

ANNUAL REPORT
2018









➤ PAG 06-15

➤ PAG 16-47

1 | ALDESA IN 2018



2 | ACTIVITY REPORT



Letter from the Chairman	10
We are Aldesa	12
Lines of Business	14

1. Geographic Markets	18
SPAIN	20
• Sectorial trends	20
• Construction	21
• Industrial	29
MEXICO	33
• Sectorial trends	33
• Construction	34
• Industrial	37
POLAND	40
• Sectorial trends	40
• Construction	41
• Industrial	43
2. Investment Activities	44



➤ PAG 48-105

3 | CORPORATE SOCIAL RESPONSIBILITY REPORT



Letter from the Honorary Chairman	50
1. Governance of the Organization	52
• The Group and Social Responsibility	
• Corporate Governance	
2. Respect and Protection of Human Rights	60
3. Labour Practices	62
4. Environment	70
5. Fair Operating Practices	82
6. Issues Related to Clients	84
7. Active Participation and Community Development	94

➤ PAG 106-107

4 | DIRECTORY



Corporate headquarters and offices	106
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1

ALDESA IN 2018

Aldesa has become a benchmark in the business sectors for which it bets in each country.

▶	Letter from the Chairman	10
▶	We are Aldesa	12
▶	Lines of Business	14

ALDESA IN 2018

Thanks to its extensive experience and valuable know-how, Aldesa has managed to position itself among the first construction companies in the countries where it operates, becoming a benchmark in each line of business for which it is committed, offering integral constructive or industrial customized solutions to their clients, in the most complete and profitable way according to their needs. The synergies generated by the Group give it the ability to carry out, with full guarantee and commitment, all the phases required by multidisciplinary projects.

But the greatest value of Aldesa lies in the talent of its international team, which provides technical solutions endorsed by its high specialization and qualification and a firm commitment to innovation in the development of projects of any size and complexity. The responsible management of Grupo Aldesa is an additional strategic pillar that favors its competitiveness in the markets and its sustainable growth, truly contributing to the creation of value for all our stakeholders.



9 providing services in
COUNTRIES
3 presence in
CONTINENTS



2,461
PEOPLE



+90
CLIENTS



+130
PROJECTS

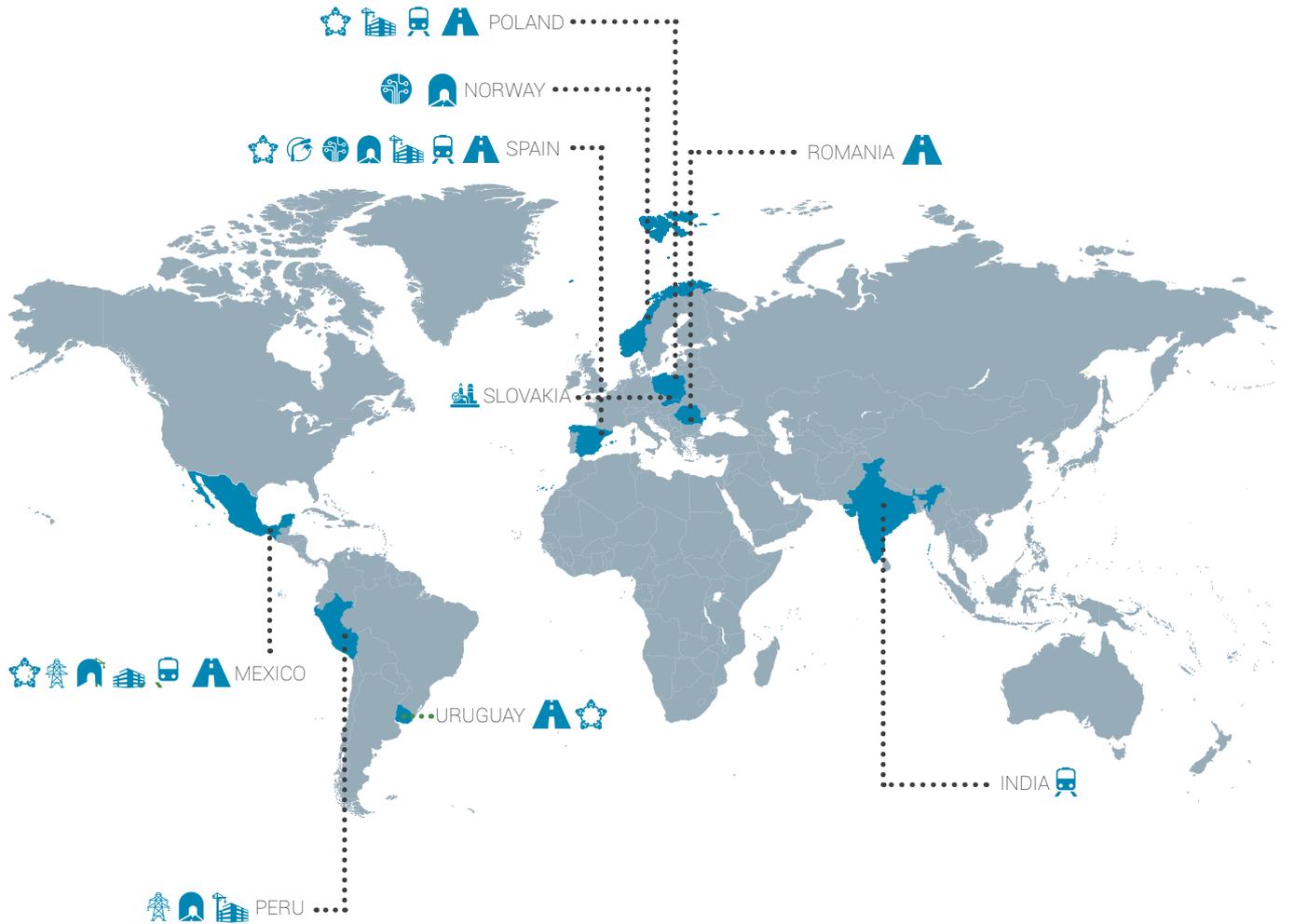


NET TURNOVER
975
million €



R&D&I
6.7
million € invested

GEOGRAPHIC DIVERSIFICATION



LETTER FROM THE CHAIRMAN

▶ SOLIDITY AND CONFIDENCE

We are a global group operating in nine countries, in which the diversification of activities, the development of ALDESA's value-generating projects, and the talent of our personnel are key to making up the company's DNA.

