracts and must be observed by the subcontractor in all relations with Grupo Ortiz companies.

An operational follow-up and control procedure is also carried out *in situ*.

The procurement and subcontracting procedure put in place by the organisation is audited every year by an external certification entity.

The following audits were performed in APRIL 2019:

AENOR AUDIT.

Dates: 1 April 2019 – 12 April 2019.

Findings: Correct implementation of the procurement and subcontracting procedure.

Correct assessment of the organisation's approved suppliers.

The Audit Report refers to the integration of the procurement process into the e-GIO system as a **STRENGTH**.

There have been no cases of Non-Approval related to the procurement and supplier assessment procedure.

GRUPO ORTIZ makes sure to inform suppliers of our Code of Ethics and social policy and to obtain a related contractual commitment



External audit certifying suppliers and subcontractors

A migration is currently in progress to a system integrated in the Group to improve information quality and management.

Communication with suppliers: The **Supplier Portal** assures effective, transparent communication during the contract award process and also allows suppliers to consult status at all times.



Grupo Ortiz monitors sustainability so as to ensure a positive impact on society and the environment thanks to a sustainable supply chain.

The Group's procurement policy lays down a global framework for controlling and managing risks that arise during supply chain management and the contracting of works and services, placing special emphasis on compliance with ethical commitments by the Group companies and by our suppliers.

Grupo Ortiz aims to make its supplier a project partner, seeking continuous improvement.

Our suppliers are able to access the Supplier Portal in the interests of total **transparency and efficiency**.



Fully align our “sustainable commitment” with all business areas and with our stakeholders through the value chain, fostering long-term relationships and mutual support by means of concrete actions.

Draw up social management plans including initiatives to raise community awareness of social and environmental issues and work together to seek solutions leading to decent, respectful and fair communities.

We intend to step up support for the SDGs by making new investments in sustainable projects in towns with limited basic services and so improve quality of life.

We pledge to increase the number of corporate volunteers to allow more development cooperation actions, climate change initiatives and support for education, sport and culture.

SUPPLY CHAIN: Our priority supply chain commitment is to bolster and promote value creation through actions and agreements on respect for human rights, best practices in occupational safety and environmental care.

Several lines of action have been implemented in the form of initiatives in different fields designed to achieve some of these objectives, but this strategy will continue in the coming years.

- Supplier assessment and evaluation based on environmental, safety and social aspects.
- A policy of transparency and communication with our suppliers entailing the integrated management of information to allow a smoother working relationship.
- Implementation of procurement plans and framework agreements containing clauses on respect for human rights, compliance and the environment.

CUSTOMERS: Grupo Ortiz’s pledge to our customers and sustainability means marketing products and services that are environmentally friendly and energy efficient to the highest degree technically possible, while assuring that social and environmental aspects are covered throughout the life cycle, minimising the impact of our activity by means of a circular economy approach.

Our customer relationship is always one of collaboration, addressing their needs ethically and transparently and, even more importantly, adapting to new market needs in the interests of the 2030 Agenda for Sustainable Development.

We promise to bring in new assessment measures to enhance our insight into customer satisfaction and suggested improvements to our services.



4.3 PEOPLE



Employment
HR policies
Equality and Work-life
balance
Training
Human rights
Health and Safety



4.3 People

102-8, 102-14, 102-15, 201-3, 401-1, 401-2, 401-3, 403-1, 403-4, 405-1, 406-1, 407

Grupo Ortiz's human team facilitates the evolution and improvement of all business processes and is the organisation's most valuable asset. So the Group is firmly committed to the continuous improvement of our employees' capabilities, skills and working conditions, which also reflects our pledge to society, to which they must all actively contribute.

At 31 December, the Group's activities and projects are conducted by a workforce of nearly 2,000 people in 14 countries.

Stable job creation is one of the keys to Grupo Ortiz's human resources policy. Despite the generalised use of temporary employment contracts in our business sectors, our indefinite contracts have increased to 69% of the total.

We endeavour to ensure a fair, safe and healthy work environment by applying the following principles:



Fair work

Respect for workers' rights, as enshrined in international declarations and Spanish legislation, is the basis for a decent, sustainable work environment.



Equality

Awareness and promotion of equal opportunities. The inclusion of women in positions of responsibility on equal terms and elimination of any kind of discrimination.



Safety

Prioritising a safe work environment. Reducing accidents and absenteeism to a minimum.



Health

Assuring a healthy company, healthy habits and a suitable environment. Creating healthy habits helps to increase life expectancy and quality.

“Individual commitment to a group effort. That is what makes a team work, a company work, a society work, a civilization work.”

(Vince Lombardi)

We seek job stability, talent attraction and retention, continuous training and multidisciplinary teams so as to contribute to the development of the society in which we operate and the people that form Grupo Ortiz.

EMPLOYMENT

Our workforce includes people of 28 nationalities distributed across Europe, the Americas and Asia.

Grupo Ortiz believes in indefinite contracting and internal opportunities to create stable employment, the number of indefinite contracts having risen in recent years.

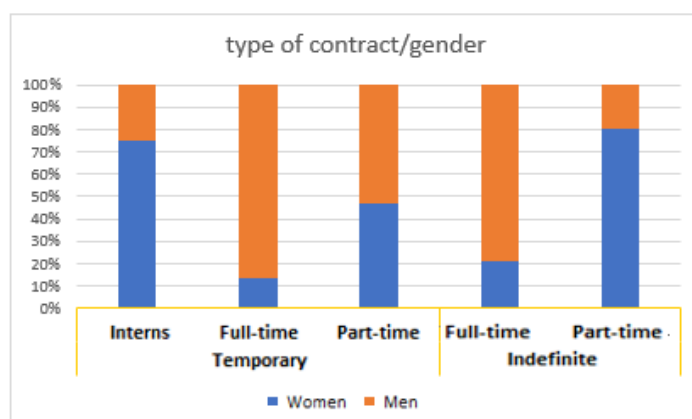
At present, 69% of personnel have **indefinite contracts**. We have also developed our **Talent Management** programme to help us to promote our professionals and successfully place them in the Group's new and expanding sectors such as Concessions and Energy.

At 31 December 2019, the Group's average headcount is 1,917, pretty much in line with the previous year. Local job creation by Grupo Ortiz is worthy of note, there being 400 local workers employed in international projects in Colombia, Mexico, Panama, Peru, Japan, Guatemala, Honduras, Chile, Bolivia and Italy at the year end.

This figure fluctuates during the year as it depends on the intensiveness of labour required in certain projects, as well as the seasonal nature of the works undertaken in Latin America.

Seventy employees enjoy working hour reductions as legal guardians, of whom 14 are men and the rest are women.

Ninety-nine Spanish employees are seconded to other countries on Energy and Infrastructure projects in which they gain highly valuable international experience for their future career development. These expatriates are employed by more than seven different Group companies and work in diverse business areas, such as Energy, Infrastructures, Restoration, Concessions, Water and Environment, in 14 countries.



WORKFORCE HIGHLIGHTS

PERSONNEL BY BUSINESS AREA (Average Headcount)		2018	2019	60% of 2019 student interns have joined the stable workforce
Average workforce 1,917 people	INFRASTRUCTURES	1,603	1,321	
	ENERGY	232	365	
	PROPERTY	7	7	69% permanent employment
24% women 76% men	CONCESSIONS	140	125	
	INTERNATIONAL (EXPATRIATES)	101	99	
GRUPO ORTIZ TOTAL		2,083	1,917*	

(*) The difference between the number of workers indicated in this report and the figure reflected in the Annual Accounts is explained by the fact that the accounts include the workers of the Group's UTEs and consortia in which we do not manage personnel policies. ⁴⁷

HUMAN RESOURCES POLICY



In all the geographic areas where we do business, the Group plays an active role in fostering respect for internationally recognised **labour rights** and **professional and personal development for our employees**. We also believe in and facilitate **freedom of association and social dialogue**. At our headquarters in both Spain and the other countries, committees are formed to exercise these rights in accordance with local legislation. Specifically, in Spain, 100% of our workers are covered by an industry or company collective bargaining agreement. **Health and safety management** is particularly significant and collective bargaining plays an essential role. Mixed committees are set up to monitor and promote related activities.

The **Group's globalisation** has **diversified the workforce**, in which people from very different cultures interact, so sensitivity to the special features of each territory is highly relevant to the success of our business project. There are currently people of 28 different nationalities in the Group.

As regards **job market inclusion**, people at risk of social exclusion are being successfully integrated at the work centre in Xàtiva (Spain) under the corresponding agreements.

In line with corporate strategy, **talent attraction and retention** are essential measures and resources earmarked for this purpose are increasing. Annual performance assessments are carried out to gain internal insight and manage our employees' professional careers. In 2019, a larger team was put in charge of analysing findings and the work of the assessors was facilitated.

TALENT MANAGEMENT

Besides the efforts made to **attract** the best experienced professionals to our business project, opportunities are also offered to **new talent** through collaboration agreements with various prestigious universities such as the Madrid, Barcelona and Valencia Polytechnic Universities, San Pablo-CEU University, Universidad Pontificia de Comillas and the Madrid Complutense University, among others, to take on interns 60% of whom have gone on to become permanent team members.

We understand a talented professional to be “a professional with capabilities that are put into practice to obtain excellent results in the work environment”.

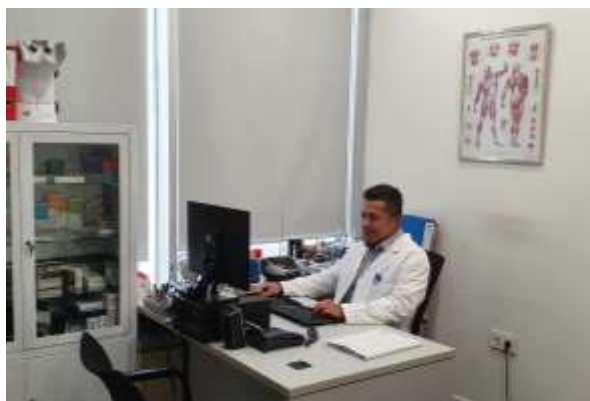
In the same way as we try to bring in young talent and retain the best people, we also try to facilitate retirement for our veteran employees, avoiding a traumatic exit. Our **retirement policy** envisages all possibilities permitted by law, as well as personalised advice and knowledge transfer.

HEALTH ENVIRONMENT

A healthy work environment is one in which the conditions are designed to favour employee wellbeing from both a physical viewpoint and in terms of good personal relationships, good organisation, emotional health and family and social wellbeing. With this aim, Grupo Ortiz takes steps to actively and continuously improve our employees' health by assuring a healthy workplace and fostering healthy habits inside and outside the work environment.

The Medical Service at our headquarters, which is equipped with a medicine cabinet, is attended by qualified nurses and is available to all personnel for care and advice, whether face-to-face, over the telephone or via digital connections. An automated external defibrillator (AED) has also been fitted in the headquarters in case of emergency.

An annual medical check-up is essential to care for the health of the entire workforce, whether or not the post requires it. From a gender viewpoint, this includes gynaecological examinations for women when prescribed for medical reasons or recommendable on the basis of age. These preventive controls are performed to higher standards than those required by law, also taking into account aspects that go beyond professional risks.



Grupo Ortiz's own medical service

EQUALITY AND WORK-LIFE BALANCE

Equal opportunities and non-discrimination are basic principles of our Code of Ethics and are critical to all our employees' professional development.

Grupo Ortiz rejects all kinds of discrimination, particularly by reason of gender, age, religion, race, sexual orientation, nationality or disability.

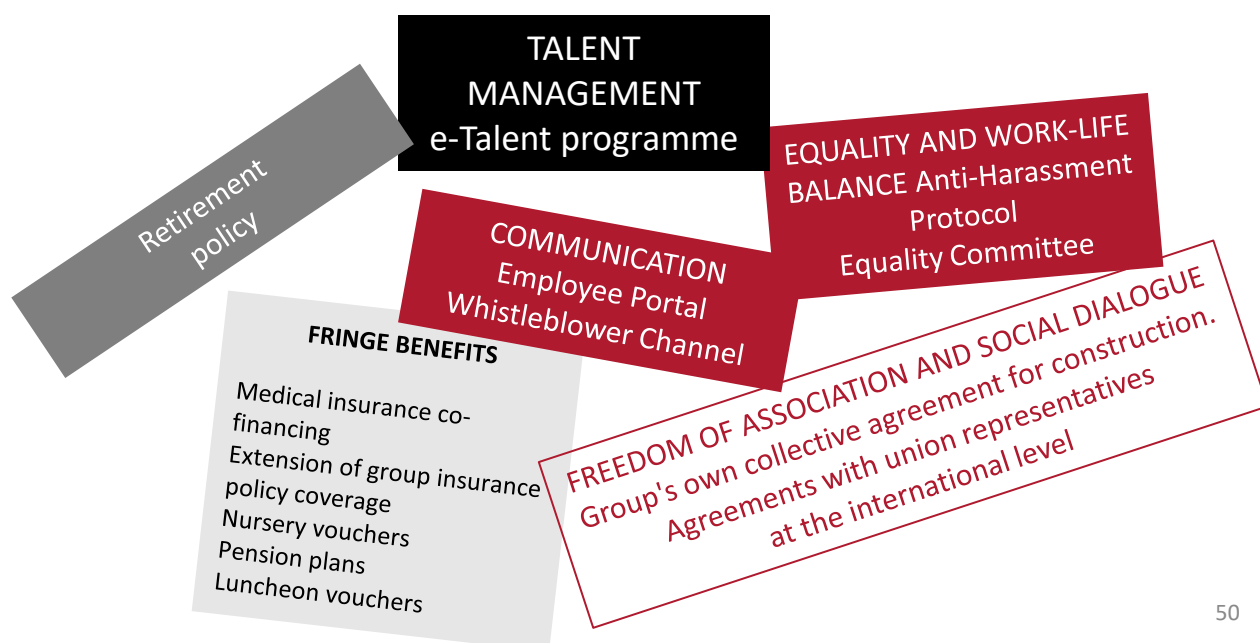
The Group's parent company, Ortiz Construcciones y Proyectos, S.A., has an **Equal Opportunities Plan** to which a further nine group companies have adhered so far. Regardless of the fact that we have our own equality plan, the principles of equal opportunities, non-discrimination and zero-tolerance for harassment (including an **Anti-Harassment Protocol** applicable in all our companies and work centres) are applied across all the Group's activities, sites and third-party relationships.

Measure to reconcile our employees' work and family life are an important part of the Equal Opportunities Plan and of all collective bargaining conducted by Grupo Ortiz.

At present, 70 employees have reduced working hours due to being legal guardians, including 14 men. A growing number of men request shorter hours to look after children as awareness increases.

The wage gap is a global reality, although it is true that gradual progress is being made towards equality in Europe. Due to the diversity of the industries in which the Group operates, the situation varies a great deal, particularly considering that the core activity, construction, remains a predominantly male industry for both manual and technical tasks. The more recent inclusion of women in the job market for technical posts means that the more senior workers on higher salaries are men. The wage gap in the construction industry in Spain averages 11%, while it is approximately 2% in sectors such as car parks and service stations.

Human resources policies are interconnected to assure an optimal, respectful work environment.



TRAINING

Training is an essential tool to support Grupo Ortiz's strategic objectives, quality being assured thanks to the following features:



Realism

Targets are aligned with purposes and goals, obligations, expectations, needs, risks, availabilities and resources.



Breadth

Training does not end when each of the training plan actions have been implemented because an assessment of results and application in actual work posts is necessary. The different levels of training evaluation are monitored through the **"Training Observatory"**.



Comprehensiveness

Training needs are analysed and initiatives are designed taking into account all the Group's employees. Equal opportunities are a cross-cutting principle in the organisation.



Integration

Initiatives in progress at the same time vary considerably due to the Group's business diversification and in response to needs detected by professional groups: Management, Administration, Technicians, Middle Management and Operatives.



Flexibility

Unforeseen circumstances can alter the training plan during implementation, a factor that is taken into consideration.

We prioritise internal training by means of the action plan **"Building Knowledge Networks"**.

An in-depth analysis of the organisation's actual situation is carried out each year in order to design the Annual Training Plan. This study leads to the careful preparation and planning of training actions, teaching methods and resources to be employed so as to increasingly offer more opportunities and flexibility. In 2019, practical workshops were tailored to actual scenarios and there was an increase in post-specific actions, blended or mixed learning and cultural activities to complement training in financial matters and personal development.

Training, learning and awareness-raising are essential requirements in order to meet our objectives: **health and safety, service quality, environmental protection and innovation.**

SUBJECT MATTERS

- 383 hard skill actions
- 113 technical actions
- 88 ORP actions
- 8 soft skill actions

Over 500
training
actions and
750 groups

More than
10,000
students
trainees

26,000 study
hours

16 study
hours per
worker in
2019

In 2019 actions were ongoing in the following areas:

Occupational safety. We include in this area measures to perfect the prevention and/or reduction of occupational accidents (ORP) and those that foster healthy habits and quality of life improvements.

Matters such as keeping work areas clean and machinery in an optimal condition were addressed as a key part of safe working.



Hard skill training. In this area, the initiatives relating to cybersecurity and energy efficiency, and particularly to

BIM (Building Information Modelling) methodology, were important. Knowledge and use of this tool to different degrees of expertise is critical in the majority of Grupo Ortiz's business areas.



Soft skill training. This area is of the utmost importance for talent detection and promotion, one of the Group's general principles. It also provides the resources needed for team management and training in negotiation techniques, effective communication, motivation and leadership. This year we paid particular attention to practical training in handling emotions as a way to build a healthy and productive work atmosphere and relationships.