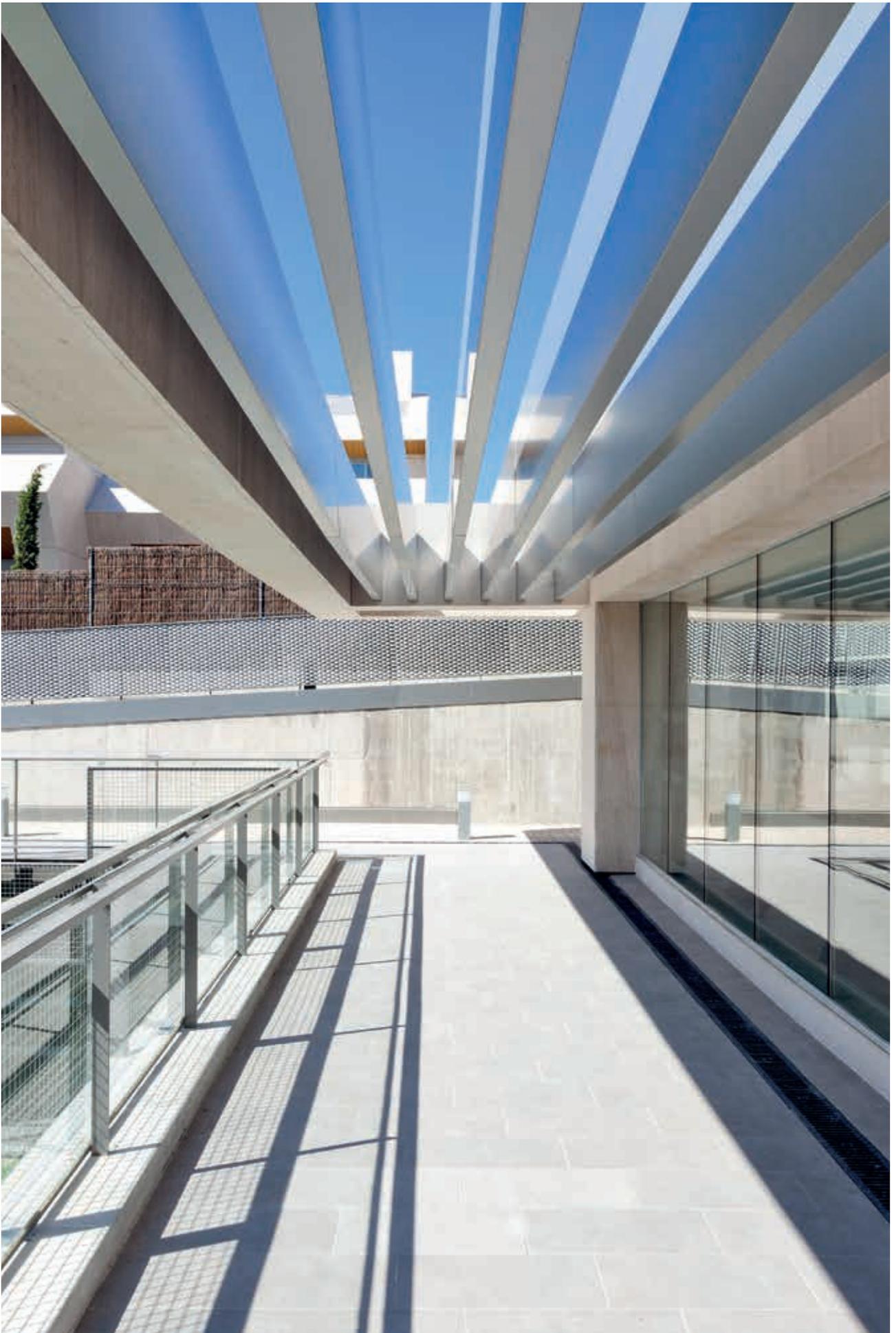
This year the contracting has increased by 6% compared to the previous year, with 60% of it coming from abroad.

Aldesa continues its internationalization strategy, closing 2018 by opening up to a new country: Uruguay. Aldesa begins activities in the country with the Concessions business area to develop a construction project and subsequent twenty-year exploitation for a 184 km stretch of highway in the south of this country for 323.5 million Euros.

Grupo ALDESA has reduced its net financial debt by 20% thanks to the asset rotation plan, which, along with the efficient management of working capital, is already working in advance to expand its funding sources.

When Aldesa began its activities, its generation of value was mainly based on civil works, being its propelling activity for years. Five decades later, and coinciding with ALDESA's 50th anniversary, we are a diversified Group operating on three continents and carrying out very different and specialized activities: construction, industrial building, renewable energy, technological solutions, real estate, and concessions. Proof of this is that the industrial division already exceeds 33% of the Group's contract and the technology and concessions activities are gaining significance.

Alejandro Fernández
Chairman & CEO
Grupo ALDESA



WE ARE ALDESA

We closed the financial year with positive numbers, with a 6% increase in hiring, reaffirming our commitment that we still have a lot to accomplish. In 2018, we have continued with a decided step in the internationalization of the Group, but we have also worked in the diversification of our activities and global strategy.

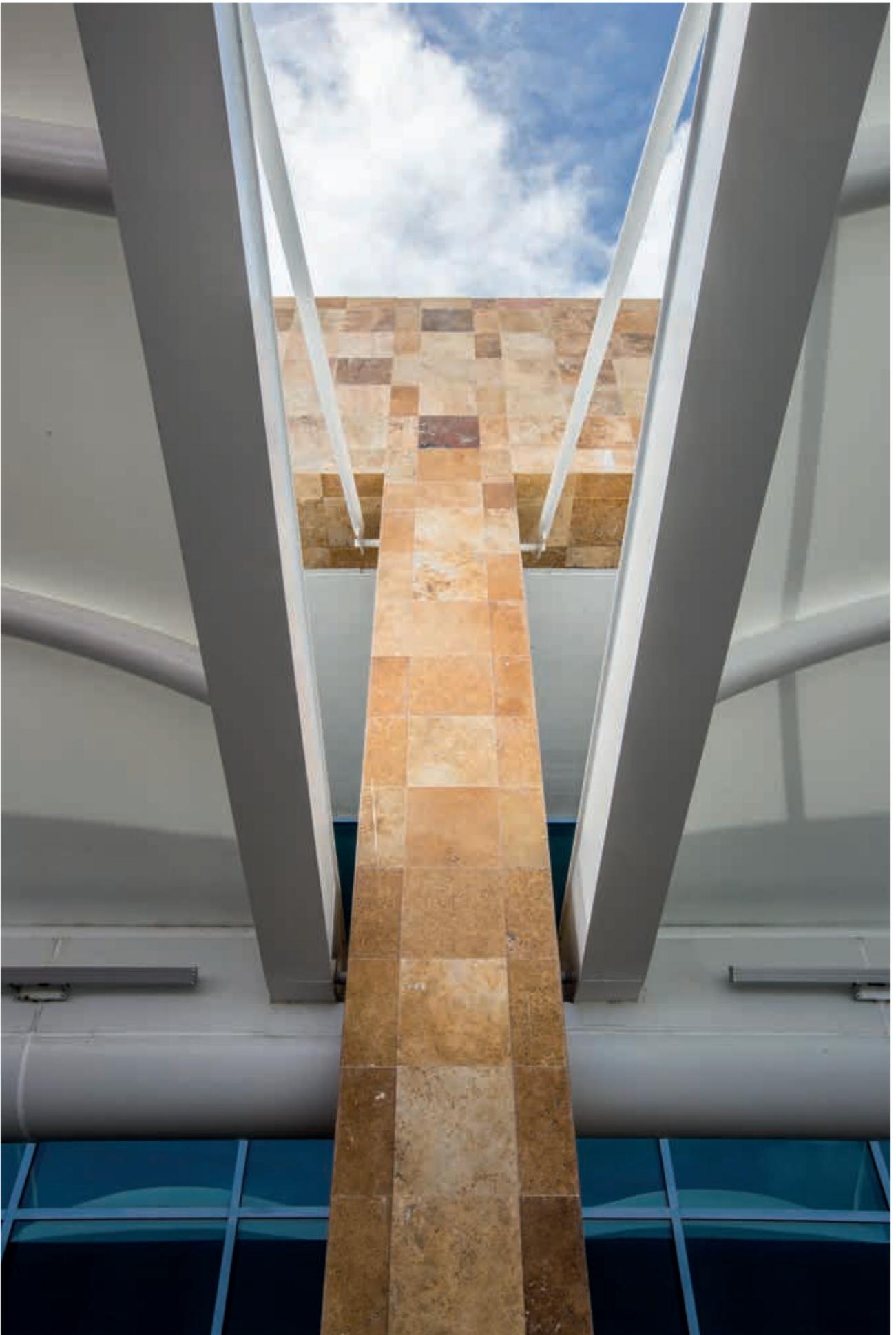
The whole team is the key for continuing to be a safe and close investment for the client. To develop quality projects anywhere in the world. To offer a guarantee and confidence.