Sustainable commitment. During 2019, the practical implementation of the Group's *sustainable commitment* specifically consisted of training on the main environmental issues: *Climate change*, importance of *biodiversity* (*Know to Conserve* programme), integrated plague management, etc., *circular economy* (waste management and treatment) and *pollution* (paying particular attention to the *integrated water cycle* and *visual pollution*). The most interesting actions in terms of acceptance and effectiveness were the programmes launched in Mexico. Brief 10-minute daily meetings were used to share information pills on the conservation of fauna and flora, waste treatment and the importance of recycling facilities, and the so-called "eco-challenges". This programme can be adapted to the specific environmental circumstances affecting the Group.



We are constantly collaborating with public and private universities during the implementation stage of training, as well as with the Construction Labour Foundation and the Madrid Chamber of Commerce. Support and advice are also received from a large number of training providers, covering all the Group's training needs.

We are a partner of the Association for Progress in Management (APD), which supports networking, executive training and development, and the exchange of ideas.

Three general criteria have been agreed by the organisation's management, employee representatives and trade unions to select participants for the training actions:

- Ensure the suitability of course recipient profiles.
- Establish priorities by detecting training needs.
- Distribute course places fairly to serve the highest possible number of students in a cross-cutting way, taking into account gender.

The training plan designed by Grupo Ortiz is grounded in the principle of continuous assessment and has a single but ambitious objective of improving work conditions. The four stages of the plan (identification of training needs, preparation, training and evaluation) form a cycle in which the last stage provides information for ongoing improvement. This means analysing the areas in which particular efforts are needed every year, whether because new needs have been detected or previous training actions were insufficient, and combining them with regular training initiatives to keep up our self-imposed standards of quality and good governance.

In 2018, level 1, 2 and 3 evaluations were performed: 1. Reaction, which is equivalent to measuring customer satisfaction; 2. Learning, which determines whether there has been a transfer of knowledge; and 3. Behaviour, which identifies changes that have occurred in the work post. In 2019, level 4. Business results was added to the measurable training actions.

The assessment of each of these areas reveals positive results in line with Grupo Ortiz's general strategy. In the next period, the training actions that have proven to be effective will continue and the innovations, particularly those relating to sustainability, which have brought such good results in our Mexican infrastructures, will be extended and adapted to other locations.

In 2020 we will not focus so much on training as on learning and continuous development using technology as a strategic tool to achieve knowledge transfer and a more collaborative way of working.



2018 

LEVELS 1, 2 & 3

REACTION
LEARNING
KNOWLEDGE

2019 

+ LEVEL 4
+
BUSINESS
RESULTS

87%

SATISFACTION

HUMAN RIGHTS

Grupo Ortiz supports and respects the protection of the internationally proclaimed human rights, the **United Nations Guiding Principles on Business and Human Rights** and the provisions of the **International Labour Organisation (ILO)** on fundamental freedoms.

Measures and actions are maintained and promoted to foster respect for human rights in all our areas of influence and particularly our employees and supply chain.

We are very aware of the need to disseminate matters relating to the defence of human rights and so we provide information for employees in our monthly newsletters and communiqués.

In the course of the work carried out in 2019 by Grupo Ortiz, no infringement of human rights, the rights of indigenous people or of any other population segment were identified.



"So peace does not mean just putting an end to violence or to war, but to all other factors that threaten peace, such as discrimination, such as inequality, poverty."

Aung San Suu Kyi, Burmese politician and activist, and ambassador for Amnesty International

OCCUPATIONAL HEALTH AND SAFETY

In order to guarantee health and safety for our employees and subcontractors, as well as the supply chain, Grupo Ortiz, as a preventive organisation, has a Joint Prevention Service covering all the subsidiaries at the corporate level. It is audited in accordance with the Regulations on Prevention Services every two years and forms part of our Integrated Management System (IMS) in relation to Occupational Hazard Prevention under the OHSAS 18001 standard.

Grupo Ortiz is currently shifting from the OHSAS 18001 standard to the new ISO 45001 standard, an IMS adaptation process that is due for completion in April 2020.

Occupational Risk Prevention Management System

As a result of our commitment to occupational risk prevention described above, Grupo Ortiz has developed an Occupational Health and Safety System (OHSS) in accordance with the OHSAS 18001:2007 standard, certified by an external entity. The system undergoes annual internal and external audits to verify its implementation and development.

The OHSS consists of a Guide on the Integrated Management of Quality, Environment, Occupational Risk Prevention and R&D&i, together with related procedures.

Grupo Ortiz's management guarantees employees' rights to participate and receive information through our inter-centre health and safety committees and company prevention delegates, as well as the employee representatives.

Grupo Ortiz delegates control of compliance with the Occupational Risk Prevention Plan to our own joint prevention service (SPPM) and assesses plan implementation by means of the appropriate mandatory and internal audits.

Our Prevention Plan guarantees:

- ✓ Safe work, minimising accidents and incidents
- ✓ Facilities equipped with healthcare services
- ✓ Occupational health and safety and environmental training plans in projects
- ✓ Canteens, rest areas and healthcare areas
- ✓ Health and safety programmes including induction and training
- ✓ Campaigns to implement non-permissive policies on the consumption of alcohol and other substances
- ✓ Control over work teams and machinery
- ✓ Control of individual protection equipment for all workers



Grupo Ortiz, a Healthy Company

Grupo Ortiz takes steps to actively and continuously improve our employees' health by assuring a healthy workplace and fostering healthy habits inside and outside the work environment.

We use the following resources:

- ✓ Medical services at our headquarters attended by a qualified nurse.
- ✓ Annual medical examinations.
- ✓ Private medical insurance co-funded by the Company for a large part of the workforce and direct family members. Expatriate employees and their families have international medical insurance.
- ✓ Physical exercise is fostered by negotiating special gym prices for our employees and co-funding the monthly fee.
- ✓ The training plan includes actions to help to manage stress and emotions, and to avoid injury.
- ✓ Canteens at our headquarters and all branch offices so employees have more opportunities to eat healthily. Vending machines include fruit, dry fruit, nuts and other healthy products at special prices.



Road Safety

For each project, Grupo Ortiz prepares traffic management or mobility plans to ensure that traffic accidents during work or on the way to/from work are minimised. The impact on traffic in communities where we undertake large projects is a prime concern, so we reach agreements with local authorities and deploy road safety measures.

All our storage zones, internal traffic and parking are studied and assessed, particularly in projects relating to educational establishments, homes for the elderly, medical facilities or social centres. Ongoing control of the working conditions of our collaborators and employees guarantees road safety for the education community and society at large.

Improvements in ORP Management

Performance and key indicators related to occupational health and safety.

Audit processes carried out by an external certification entity.

Grupo Ortiz has an Occupational Risk Prevention policy laying down the organisation's principles in this area.

The Occupational Risk Prevention Management System is audited EVERY YEAR by an external certification entity in accordance with the OHSAS 18001 standard.

These audit processes cover a sample of works and contracts of ALL the Group companies, assuring control of all their activities.

AUDIT OF THE OCCUPATIONAL RISK PREVENTION MANAGEMENT SYSTEM

In 2019, Grupo Ortiz underwent the maintenance audit for OHSAS 18001:2007 certification of the Occupational Risk Prevention Management System implemented in all the Group companies, completing the process in April 2019, a SATISFACTORY assessment having been issued by the ENAC-approved external certification firm.

During the audit process, a total of 22 work centres in Spain and Peru were visited and 76 workers were interviewed.

The prevention service made a total of 721 inspection and control visits to different work centres and issued 92 security/EPH/permanent centre notes.

In February 2019, our joint prevention service visited projects under way in Colombia and Mexico to perform operational controls *in situ*, while weekly remote controls continued for all our international projects.



Personal Safety Day on Friday, 19th June at the Trillo nuclear power plant

Occupational Accidents

Trends in the main accident rates

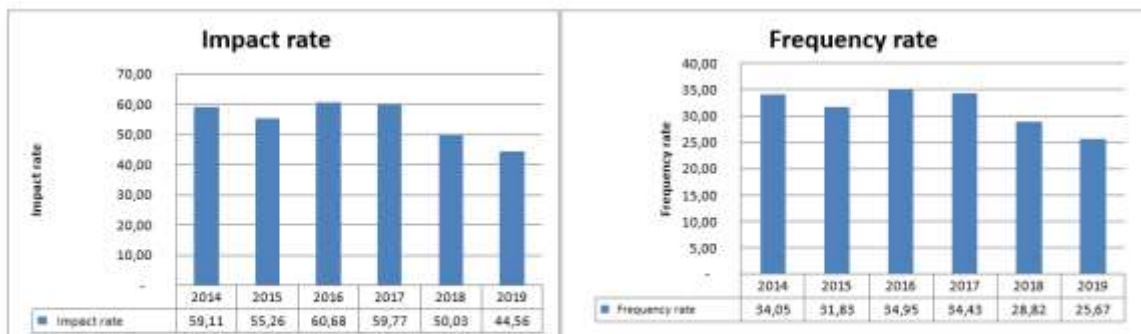
1. Grupo Ortiz's accident rates in the Construction and Services area have been **decreasing steadily in the last four years** and are in line with national rates for the sector. If we remove figures for the services area, the rate falls to 36.03%.
2. The incidence of construction accidents is similar in our projects in Spain and abroad. However, the severity rate in international projects is a lot lower than in Spain, which is explained by the impact of services and maintenance work performed by subcontracted personnel.
3. Grupo Ortiz's accident rates in the Energy area have **declined steadily in the last four years** and are well below national figures.
4. Both incidence and severity of accidents are considerably lower in our international projects compared with our domestic projects. This is due to the different energy project activities carried out by ELECOR/JUAN GALINDO in Spain in relation to the EPC contracts executed abroad. There is a **TECHNICAL** accident rate of zero in our energy projects abroad.
5. In the aggregate (GRUPO ORTIZ SPAIN +INTERNATIONAL), we record 8.2 LOST-TIME ACCIDENTS per million hours worked and a severity rate of 0.045, which are low figures in terms of frequency and severity of injuries.