The strategy of the Group in the coming years seeks consolidation in already open markets and in other possible ones, where the knowledge acquired during our history makes it possible to reduce risks and increase our profitability and return on investments. We want to generate value in each project, in each solution, and we have the best team for that: a strong, solid team with international experience.

All these strategic lines are framed in a series of commitments and values articulated in a model based on sustainability and responsible management of the business at all levels--economic, social, and environmental--thus strengthening Grupo Aldesa's continued growth potential, where our personnel are a key factor for continuing to grow as a Group.

In this sense, we continue working to be more efficient, offer more comprehensive solutions to customers, and grow as a company. Today, we can say that we have had a positive integral evolution in recent years, and that to date, we are still within a business transformation and continuous evolution that aims to achieve excellence.

Matilde Fernández
Managing Director of Corporate Affairs
Grupo ALDESA



LINES OF BUSINESS

Aldesa's extensive experience in the construction of complex projects that require specialization and operational diligence make it a benchmark in commitment, profitability, and personalized customer service, without neglecting the efficient management of deadlines and the continuous search for improvements in the processes.

Through **ALDESA CONSTRUCCIÓN**, all work is carried out in the Group's main activity sector: civil works infrastructure, unique and residential buildings, rehabilitations, and fit-out projects, providing each project with innovative and profitable solutions tailored to each client. The joint activity with other specialized companies of the Group also contributes to providing an important added value to the projected and executed works.

PROACON specializes in the execution of tunnels for conventional and High Speed railways, urban metro, motorways and roads, hydraulic works, as well as mining operations. It completes its portfolio with works related to soil mechanics and special foundations.

COALVI contributes its experience mainly in its specialization in construction, repair, and conservation in railway works (track, electrification, tunnels, and infrastructure) for the High Speed and conventional networks or metropolitan line infrastructure.

QUADRATURE is the brand under which turnkey projects are carried out for the planning, design and delivery of all types of refurbishment and renovation projects for work spaces, commercial environments and hotels.

ALDESA INDUSTRIAL focuses all of Aldesa's activities in the field of applied engineering,

providing tailored, integrated services in projects of high technological and innovative content through its Soluciones Tecnológicas division. It designs turnkey projects, such as electrical, mechanical, and special installations, all phases of energy projects, traffic management systems, lighting installations, engineering and software applied to airport sectors, as well as security systems and installations in buildings.

ACISA specializes in large transport infrastructure, traffic, lighting and security system. The company is a benchmark in the market for the start-up and maintenance of traffic management centres in some of the main Spanish cities. It also envisions the projection and development of the smart cities of the future.

Grupo Aldesa strongly opted for the operation and maintenance activity through **ALDESA CONCESIONES**, growing notably in recent years with the exploitation primarily of transport infrastructure in Spain and Mexico. Additionally, the group generates business to the divisions through the promotion of **RENEWABLE ENERGY** projects.

In Spain, Grupo Aldesa's real estate activity is concentrated in the company **ALDESA HOME**, which carries out all the activities related to this field: from the purchase of land for development to the direct sale to the customer and after-sales services. At the same time, it performs the integral management of real estate projects for third parties.



BUILDING

- Unique Building
- Residential building
- Refurbishment
- Fit-out

CIVIL WORKS

- Railway works
- Motorways and roads
- Airport projects
- Hydraulic works
- Maritime works
- Urban development works
- Underground works

INSTALLATIONS

- Electrical
- Mechanical
- Optical fibre
- Industrial premises

ENERGY

- Power lines & substations
- Generation projects
- Renewable energy

TECHNOLOGICAL SOLUTIONS

- ITS & Lighting
- Communications & Equipment
- Security & Control systems

CONCESSIONS

- Roads
- Public buildings
- Sport facilities

REAL ESTATE

- Development management
- Rental & sale
- In-house real estate

RENEWABLE ENERGY

- Turnkey projects
- Wind farms
- Photovoltaic plants



2

ACTIVITY REPORT

Aldesa sustains its future in the diversification of its activities and presence in several continents.

▶	1. Geographic Markets	18
▶	2. Investment Activities	44

1. GEOGRAPHIC MARKETS

▶ A GLOBAL COMPANY

Grupo Aldesa, aware of the cyclical nature of the sectors in which it operates, has been able to anticipate changes in the markets and consolidate new business areas both geographically and by lines of activity. This strategy has served in the short term to counteract the reduction of activity in the markets linked to public investments, but above all, in making the Group's future more solid by being supported by more than one activity and presence on several continents.

The strategy of internationalization and diversification is the result of an in-depth analysis of the potential of each market, as well as of its own strengths and available resources. Each decision has been based on meticulous risk analysis and control, avoiding hasty decisions that jeopardize the viability of the business.

In **Mexico**, the company has become a benchmark in the construction and industrial sectors thanks to the trust placed in it by public institutions and private companies for more than ten years. Aldesa currently excels in the construction of residential and non-residential buildings, such as high-end hotels and resorts for major international chains and corporate offices, in underground works where the latest tunnelling technology is applied, or in the development of renewable energy projects—an activity that has stood out in 2018, especially because of the hiring record obtained by the Group so far. The area has completed its good results with the construction and installation of transmission and underground lines, which has strengthened its position in the Mexican energy market.

In **Poland**, Aldesa finds profit in the synergies of the different business areas and the knowledge of the sectors in which it already has a presence. The company is firmly established in the private and public building market, as well as in the Polish energy sector, reliably contributing to the modernization of the country's electrical infrastructure. It is also applying its experience in the field of civil works with the construction of roads and railway works that are key to improving local connectivity and user safety. Due to geographical proximity, it is worth mentioning the consolidation of operations in **Slovakia**, with the construction of plants and facilities for clients in the automotive sector, who have invested heavily in the country.

In 2018, the Group has maintained its presence in **Peru** with industrial and building projects: in one case, the activity for Sociedad Eléctrica de Arequipa Limitada in the field of electrical substations and transmission lines, and in another, construction in consortium with the National Museum of Archaeology of Peru (MUNA), an area of 75,000 m² in Lima that will become the largest archaeological museum in Latin America dedicated mainly to the pre-Columbian and Inca period.

Aldesa is also present in other geographic markets, where its implementation was carried out after thoroughly studying the business risks and the real revenue opportunities in each of these countries, with highly specialized projects. In 2018, special mention should be made of the start of operations in **Uruguay**, thanks to the contracting of the design, construction, operation, and financing of the infrastructure

that will cross the regions of Rocha, Florida, and Lavalleja, in the south of the country, specifically Routes 14 and 15 in the framework of the "Circuito 5" Road Corridor Project. This important award-winning project entails a concession period of 20 years, which is ensured by the continuity of Aldesa's presence in this country.

The Group is still committed to the infrastructure market in **Norway**, which has an in-progress ambitious government modernization program that offers numerous opportunities to companies such as Aldesa, capable of adapting both to the magnitude and complexity of the projects and to geographical and climatological conditions. Currently, Aldesa is developing two works of differing complexity: the 1.4 km-long Harstad road tunnel, contracted with Statens Vegvesen, and the execution of electrical and control

installations in the newly constructed tunnel located on the Øye- Eidsbru on the E16 road, which runs through the municipality of Vang.

Also in Europe, in **Romania**, Aldesa is finalizing a joint venture with Comsa and the local company, Teloxim, in the construction of a 21.14 km section of the motorway that will link the towns of Lugoj and Deva (Transylvania) for the National Company of Motorways and Roads.

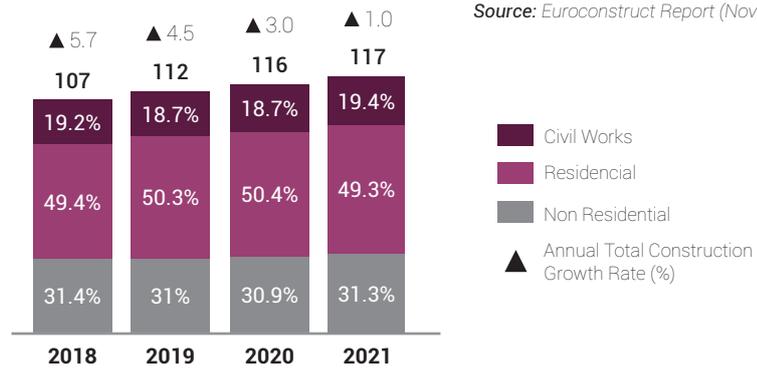
Aldesa is also one of the most experienced groups in Spain in the railway sector. In **India**, it has a full trust and solvency partner, Tata Projects, for the execution of an ambitious project promoted by the Dedicated Freight Corridor Corporation of India Limited (DFCC), under the Ministry of Railways. It deals with the design and construction of 343 km of railway line between Bhaupur and Khurja, in the Eastern Corridor of the country.



SPAIN

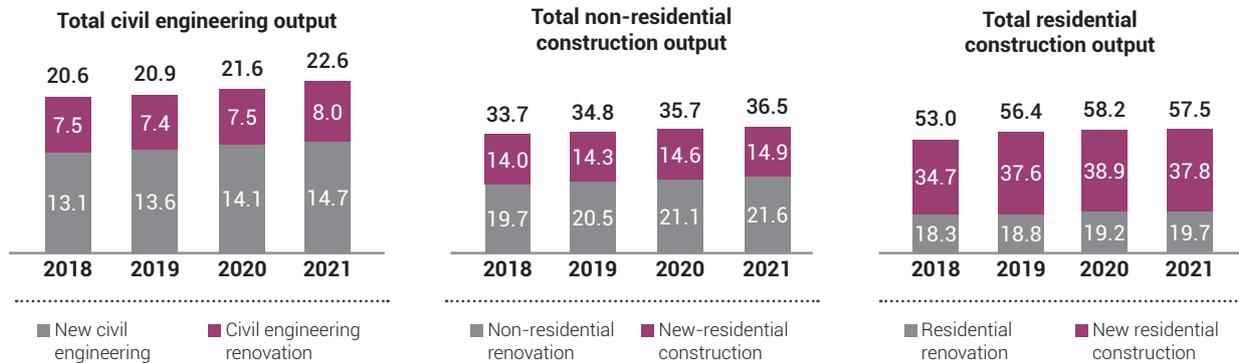
SECTORIAL TRENDS

TOTAL CONSTRUCTION OUTPUT (€bn). ESTIMATE



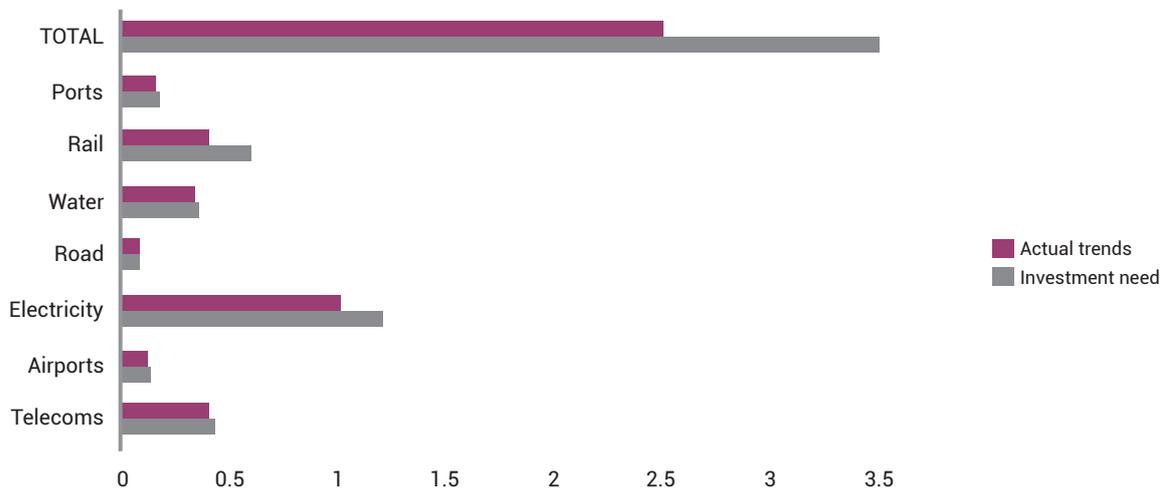
CONSTRUCTION INDUSTRY BY SEGMENT (€bn). ESTIMATE

Source: Euroconstruct Report (November 2018)



INFRASTRUCTURE SPENDING NEEDS, 2016-2040 PERIOD (% GDP)