Trends in the main accident rates.

Chart showing Accident Trends AGGREGATE FIGURES FOR SPAIN

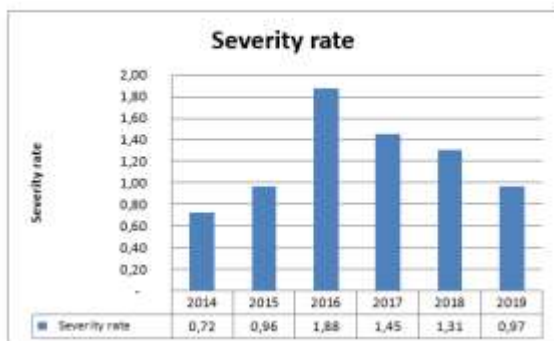
GRUPO ORTIZ TOTAL IN ALL BUSINESS AREAS

Grupo Ortiz's accident rate is the sum of all our companies and temporary consortia. It is midway between the rate for the Construction and Energy areas, the former making the largest contribution. The Group mirrors the Construction area's incidence curve. All incidents tend to decline as from 2014.



$$\text{Impact rate} = \frac{\text{accident num.} \times 1.000}{\text{Employees average}}$$

$$\text{Frequency rate} = \frac{\text{accident num.} \times 1.000.000}{\text{hours worked}}$$



$$\text{Severity rate} = \frac{\text{Time off work days}}{\text{hours worked}}$$

CONCLUSIONS

One: continued positive trend in accidents, despite business growth. The trend in the severity rate is highly positive, while incidence and frequency are falling less quickly.

Two: The role of the Medical Service is relevant as it identifies contingencies and promotes health through vaccination campaigns and medical examinations including specific testing.

Three: The mutual insurance company monitors absenteeism together with the Group's middle management in order to reduce accident rates.

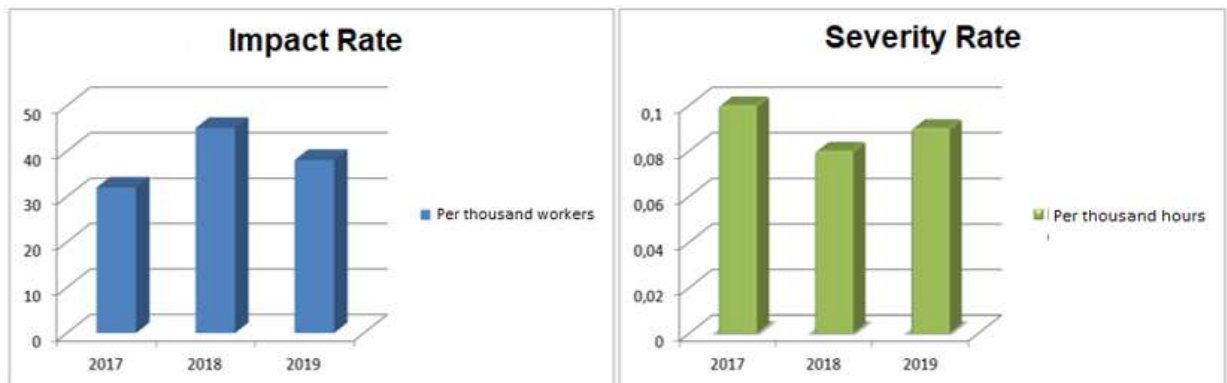
Four: The Group pursues healthy company rates in order to combine low incidence with low absenteeism due to common contingencies.

Five: Standard professional contingencies are addressed by targeting the groups showing the highest incidence.

Trends in the main accident rates.

Chart showing Accident Trends INTERNATIONAL

International INFRASTRUCTURE

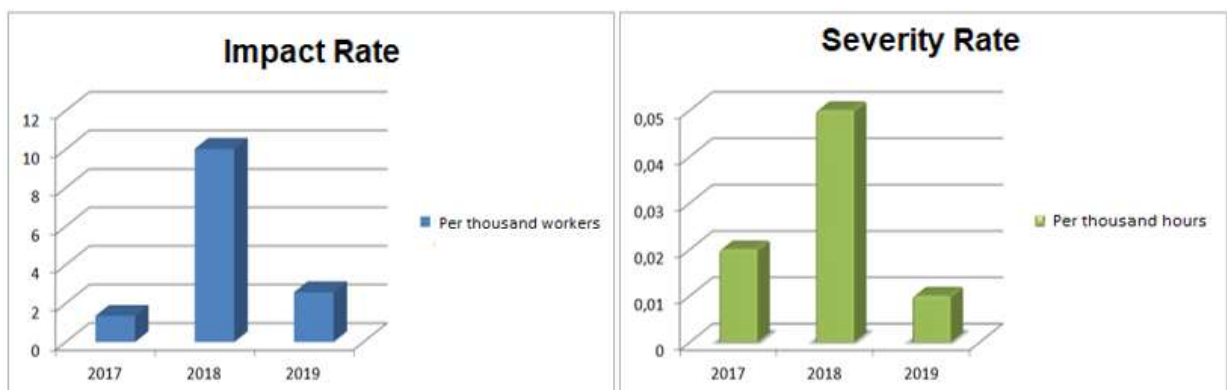


In 2019 there were a total of 103 lost-time accidents in all our international construction projects. **They were all classed as minor, barring a fatal accident in the Transversal del SISGA project, in the Guateque Control and Operations Centre's work centre.**

There was a slight fall in incidence in 2019 with respect to 2018, but the figure was still above 2017, largely due to the considerable volume of business (incidence rates of 45.12 in 2018 and 38.06 in 2019).

The incidence rate is 38.06 accidents per 1,000 workers in our international projects, which is below the rate of 49.33 in Spain due to the volume of labour in our international projects.

International ENERGY



In 2019 there were five lost-time accidents in all our international energy projects.

The incidence is lower in the international energy projects than in the contracts executed in Spain. The incidence rate is 2.58 accidents per 1,000 workers in international energy projects, which is well below the 24.54 accidents registered in Spain. As in our international infrastructure projects, energy projects require a high volume of labour.

Incidence is insignificant. Severity is irrelevant.

Trends in the main accident rates.

Comparative Accident Data NATIONAL, INTERNATIONAL AND AGGREGATE

Construction Business Area

	Domestic	International	Total
Total losstime injuries	55	103	158
Total days lost for injuries	2,003	548	2,551
Workers average	1,115	2,706	3,821
Impact rate (per thousand workers)	49.33	38.06	41.35
Frecuency rate (per million hours)	28.41	16.52	19.34
Severity rate (per thousand hours)	1.03	0.09	0.31

Energy Business Area

	Domestic	International	Total
Total losstime injuries	8	5	13
Total days lost for injuries	501	44	545
Workers average	326	1,937	2,263
Impact rate (per thousand workers)	24.54	2.58	5.74
Frecuency rate (per million hours)	13.91	1.12	2.58
Severity rate (per thousand hours)	0.87	0.01	0.11

Total

	Domestic	International	Total
Total losstime injuries	63	108	171
Total days lost for injuries	2,504	592	3,096
Workers average	1,441	4,643	6,084
Impact rate (per thousand workers)	43.72	23.26	33.10
Frecuency rate (per million hours)	25.16	10.10	8.2
Severity rate (per thousand hours)	1.00	0.055	0.045



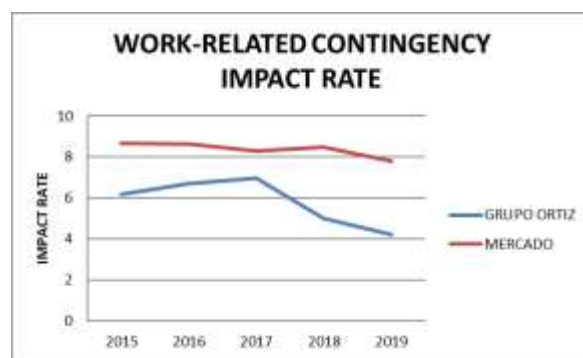
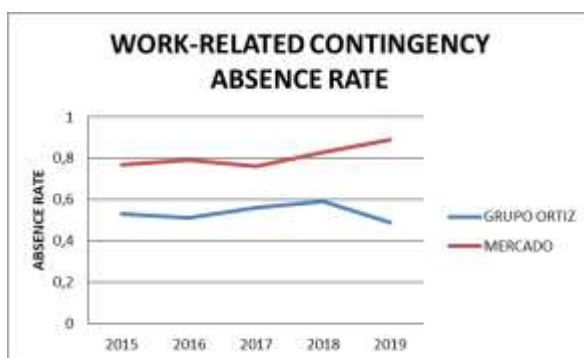
Trends in the main absenteeism rates.

Grupo Ortiz's ABSENTEEISM rate for **Professional Contingencies** (caused by occupational accidents and or illnesses) was **0.49** in 2019, which is below the market absenteeism rate of 0.89 and fell 16.95% on the figure for 2018.

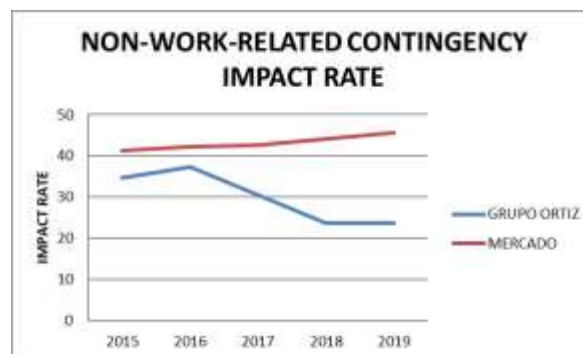
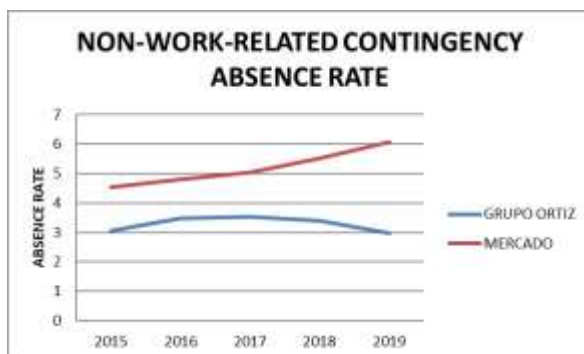
Grupo Ortiz's ABSENTEEISM rate for **Common Contingencies** (common illnesses) was **2.97** in 2019, which is below the market absenteeism rate of 6.06 and fell 12.90% on the figure for 2018.

Absenteeism indicators and incidence at the Group level

WORK-RELATED CONTINGENCY	2015		2016		2017		2018		2019	
	Ortiz Group	Market	Ortiz Group	Market	Ortiz Group	Market	Ortiz Group	Market	Ortiz Group	Market
Absence Rate	0.53	0.77	0.51	0.79	0.56	0.76	0.59	0.83	0.49	0.89
Impact Rate	6.16	8.67	6.7	8.62	6.97	8.29	4.99	8.47	4.21	7.82



NON-WORK-RELATED CONTINGENCY	2015		2016		2017		2018		2019	
	Ortiz Group	Market	Ortiz Group	Market	Ortiz Group	Market	Ortiz Group	Market	Ortiz Group	Market
Absence Rate	3.04	4.54	3.49	4.81	3.52	5.05	3.41	5.52	2.97	6.06
Impact Rate	34.66	41.34	37.34	42.24	30.49	42.64	23.78	44.19	23.79	45.63



Market data on companies of between 25 and 250 workers and Activity Code 81.

Absenteeism rate (AR) relates to the percentage of days off (including relapses) in relation to possible days of work in the selected period. Possible days are the number of days in the period multiplied by the number of workers.

Incidence rate (II) is the rate of loss-time cases beginning in the period with respect to the average number of workers in that period.

“People” objectives for 2020



EMPLOYMENT:

Contribute towards improving quality of life by maintaining standards of stable, quality work, fostering their personal and professional development in a safe, healthy and fair work environment.

Dialogue and internal communication as a tool for collaboration, teamwork and knowledge transfer.

TRAINING:

Training and awareness building as a basis for guaranteeing service quality, health and safety, environmental conservation, sustainability, innovation and equality.

Improve the conditions in which Grupo Ortiz's training plan activities are performed.

Promote learning and continuous development using technology as a strategic tool to achieve knowledge transfer and a more collaborative way of working.

OCCUPATIONAL HEALTH AND SAFETY:

Reduce the incidence rate of professional and common contingencies by 20% in the Gardening and Cleaning segments.

Develop a Healthy Company Master Plan, extending the scope of our Occupational Risk Prevention Management System to include the promotion of healthy activities and actions throughout our organisation.

Develop a new remote work centre control procedure by using new technologies.



4.4 ENVIRONMENT

Environmental Management Policy
Circular economy
Waste management
Protection of biodiversity

4.4 Environment

Grupo Ortiz regards environmental protection as a mainstay of all its activities, always seeking to minimise associated impacts.

In 2019, we improved and optimised the measurement and recording of environmental indicators in our international projects.

We enhanced operational control and the consistency of the environmental indicators associated with waste generation and consumption, as well as actions to protect biodiversity and social management initiatives in the areas affected by our projects.

The implementation and maintenance of renewable energy sources continues to be an essential factor for change in energy policies and supply, particularly in developing countries. In this way, we contribute to combating climate change and reducing CO₂ emissions.

In 2019, we successfully underwent maintenance audits for our Environmental Management certification under the ISO 14001:2015 standard and we are still working to include all our offices in the certification process.

ENVIRONMENTAL MANAGEMENT POLICY

Policy



Implement continuous improvement and pollution prevention actions, based on the organisation's real possibilities.

Sustainability



Implement and update the management system by integrating economic, technical, environmental, safety and health issues, and all factors that contribute to quality.

Collaborators



Perform work that meets the expectations of customers, employees, suppliers and other stakeholders.

Training



Provide environmental training schemes for our own personnel and subcontractors to ensure good environmental work practices at our centres.

Environmental Management System

Grupo Ortiz has an Integrated Management System that is approved and reviewed annually and meets the ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001 standards.

Eleven environmental certificates have been issued by AENOR.

Environmental Management System risks and opportunities

Environmental risks relate to the impacts that might be caused by the organisation's activities.

Each environmental impact has an associated risk of harm being caused, which could mean:

- Crimes against the environment and natural resources. This risk is identified, assessed and measured in the Risk Map prepared by PwC and included in Grupo Ortiz's Compliance Model.
- Reputational risk. ORTIZ is exposed to the risk of harm to its image and reputation due to the non-compliance, or negligent compliance, with the legal environmental requirements applicable to its business and to damage to the environment or to cultural, artistic or archaeological heritage.

AUDIT AND CERTIFICATION

Quality, Environment and Occupational Risk Prevention Audits of all certified Grupo Ortiz companies, SATISFACTORY assessments having been issued.

129 
employees
interviewed

39
work centres audited



Restaurant
committed to
Our Planet



We foster healthy, responsible consumption habits. Water quality in our city is guaranteed. If you like, you can take away what you don't eat.



We prioritise purchases of local and seasonal products. A sustainable food production system can help to reduce hunger in the world.



All our tablecloths, serviettes, coffee packets and sugar sticks are made of recycled, user-friendly materials. We use high-energy-efficient equipment.



We avoid plastic and manage all our waste properly so our planet and particularly the oceans stay clean.

CIRCULAR ECONOMY AND WASTE MANAGEMENT

We contribute to a circular economy consisting of a continuous cycle of positive development that conserves and improves natural capital, optimising the use of resources and minimising system risks. In all the company's work centres, the environmental aspects of inert solid waste, urban waste, plant waste and toxic and hazardous waste generation are identified, assessed and monitored.

With this aim, the following steps are taken during Grupo Ortiz’s contract execution:

- Review of projects in the bidding stage or already awarded to identify improvements in the type of materials employed and constructive solutions to reduce the building's consumption and waste generation in the construction phase.
- Assessment of environmental aspects identified and operational control.
- Management of waste generated through the following treatment hierarchy:
 - 1) Preparation for reuse
 - 2) Recycling
 - 3) Prevention
 - 4) Other types of recovery, including energy recovery
 - 5) Disposal
- Implementation of objectives for significant environmental aspects.
- Purchase of materials taking into account environmental certification, distance carried, use of recycled products and recyclability of end-of-life materials.

WASTE GENERATED AND RECYCLED IN 2019				
SPAIN		GENERATED	RECOVERED	%
HAZARDOUS WASTE	KG	4,115.00	2,836.42	69%
INERT WASTE	M3	53,116.93	34,526.00	65%
PAPER	KG	6,790.00	6,230.00	92%
METAL	KG	130,060.00	130,060.00	100%
SOIL	M3	34,077.00	34,077.00	100%
OTHER COUNTRIES		GENERATED	RECOVERED	%
HAZARDOUS WASTE	KG	36,727.50	22,381.13	61%
INERT WASTE	KG	1,451,756.68	878,326.92	61%
PAPER	KG	583,076.56	582,936.56	100%
METAL	KG	138,207.33	137,907.33	100%
SOIL	M3	28,425.00	28,425.00	100%

“Edificio España” building: an example of waste management and the Circular Economy

+30,532

M3 waste generated

+25,839

M3 waste recycled

+84.63%

% M3 recycled



PROTECTION OF BIODIVERSITY

Environmental matters associated with the protection of biodiversity are identified, assessed and controlled at all the Company's work centres, on the basis of the natural environment in which this activity is carried out.