Source: Global Infrastructure Hub



SPAIN

ACTIVITY REPORT

CONSTRUCTION

RAILWAY WORKS 		
PROJECTS	CLIENT	VALUE CREATION
Platform of the Cernadilla-Pedralba de la Pradería subsection, belonging to the Zamora-Lubián section of the Madrid-Galicia High-Speed Line.	State Transport Land Infrastructure Company (SEITT)	Construction of 19.1 km of new railway platform, which includes the construction of 5 viaducts, 2 tunnels (Otero, at 1,144.5 metres, and Puebla, at 1,498.5 metres), 10 road and motorway overpasses, 5 underpasses, 4 animal overpasses, and Train Overtaking and Stabling Post (PAET). The Puebla-Este viaducts, at 756 metres, stand out in the execution of the works, as well as that of Palacios, at 419 metres.
High-Speed North-Northwest Corridor platform construction. Madrid-Galicia High Speed Line. Section: Lubián-Túnel de La Canda. Lubián-Túnel de La Canda (Zamora) double sub-section tunnels corresponding to the Madrid-Galicia North-Northwest High-Speed Corridor.	ADIF	The section includes independent tracks for the right and left tracks, with a total length of 3,230 metres on the right track and 3,065 metres on the left track. It is comprised of 4 tunnels, with a length of 5,039 metres; 4 viaducts with a length of 860.5 metres; 1 bridge; 6 connection galleries between twin tunnels and 3 walls; 31 new roads; drainage, environmental integration, and replacement of services affected by the integration of the new activity. Regarding the tunnels, they are practically parallel, each with a left and right lane, with respective lengths of 870m and 630m; Hedroso at 1,604m and Lubián at 1,614m. Both tunnels have five connecting galleries between them, with a total length of 578 m.
Infrastructure maintenance services, track and track devices, Aragon and Catalonia high-speed line. Maintenance of the Madrid-Figueras High-Speed Line.	ADIF	Services for maintenance, repair, conservation, infrastructure monitoring, track and track devices, Madrid-Zaragoza-Barcelona-French Border high-speed line. Scope: bases in Montagut, Vilafranca, and Sant Feliú.
Mediterranean Corridor Railway Connection - Madrid-Barcelona - French Border High Speed Rail Line.	Ministry of Public Works	Construction of a section of the new layout of the Mediterranean railway corridor.

PROJECTS	CLIENT	VALUE CREATION
New Levante High-speed rail access. Madrid -Castilla La Mancha- Comunidad Valenciana – Región de Murcia. Section: access to Murcia and flood control of the railway line.	ADIF	Execution of the new High-Speed access to the city of Murcia and the reorganization of traffic in the conventional network. Entails the remodelling and extension of the historic building of the station, modification of the current railway and platform yard, execution of the underground access channel, and renovation of the tracks and the modification of their width along 2 km to allow access to any type of unit to the station.
Pre-maintenance and maintenance of infrastructure, track, and track devices. Madrid-Basque Country-French border and North-Northwest Corridor High Speed Rail Line Valladolid-Burgos and Venta de Baños-León sections.	ADIF	Newly-commissioned AVE line maintenance activity in the scope of the Villada base.
CTT SAMPER Maintenance.	Private	CTT SAMPER Maintenance.
Trench treatment, Ripoll (Girona).	ADIF	Treatment and consolidation of trenches in the included section between the kilometre points 315+480 and 324+300.
AVE track gauge assembly in the Cambrils-Perafort (Tarragona).	UTE Mediterranean Corridor	Track mounting on ballast.
Treatment of Temporary Speed Restriction trenches (LTV) among short-distance trains.	ADIF	Repair works or slope reinforcement that, as a result of the inspection campaign of all the esplanades of the conventional Network and the ADIF Metric Width Network, are considered as priorities and necessary to reduce the risks of trench landslides and to eliminate temporary speed restrictions in the suburban hubs managed by ADIF in the Conventional Network and in the Metric Width Network.
Zamora AVE Platform. North-Northwest Corridor Madrid-Galicia High-Speed Line Project.	SEITT	Modification No.2 of the North-Northwest Corridor Madrid-Galicia High-Speed Line Project. Section: Zamora-Lubián. Subsection Cernadilla-Pedralba de la Pradería. Platform.
Set-up of track and electrification of the section of railway access to Levante.	ADIF	Construction and execution of the set-up of track and electrification of the Nudo de la Teja-Mogente-Alcudia de Crespins section on the New Railway Access to Levante.
New road set-up in the industrial complex (Burgos).	Private	Provisions and materials necessary for the execution of a new road superstructure in an industrial complex: elevation of the current road, execution of 1,946 metres of track on ballast, 687 metres of ballastless track, 23 detours, small drainage works, and earth movements.



ROADS AND MOTORWAYS



PROJECTS	CLIENT	VALUE CREATION
Conservation and operation on the A-66 Ruta de la Plata: O-11 Eastern access to Oviedo; O-12 Southern Access to Oviedo; A-63 Motorway Oviedo-La Espina, and N-630 Gijón to Puerto de Sevilla (Asturias).	Aceinsa Movilidad, S.A. Temporary Joint Venture	Operation of conservation and operation in the Network of State Roads included in the O-2 sector of Asturias, with a track length to conserve equivalent to 136.10 km. It also includes the residual sections used as roads, service roads, and other state-owned roads. It also includes 8 tunnels with a total length of 2,653 metres, highlighting the El Padrún tunnel at 1,782 metres. On the N-630, the presence of Puerto de Pajares stands out, with specific equipment for winter road maintenance.
Conservation and operation of the roads in the province of Ourense.	Directorate-General of Roads (Ministry of Public Works)	Execution of various conservation and exploitation operations on the A-52 Rías Bajas motorway, km. 122.200 to 176.000; N-525 Zamora to Santiago, km. 115.100 to 229.000; N-532 Verín to Portuguese border, km. 0.000 to 14.900 and A-75 Verín-Feces de Abajo motorway, km. 0.000 to 12.800.

HYDRAULIC WORK



PROJECTS	CLIENT	VALUE CREATION
Irrigation water supply network with recycled water, Rivas Vaciamadrid (Madrid).	Canal de Isabel II Gestión, S.A.	Execution of reusable infrastructure necessary for irrigation. Includes several pumps from tertiary treatment tanks, pipes for distributing propelled recycled water, driving propulsion, recycled water tank, distribution pipes for recycled water from storage to irrigation areas.
Construction project to supply irrigation water with recycled water. Irrigation water supply network with recycled water, Valdemoro (Madrid).	Canal de Isabel II Gestión, S.A.	Construction of the irrigation water supply network with reclaimed water. It includes an adduction tube (15 km) from the Sotogutiérrez Sewage Treatment Plant. Regulatory tanks are being constructed at 1,500 m ³ and 3,000 m ³ , respectively.



URBANIZATION



PROJECTS	CLIENT	VALUE CREATION
Urbanization execution of unit "Sector R-21" of the General Plan for Urban Planning of Bétera (Valencia).	Private	The scope of activity of the urbanization is 194,361 m ² . Execution of the necessary facilities for the future buildings of the plots: electricity supply, potable water, telephone connection, sewage network, and gas network.

UNDERGROUND WORK



PROJECTS	CLIENT	VALUE CREATION
Tunnel of the Cernadilla-Pedralba de la Pradería sub-section belonging to the Zamora- Lubián section of the Madrid-Galicia High-Speed Line Madrid-Galicia.	UTE Cernadilla	Execution of the double-section Otero tunnel, for circulation in both directions, with a length of 990 metres and a section of 142 m ² .

MARITIME WORKS



PROJECTS	CLIENT	VALUE CREATION
Construction project to collect rainwater in the Huelva Port.	Huelva Port Authority	Execution of a new rainwater sanitation network in the docks that prevents the rainwater from discharging directly into the estuary, and construction of new collectors with decanting tanks and pavements to adapt them to the new slopes, as well as a storm tank to regulate the waters. In turn, the execution of new pipelines for the supply of raw water for cleaning and washing of the dock's operational surface, and the restitution of electric lines and fibre optic pipes.

RESIDENTIAL BUILDING



PROJECTS	CLIENT	VALUE CREATION
Single-family homes in La Moraleja, Alcobendas (Madrid).	Private	Construction of 80 single-family homes, garage, parking, pool, and social club.
Tempranales Homes, San Sebastián de los Reyes (Madrid).	Private	Execution of 75 high-rise homes of a free, collective, residential system with a garage and storage rooms.
Santa Eugenia Homes, Madrid.	Private	Building construction consisting of 132 homes, 248 underground parking spaces and 132 storage rooms, common areas, exterior urbanization Padel court, and swimming pool.
Boadilla del Monte Homes (Madrid).	Private	Construction of 61 homes with swimming pool, equipped children's play area, Padel court, gymnasium, and multi-purpose hall.
Litoral Homes, Malaga.	Private	Execution of development composed of 144 homes, 202 underground parking spaces, storage rooms, common areas, exterior urbanization, play area, and pool.

PROJECTS	CLIENT	VALUE CREATION
Badalona Homes (Barcelona).	Private	Construction of 61 homes, garages, storage rooms, and an urbanized common area in the port of Badalona.
Valdebebas Homes, Madrid.	Private	Construction of 73 homes, business spaces, garage, storage rooms, and common areas.
Butaque Villaverde Homes, Madrid.	Private	Construction of 54 capped price protection social housing, garages, and storage rooms.
Valdemoro Homes (Madrid).	Private	Construction of social housing development with 43 homes, 73 garage spaces, 43 basement storage rooms, and an expansive interior common area, pool, sports area, and children's play area.
Las Morillas Teatinos Homes, Malaga.	Private	Construction of a 65-home building with 2 basements with a Capacity for 107 parked cars and storage space, as well as 2 commercial areas.
Hospitalet Homes (Barcelona).	Private	Building execution of 40 homes, parking, business spaces, commercial spaces, plus another 40 houses subject to optional status.



PROJECTS	CLIENT	VALUE CREATION
Las Zanjas Norte Homes, Valdemoro (Madrid).	Private	Construction of 47 homes, garage spaces, storage rooms, and urbanized common areas.
Condomina 50 Homes, Alicante.	Private	Construction of 35 homes, garages, storage rooms, and common areas.
Ciutat Jardí Homes, Lérida.	Private	Residential work of 30 homes, 60 garage spaces, and 30 storage rooms in a closed community with common areas and private.
Sant Feliú de Llobregat Homes (Barcelona).	Private	Residential area consisting of 31 homes, 68 garage spaces, storage rooms, and commercial areas. It is finished off with an outdoor community area with a garden, playground, and swimming pools.
Vallecas Homes, Madrid.	Private	Construction of 34 homes, storage rooms, garage spaces, business spaces, and common area.
Benalmádena Homes (Malaga).	Private	Construction of 39 homes, parking spaces, and storage rooms.
Montcada i Reixac Homes (Barcelona).	Private	Construction of social housing development with 38 homes and the same number of parking spaces and storage rooms, two commercial premises, an interior community room, gymnasium, and interior garden with a pool and children's play area.
Villaverde Homes, Madrid.	Private	Protected social housing with 173 homes, 268 garages, 173 storage spaces, 5 commercial stores and their internal and external common areas.
Alcalá de Henares Homes (Madrid).	Private	Construction of 100 homes, 75 storage rooms, and 150 garage Spaces in conjunction with the urbanization of phase II of the location's Special Interior Reform Plan.
Hospitalet de Llobregat Homes (Barcelona).	Private	Demolition, earthworks. Foundation, structure, steel work, installations, and finishes of a multi-family building with 97 homes, car parks, and commercial premises, according to the project written by a third party.



NON-RESIDENTIAL BUILDING



PROJECTS	CLIENT	VALUE CREATION
Adaptation of the building for a hotel establishment, Seville.	Private	Adaptation and change of use of the office to a third-party group with a hotel establishment and commercial premises.
Expansion of a shopping centre with the construction of an outlet mall, Malaga.	Private	Construction of an "Outlet Centre" in the plot adjacent to the existing commercial area. This extension consists of the execution of a reinforced concrete structure consisting of an underground parking lot of 33,123 m ² and another on the roof of 9,000 m ² , an above-grade commercial area inspired by traditional Mediterranean architecture and made up of independent buildings, as well as the urbanization of the sector where the shopping centre is located to improve access to it.
Reformation of shopping centre, Malaga.	Private	Interior reformation works on the shopping centre with the substitution of finishings and the transportation of the communication centres in the different levels of the building will reform the areas where the shops are being restored.