The following biodiversity protection action plans were deployed in 2019:

PVSP PROJECT SOLEM 1. MEXICO

Development of rescue plans for fauna and flora, archaeological sites and water management.

PVSP PROJECT SOLEM 2. MEXICO

Development of rescue plans for fauna and flora, archaeological sites and water management.

PVSP PROJECT CANADIAN SOLAR. MEXICO

Development of rescue plans for fauna and flora, archaeological sites and water management.

PVSP PROJECT TEPEZALÁ. MEXICO

Development of rescue plans for fauna and flora and archaeological sites.

PVSP PROJECT TERRANOVA. MEXICO

Development of rescue plans for fauna and flora and archaeological sites.

PVSP PROJECT LA LUCHA. MEXICO

Development of rescue plans for fauna and flora and archaeological sites.

PVSP PROJECT EL CASAR. SPAIN.

Development of rescue plans for AUTOCHTHONOUS fauna.



RESCUE OF FLORA AND FAUNA IN PHOTOVOLTAIC SOLAR PLANTS

104,000

Flora specimens rescued

4,600

Fauna specimens
rescued

16,900

Vegetation specimens
reforested

Environmental Objectives for 2020



Support for the **Circular Economy** by means of our action plan to recover the waste fraction generated by the Company's activities that cannot be returned to the market using traditional reuse and/or recycling schemes, thereby helping to bring the waste to market.

Protection of Fauna, Flora and Natural Resources. Development of a management system including the Company's action plans to facilitate the identification, assessment and definition of protection measures for fauna and flora in Grupo Ortiz's projects worldwide, integrated with measures to protect soil and reduce the use of natural resources, so as to obtain a predictive map of possible risks to fauna, flora and natural resources and increase the effectiveness of biodiversity protection in the areas affected by our activities.



4.5 CLIMATE CHANGE

Policy and Strategy
Carbon footprint
Energy efficiency
Awareness

4.5 Climate Change

POLICY AND STRATEGY

One of the key objectives of Grupo Ortiz's strategy is the fight against climate change. We feel that it is very important for our stakeholders (personnel, customers, suppliers, etc.) to take part in related global initiatives and policies.

Our goal for 2023 is to reduce current emissions by 30%

We are aware of the need to cut greenhouse gas emissions in a way that is compatible with our sustainable business model. By honouring this significant commitment, **we were able to achieve our goal of being carbon neutral in 2019**. Our activities are undertaken on the following basis:

- Reduction in greenhouse gas (GHG) emissions.
- Promotion of energy efficiency through intelligent energy management.
- Our businesses respond to global demands for renewable energies, sustainable infrastructures and water treatment.
- Focus on low-carbon businesses, reducing or mitigating the adverse effects of climate change.

Our pledges to the planet and to the key objectives of the European Union and the Kyoto Protocol are enshrined in the following climate change strategy:

- ✓ **Renewable energies:** Grupo Ortiz is actively involved in developing renewable energies, both as an investor and during project execution, so as to generate clean power and reduce dependence on fossil fuels.
- ✓ **Energy efficiency:** Grupo Ortiz foment energy saving by investing in energy efficiency projects and by offering energy management services to reduce greenhouse gas emissions.
- ✓ **Carbon neutrality:** Grupo Ortiz promotes the decarbonisation of our business model by optimising and reducing the use of energy and offsetting emissions.
- ✓ **Awareness-raising:** Grupo Ortiz implements training initiatives to build awareness in employees and foster the conscious combating of climate change.

CO₂ emissions by activity 7,416.19 Tco₂

Direct scope 1 emissions: 5,312.12

Direct scope 2 emissions: 2,104.07

RENEWABLE ENERGIES

Renewable energies are the cleanest, most efficient environmental resource and practically have a zero impact. They are obtained from non-depletable sources and are the best alternative to conventional approaches.

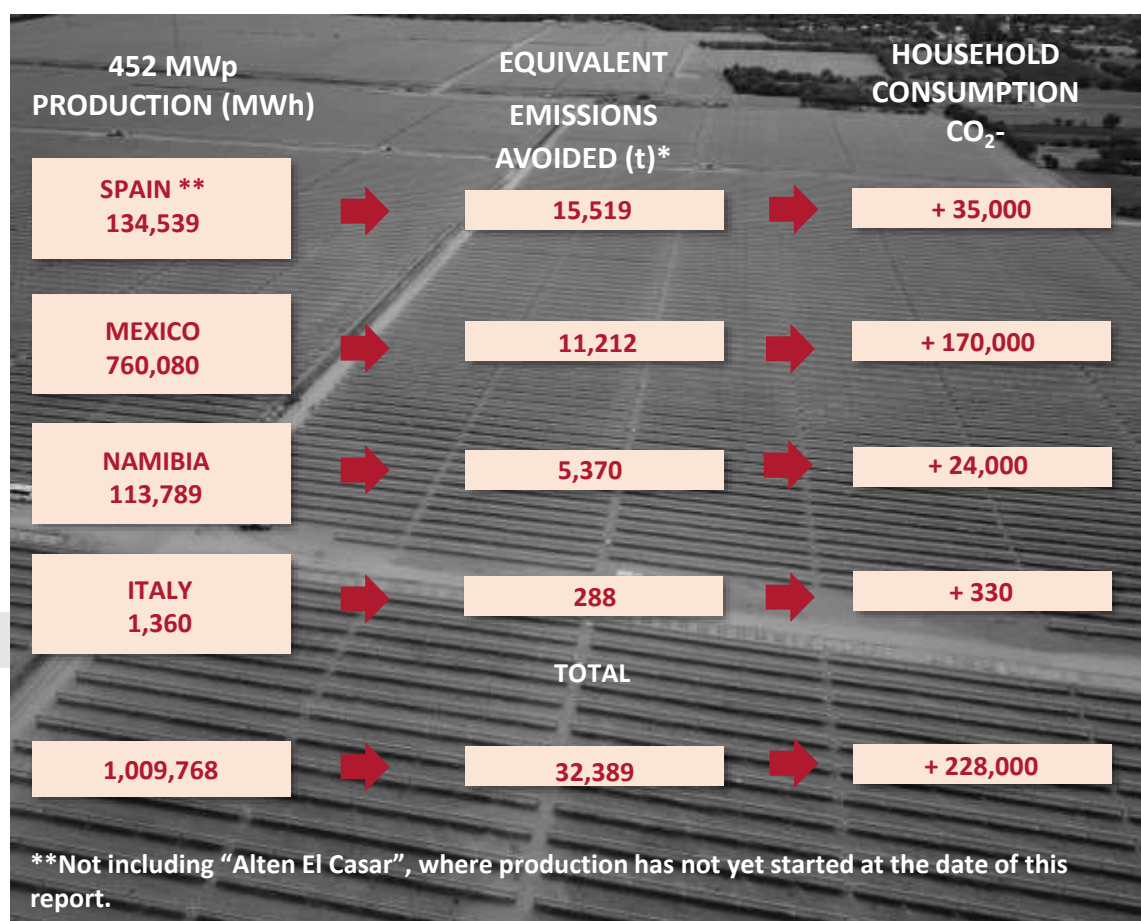
Grupo Ortiz believes in investing in and executing power projects using renewable sources and so providing clean, sustainable energy worldwide.

Our renewable energy activities are carried out in Europe, the Americas, Asia and Africa, consisting mainly of photovoltaic solar power plants.

Grupo Ortiz's investment and impact on renewable energies.

Grupo Ortiz's investment in renewable energies and the resulting environmental and social effects began in 2007. We currently have photovoltaic and solar thermal power plant projects in four countries:

Spain, Mexico, Namibia and Italy. Figures for production and emissions are as follows:



The data reflect cumulative values at **December 2019**.

SOLAR THERMAL

- ✓ **Project: Solar thermal plant "Africana Energía". Córdoba (Spain)**

Production at November 2019: 131,362,475 KWh

It has a nominal power of 50 MW, which is equivalent to the consumption of 100,000 households, 50 jobs having been created for plant operation and maintenance.

The plant has been developed based on an innovation project for the use of solar power.

It has two 250,000 m3 pools to store rainwater, reducing the consumption of other natural resources.



Africana Energía reflects a serious commitment to this objective as a source of non-depletable, safe, renewable and non-polluting energy.