SPAIN

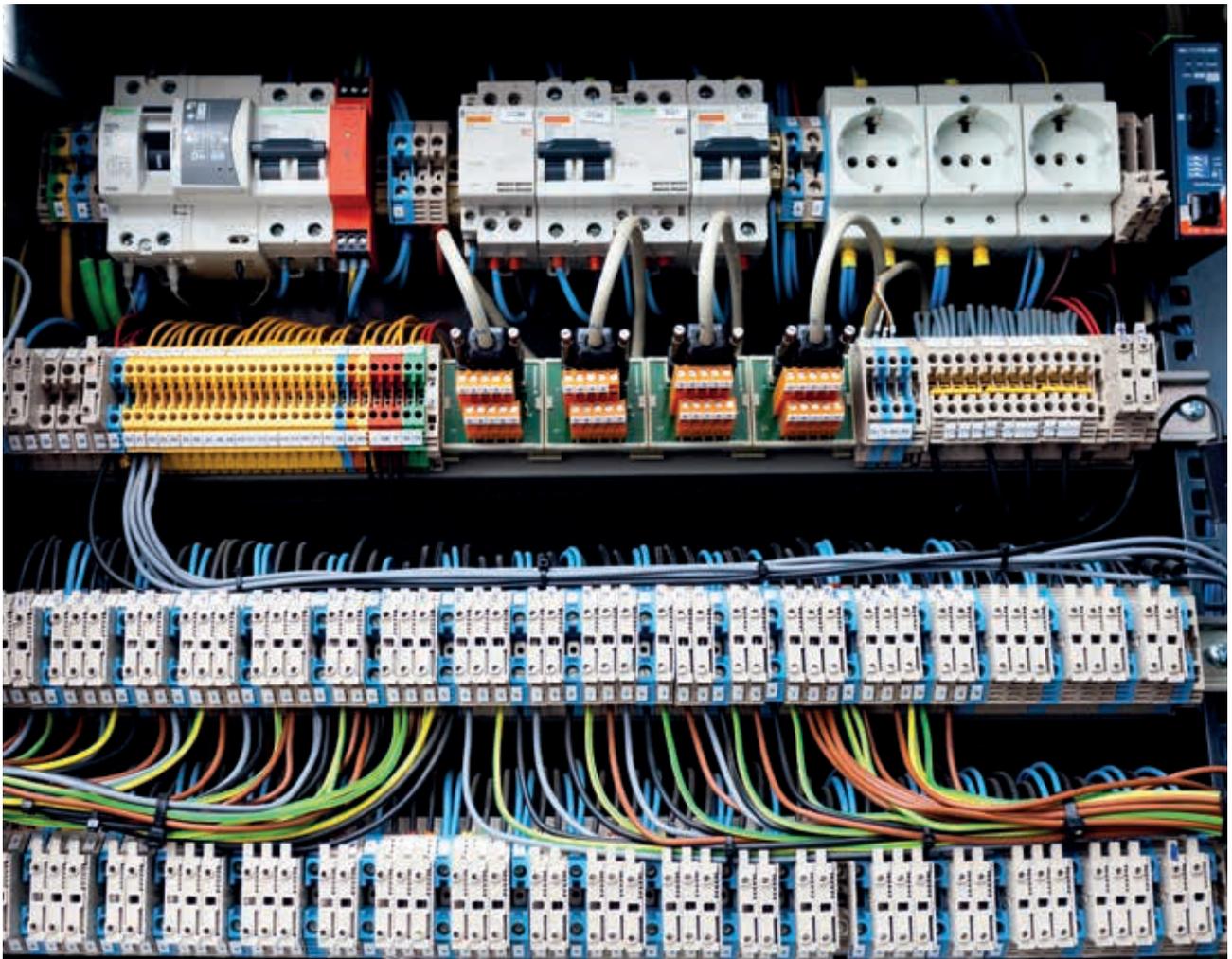
INDUSTRIAL

TRAFFIC AND LIGHTING



PROJECTS	CLIENT	VALUE CREATION
Conservation, maintenance, and renovation of public lighting installations, Seville.	Government of Seville	Carrying out the necessary work to guarantee the continuity of the existing public lighting service (eliminating malfunctions, corrections, controls, replacements, etc.), as well as maintenance of the installations and their technical and economic operation.
Projection, construction, conservation, maintenance, modernization and use of all types of infrastructure and buildings (Barcelona).	Generalitat of Catalonia Infrastructure	Execution of works to improve road safety and mobility of the C-55/C-16/C-58 corridor in Bages. Implementation of road safety and mobility management systems. Section: Tarrasa-Abrera-Manresa.
Conservation, maintenance, and installation services for regulation, control, and traffic management elements, Granada.	Granada City Council	Conservation, maintenance, and installation services for regulation, control, and traffic management elements.
Maintenance of the traffic light installations and of the security elements of the Municipal Police building, Tarrasa (Barcelona).	Tarrasa City Council	Traffic light installations with variable and dynamic signalling, access control for pedestrian streets, and for all information systems in general, control and management of mobility, ownership, or municipal competition, as well as mobility management rooms and 092 and their communication elements, as well as all the security elements of the Municipal Police building.
Traffic lights on the Granada Light Rail.	Government of Andalusia Railways	Traffic lights on the Granada Light Rail.
Alicante Traffic maintenance.	Alicante City Council	Alicante Traffic maintenance.

PROJECTS	CLIENT	VALUE CREATION
Conservation and support for the operation of road network tunnel installations, Barcelona.	General Secretariat of the Barcelona City Council	Integral maintenance services of the tunnels in the basic road network in order to guarantee their proper functioning and the state of conservation of the infrastructure and facilities, as well as of the equipment and systems that make up the hardware and software of the control systems.
Street lighting, Barcelona.	Generalitat of Catalonia	Execution of conservation operations of the lighting and traffic light installations on the roads assigned to Barcelona's Road Service Department.
Management of public services of different traffic light installations, Cerdanyola del Vallès (Barcelona).	Cerdanyola del Vallès City Council	Management of public services of different Traffic light installations that include the conservation, maintenance, repair, replacement, improvement, and complementation of the different elements that make up the traffic control network of the municipality.



PROJECTS	CLIENT	VALUE CREATION
Traffic light maintenance, Badalona (Barcelona).	Badalona City Council	Maintenance services, conservation, clean-up, and repairs of the traffic light installations of the city.
Maintenance services for metro systems, Granada.	Public Works Agency of the Government of Andalusia	Maintenance services for Line 1 systems of the Granada metro.
Conservation, maintenance, and renovation of public lighting installations, Granada.	Granada City Council	Carrying out the necessary work to guarantee the continuity of the existing public lighting service (eliminating malfunctions, corrections, controls, replacements, etc.), as well as maintenance of the installations and their technical and economic operation.
Regulation of western DGT.	DGT	Adoption of special circulation measures to increase the capacity and improve traffic safety on roads in the area under the Influence of the Traffic Management Centre of the Southwest 2018-2021.

INSTALLATIONS AND MAINTENANCE



PROJECTS	CLIENT	VALUE CREATION
Conservation and maintenance of ornamental fountains, Almería.	Almería City Council	Maintenance and conservation of ornamental fountains, landscape recovery, and lighting improvement.
Reform of the air conditioning system of the ACC Canary Islands, Las Palmas.	Enaire Public Business Entity	Reform of the air conditioning system of the Canary Islands Control Centre building.
Building security systems, Granada.	Granada City Council	Contract maintenance services for the security systems of municipal buildings.
Installation of alarm systems.	Private	Installation of alarms and adaptation to the new security standard in industrial facilities.
Electric generators in Ramón y Cajal Hospital, Madrid.	Ramón y Cajal University Hospital	Supply, assembly, and installation of two generators in the Ramón y Cajal University Hospital.

TRANSMISSION LINES

PROJECTS	CLIENT	VALUE CREATION
Substation of the Mula photovoltaic plant (Murcia).	Private	Construction of the Main Substation Transformer (SET) 30/132/400 kV of the Mula solar photovoltaic plant, for voltage transformation and evacuation of the generated energy.

ENERGY GENERATION PROJECTS

PROJECTS	CLIENT	VALUE CREATION
Construction of Chiprana photovoltaic plants (Zaragoza).	Private	Construction of 4 photovoltaic plants with a total of 200 MW of power. Included in the Chiprana project are: Ribagrande, Robledo, Sierrezuela and Valdelaguna.