PHOTOVOLTAIC

- ✓ **Project: Photovoltaic plant in Namibia (Africa)**

Production at November 2019: 103,401,826 KWh

It will be the largest photovoltaic solar plant in Namibia and in Sub-Saharan Africa (except for South Africa), with a solar field of 45.5 MWp, a nominal power of 37 MWac and a useful life of over 25 years.

The energy produced by the new plant, representing 8% of the country's installed capacity, will be able to meet 3% of energy needs.

It will supply electricity to over 70,000 people. The plant will also avoid 33,000 CO₂-equivalent tonnes of emissions each year.

- ✓ **Project: Solem I and Solem II photovoltaic power plants. Aguascalientes (Mexico)**

Production at November 2019: 706,340,452 KWh

An EPC project to build, operate and maintain a 350 MWp plant for a five-year period extendible to 10 years. CO₂ emissions reduction of 356,604 tonnes per year

- ✓ **Project: Málaga University photovoltaic plant (Spain)**

Production at November 2019: 869,110 KWh

A project to install photovoltaic panels on the roof to supply 0.7 MW to Málaga University.

- ✓ **Project: Guascor Solar, Italy**

Production at November 2019: 1,313,510 KWh

Power: 1 MW. An EPC project including design, engineering, civil works, monitoring and CCTV, as well as the other materials needed to build the MEDSOLAR photovoltaic solar power plant in PUGLIA and connect it to the electricity grid.



New investment in renewable energies in 2019

✓ Project: Alten El Casar photovoltaic power plant in Guadalajara (Spain).

The photovoltaic solar plant has a power of 13 MWp (nominal power of 10 MW), comprising 330 Wp solar modules forming three 3.3 MW solar plants.

The power produced will be evacuated into the grid through three transformation centres equipped with a 3,500 kVA machine.

It uses single-axis tracking technology.

Annual production is estimated at 25,595,000 KWh. The plant will avoid 11,873 t of CO₂ emissions and will be able to supply 7,300 homes.



Renewable energy EPC projects

In 2019, Grupo Ortiz had EPC photovoltaic projects in progress throughout the world (Mexico, Japan and Spain) for a total power of 720 MWp.

The Group was engaged in project operation and maintenance in the following countries during 2019: Mexico, El Salvador, Guatemala, Honduras, Chile, Italy and Japan. The maintenance projects amount to a total power of 701 MWp.



Tepezalá II photovoltaic plant in Aguascalientes (Mexico). In the execution phase.



Uribe Solar photovoltaic plant in Antofagasta (Chile). In the operation and maintenance phase.

ENERGY EFFICIENCY

Grupo Ortiz has had an Energy Management System in place since 2014.

The Energy Management System implemented in Grupo Ortiz's Ensanche de Vallecas offices was initially certified under the following scope:

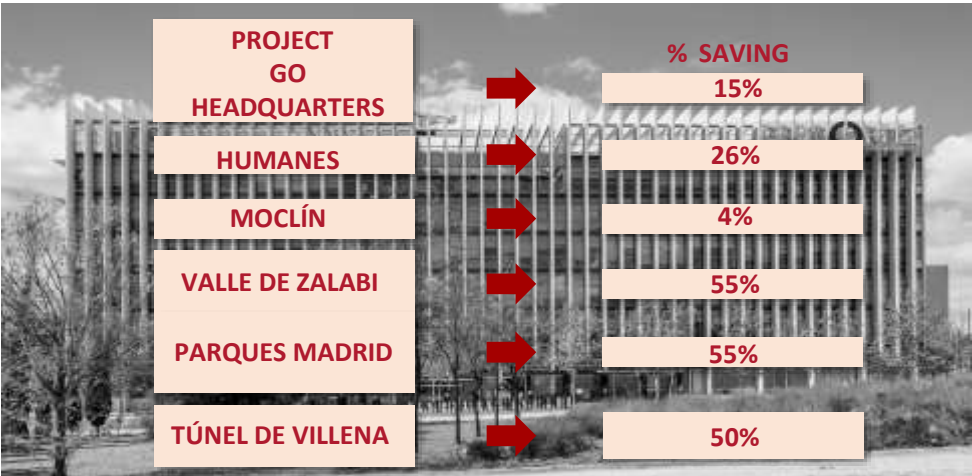
- ✓ Energy management at our headquarters.
- ✓ Provision of integrated maintenance and energy efficiency services in third-party facilities, buildings and premises under delegated management arrangements.
- ✓ Provision of integrated maintenance and energy efficiency services for road infrastructures and urban lighting systems under delegated management arrangements.
- ✓ Implementation of the Energy Management System and our commitment to enhance the system's efficiency.

Investment and Energy Management (EM) Contracts

- ✓ Replacement of lighting equipment not already replaced with LED lighting under energy management contracts.
- ✓ Adjustment of air-conditioning equipment in work centres under our energy management contracts.
- ✓ Fitting of a water return sensor in swimming pools to control heating in centres where we have energy management contracts.

GRUPO ORTIZ'S HEADQUARTERS

- ✓ Lighting control by turning off all lights at the end of the working day and at weekends.
- ✓ Use of transformers on an alternative basis to reduce electricity losses.
- ✓ There is an independent air conditioning system for the reception area, which means that the building's general system does not have to be used outside the working day.
- ✓ LED luminaries are used in the garage area.
- ✓ The configuration of air-conditioning equipment is optimised to reduce energy consumption.
- ✓ The three gas connections have been unified to reduce losses.



EM CONTRACTS

2019 saving

30%

GRUPO ORTIZ'S HEADQUARTERS

2019 saving

15%

172 Tco₂

AVOIDED

CARBON FOOTPRINT

In 2019, Grupo Ortiz's business strategy was reviewed in relation to climate change. New scope 1 and scope 2 carbon footprint measurement systems were rolled out in all countries to achieve carbon neutrality and further mitigate and reduce greenhouse gas emissions. This strategy consists of 2 PHASES:

PHASE I:

EXTENSION OF SCOPES 1 AND 2 CARBON FOOTPRINT MEASUREMENT TO ALL GROUP ORTIZ'S ACTIVITIES

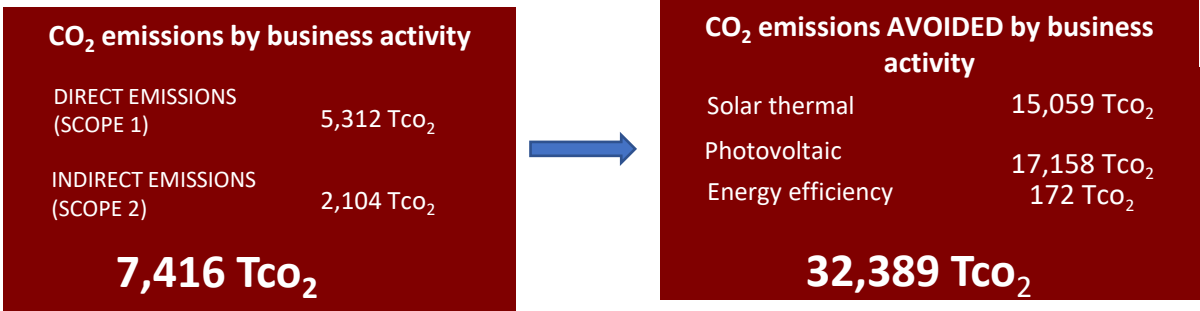
The data measured in 2019 are as follows:
Total CO₂ emissions generated by business activity (carbon footprint, scopes 1 and 2): 7,416.19 Tco₂
Total CO₂ emissions AVOIDED by business activity: 32,389 Tco₂

PHASE II:

ADOPTION OF MEASURES TO REDUCE THE COMPANY'S CARBON FOOTPRINT

REDUCTION IN DIRECT CO₂ EMISSIONS: The replacement of Grupo Ortiz's vehicle fleet with hybrid/electric vehicles is being studied. At present, 20 electric vehicles, 5 hybrids and 2 LPG vehicles are in use.

REDUCTION IN INDIRECT CO₂ EMISSIONS: 100% of the Group's consumption is now supplied by companies selling exclusively renewable energies.



As a result, Grupo Ortiz has a **positive carbon footprint**.

24,973 T_{CO2}
POSITIVE Carbon Footprint

AWARENESS-RAISING

Climate change is the greatest challenge of our time and we are at a decisive moment. From changing weather, which threatens food production, to rising sea levels that increase the risk of catastrophic flooding, the effects of climate change are global and unprecedented.

Grupo Ortiz is very aware that this is the most important issue faced by humanity, so in 2019 we launched training and awareness actions to promote the fight against climate change.

- ✓ Creation of a sustainability committee to foster, disseminate and record good environmental practices in the Company, among other objectives.
- ✓ Training and information actions for technical personnel and middle managers on environmental issues, energy efficiency and waste management.
- ✓ Information and training for the personnel of subcontractors at Grupo Ortiz's work centres on:
 - Energy consumption
 - Water consumption
 - Waste management
- ✓ Activities forming part of the volunteering scheme for employees, family members and neighbours of the Group's headquarters relating to:
 - Environment
 - Waste
 - Proper use of resources
 - Reforestation
- ✓ Environmental awareness campaign
 - Recycling workshop
- ✓ Commemoration of important anniversaries:
 - World Environment Day
 - International Plastic Bag Free Day
 - World Day of Peace
 - World Day of Solidarity
- ✓ Awareness campaigns:

"THREE Rs" CAMPAIGN: Reduce, Reuse, Recycle.



**ENVIRONMENTAL AWARENESS
CAMPAIGN.**

GRUP ORTIZ



Climate Change Objectives for 2020

As part of the Company's climate change activities, design and development of predictive models so as to anticipate environmental deterioration by identifying, assessing and mapping "climate risks" and then including them in Grupo Ortiz's commitments and strategy.

Reduce and offset our carbon footprint emissions, particularly those associated with direct emissions through the consumption of fossil fuels, in line with Grupo Ortiz's pledge to be carbon neutral, by taking the following actions:

- Inclusion of electric vehicles in the fleet.
- Purchase of power generated 100% using renewable energies.
- Roll-out of energy efficiency measures in all Grupo Ortiz's work centres.
- Inclusion of modules related to sustainability and climate change in the Company's training plans and departmental workshops.



4.6 INNOVATION

Innovation Po
Innovation in Grupo C





4.6 Innovation

INNOVATION POLICY: Knowledge generation factor

Our policy aims to consolidate a favourable climate and to encourage all the research and development actions that are necessary for the Group to become a full-fledged member of the innovative culture, which is a competitive factor in the Company's successful development.

Grupo Ortiz's Corporate Strategic Policy lays down, as a fundamental principle, the strengthening of basic research as a key element for contributing to the generation of knowledge, which is the basis for all long-term development, as well as creating a climate conducive to the Company's becoming fully incorporated into the technological innovation culture, thereby increasing our competitiveness.

In 2019, Grupo Ortiz's strategy was defined under the following principles:

 Construction	Industrialisation of construction processes.
 ICTs	Information technology development and innovation, particularly in DIGITALISATION and Business Management.
 Energy	Design and engineering as a basis for technological innovation and surveillance in the energy industry.
 Sustainability	Integration of sustainability, environment and occupational health and safety aspects into Grupo Ortiz's innovation processes.

Main R&D&i projects in progress in 2019

- ✓ *Study and research on architectural improvements to reinforce skyscrapers. EDIFICIO ESPAÑA.*
- ✓ *Sensosmart R&D projects. Monitoring and control system for the evaluation of the structural condition of buildings in real time.*
- ✓ *Roll-out of BIM (building information modelling) collaborative work methodology to create and manage construction projects throughout the life cycle.*
- ✓ *Design and development of very high performance non-structural concretes made of recycled raw materials.*
- ✓ *R&D in progress for the Roxy Cinema renovation.*
- ✓ *Development of innovative solutions for prefabricated concrete façades with PCMs (phase change materials) for buildings.*
- ✓ *DIGITALISATION IN GRUPO ORTIZ: digitalisation project in which the Navision Project Management scheme is implemented to allow integrated, unified business management solutions by redesigning and automating processes.*
- ✓ *Development innovation project to return to the market waste obtained from incineration plants and feasibility study for using the waste in prefabricated concrete (INDAGSA).*
- ✓ *R&D on the implementation of bifacial panels in photovoltaic solar power plants.*
- ✓ *Development of predictive modelling for production/cost ratios in the design of photovoltaic solar power plants, including the possible use of artificial intelligence.*

INNOVATION IN GRUPO ORTIZ

Grupo Ortiz has over 20 years’ innovation experience, as reflected in our leadership of 70 R&D&i projects during this period.

We have worked with various research centres and universities:

- Eduardo Torroja Institute of Construction Sciences
- Intemac
- Environmental Science Faculty’s Water Department at Carlos III University in Madrid
- Geology Faculty's Geodynamics Department at Madrid Complutense University
- Madrid Polytechnic University’s Civil Engineering School
- I.D.A.E. (Diversification and Energy Saving Institute)
- Materials Mechanics Group in Castilla La-Mancha University's Civil Engineering School
- Granada University's Road Engineering School
- E.V.E. (Basque Energy Agency)
- Spanish National Research Council (C.S.I.C.)
- Industrial and Technological Development Centre (CDTI)

20 YEARS INNOVATING

FY 2019

+70

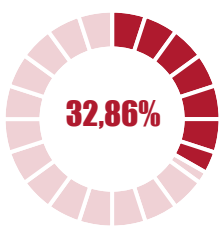
R&D&i
PROJECTS

+ 8

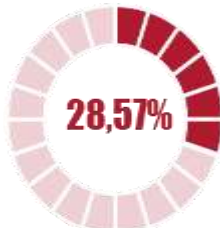
INNOVATION
PROJECTS
UNDER STUDY-
DEVELOPMENT

INVESTMENT OF
+1,844 M€ IN
2019

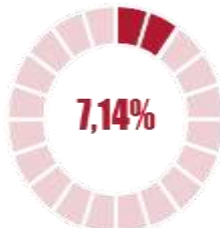
DISTRIBUTION OF INNOVATION IN GRUPO ORTIZ



Construction
technology %



Prefabricated
concrete %



Water technology



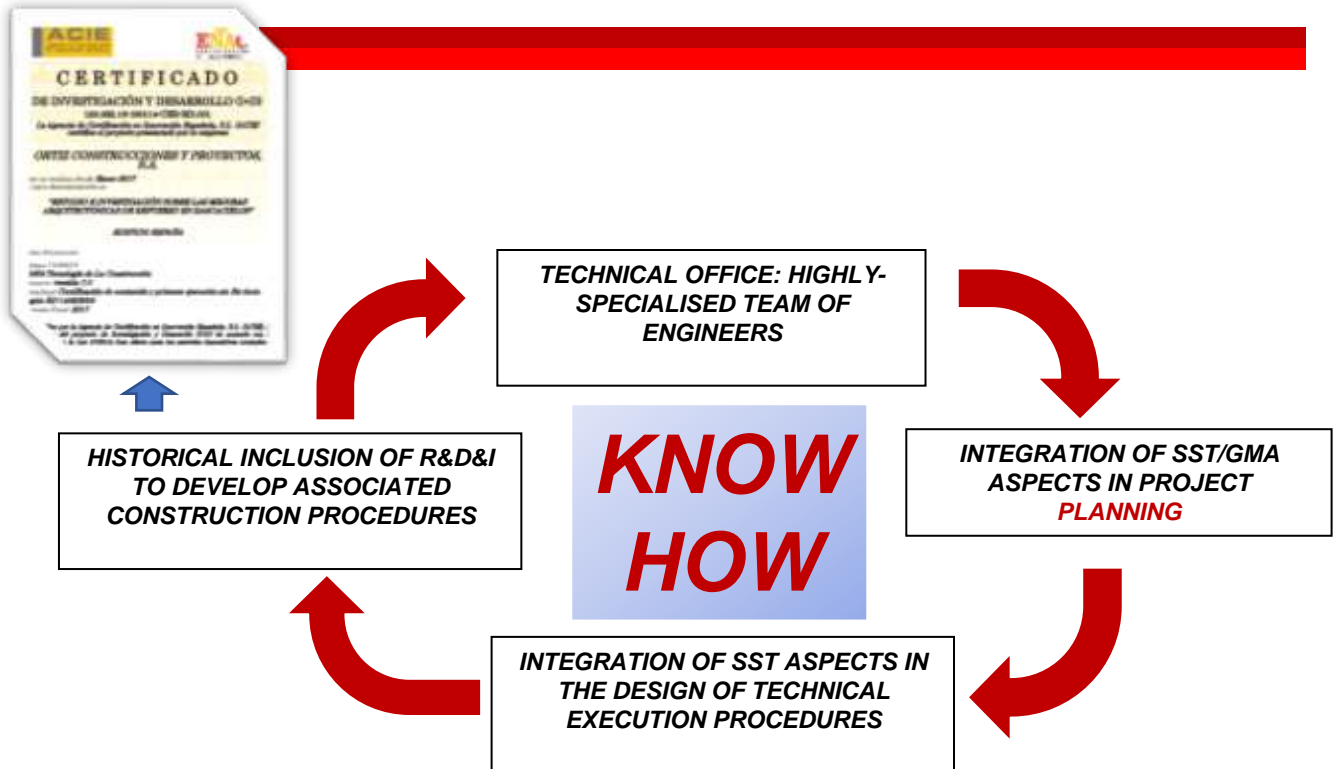
Energy and
Environment



ICTs

Outstanding innovation project: “Edificio España” building

EDIFICIO ESPAÑA. REFLECTION OF GRUPO ORTIZ'S RENOVATION AND DEMOLITION KNOW-HOW



Innovation Objectives for 2020



Focus on and promote innovative ideas in the field of renewable energies and new technologies, in line with the Company's business strategy.

Design, development and implementation of innovation action plans to create and significantly enhance production processes, products or services, and to improve the effectiveness and efficiency of the Company's internal processes by bringing in the industry's emerging technologies.