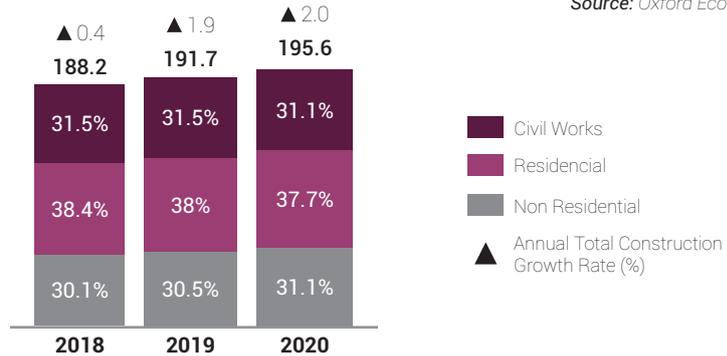


MEXICO

SECTORIAL TRENDS

TOTAL CONSTRUCTION OUTPUT (\$bn). ESTIMATE

Source: Oxford Economics (2018)



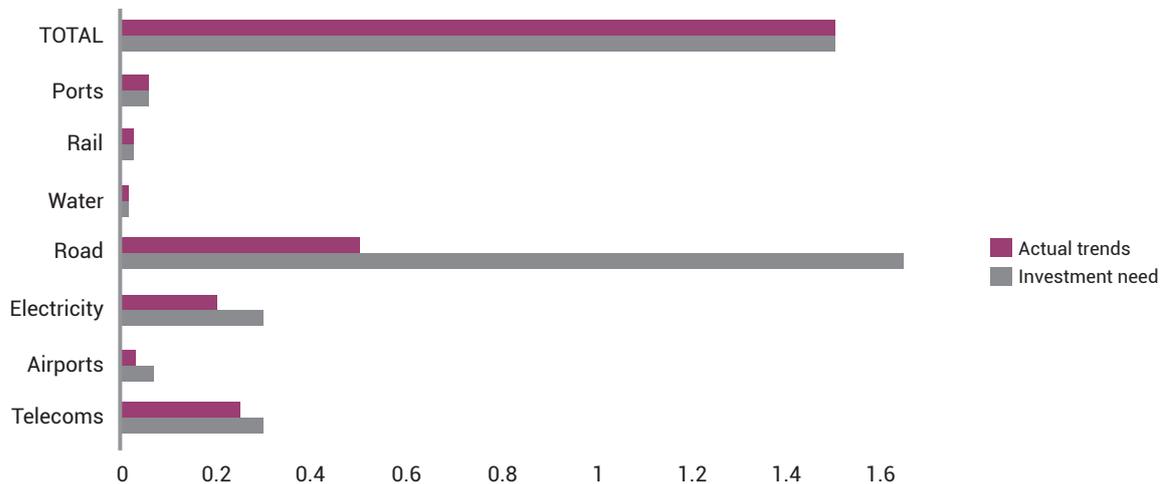
CONSTRUCTION INDUSTRY BY SEGMENT (\$bn). ESTIMATE

Source: Oxford Economics (2018)



INFRASTRUCTURE SPENDING NEEDS, 2016-2040 PERIOD (% GDP)

Source: Global Infrastructure Hub



MEXICO

ACTIVITY REPORT

CONSTRUCTION

RAILWAY WORKS

PROJECTS	CLIENT	VALUE CREATION
Workshops and garages for the expansion of the Urban Electric Train System of Guadalajara (Jalisco).	Secretariat of Communications and Transportation (SCT)	Construction of workshops and garages for the expansion of the Urban Electric Train System in the Metropolitan Zone of Guadalajara, which includes the construction of workshops, garages, administrative and secondary buildings, manufacturing, supply of auxiliary vehicles, parking areas, gardens, and urbanizations in general, as well as putting it into service.



ROADS AND MOTORWAYS



PROJECTS	CLIENT	VALUE CREATION
Coatzacoalcos-Tuxtla Gutiérrez Motorway (Veracruz).	Secretariat of Communications and Transportation (SCT)	Modernization and expansion of the Coatzacoalcos-Tuxtla Gutiérrez motorway in the Allende-Nuevo Teapa junction.

UNDERGROUND WORK



PROJECTS	CLIENT	VALUE CREATION
Manzanillo Train tunnel (Colima).	Secretariat of Communications and Transportation (SCT)	Construction of the train tunnel, at 492m in length, with a section of 80 m ² for the operation of double stowage trains and a false tunnel of 20 metres at the API exit portal.
Expansion of Line 12 of the CDMX Collective Transport Metro System (1st stage), Mexico City.	Mexico City Secretariat of Government Works	Work on the public project and the additional construction for the expansion of Line 12 of the CDMX Collective Transport Metro System. Construction of 13 portholes, a 3.9 km long tunnel from Mixcoac to Observatorio, with a total of 4.5 km of road, including a manoeuvring tail, transition zone, and induced works.
Morelia Southern Clearance Tunnel (Michoacán).	Secretariat of Communications and Transportation (SCT)	Execution of the Ramal-Carmelinas section, with a length of 0.7 km, in Tunnel II of the Southern Clearance of Morelia.
Oaxaca-Puerto Escondido Tunnels (Oaxaca).	BANOBRAS	Construction of 3 tunnels of 167.8 m, 183.04 m, and 223.21 m in length and located at km 151+726, 161+100, and 172+100, respectively, on the Barranga Larga-Ventanilla stretch of the Oaxaca-Puerto Escondido motorway.
Stage I of construction of the Western Issuing Tunnel II and project and rectification of the open section of the Western Issuing Tunnel (State of Mexico).	National Commission of Water (CONAGUA)	Construction of a tunnel at 5.9 km in length and 7 metres in diameter using the tunnel boring machine, which begins at the catchment areas of the San Javier and Xochimanga rivers in Atizapán de Zaragoza and concludes in the open-air discharge structure in Cuatitlan Izcalli. It also required the execution of a ventilation hole at 80 metres deep and 13 in diameter, as well as access and escape boxes.
Juancipio Mine (Zacatecas).	Private	Development of 5,000 metres of ramps, crossings, and auxiliary works.

RESIDENTIAL BUILDING



PROJECTS	CLIENT	VALUE CREATION
Residential building in Mexico City.	Private	Integral construction of a tower with 21 floors and four basements, with a total of 394 homes and 364 parking spaces. The project, which has an area of 45,000 m ² , includes the work of foundation, structure, masonry, installations, finishes, and façades.
Residential building in San Pedro Garza García (Nuevo León).	Private	Residential development project with different categories of homes.

NON-RESIDENTIAL BUILDING



PROJECTS	CLIENT	VALUE CREATION
Hotel Complex at Playa del Carmen (Quintana Roo).	Private	Construction of the first phase of the hotel complex of 350 rooms distributed among 5 buildings, a clubhouse with spa, service basement, swimming pools, large beach deck, beach restaurant, two aqua-bars, multi-purpose room, parking, tennis court, office area, lakes, and garden areas on an area of 82,000 m ² .
Hotel in Cancun (Quintana Roo).	Private	Design and construction of a 17-storey building and a basement, with an approximate area of 52,500 m ² .
Hotel complex at Isla Mujeres (Quintana Roo).	Private	Civil works for the construction of buildings intended for bedrooms.
Hotel complex in Cancun (Quintana Roo).	Private	Construction of a luxury hotel complex of 213,158 m ² in total, with more than 94,000 m ² of construction and 118,000 of outdoor areas.
Phase 2 of the hotel complex in Cancun (Quintana Roo).	Private	Phase 2 of the hotel, including the main building, administration area (BOH), convention centre, check-in, housing for executives, and exterior works with 37,667 m ² of roofed construction and 77,235 m ² of outdoor areas.

MEXICO

INDUSTRIAL

TRAFFIC AND LIGHTING

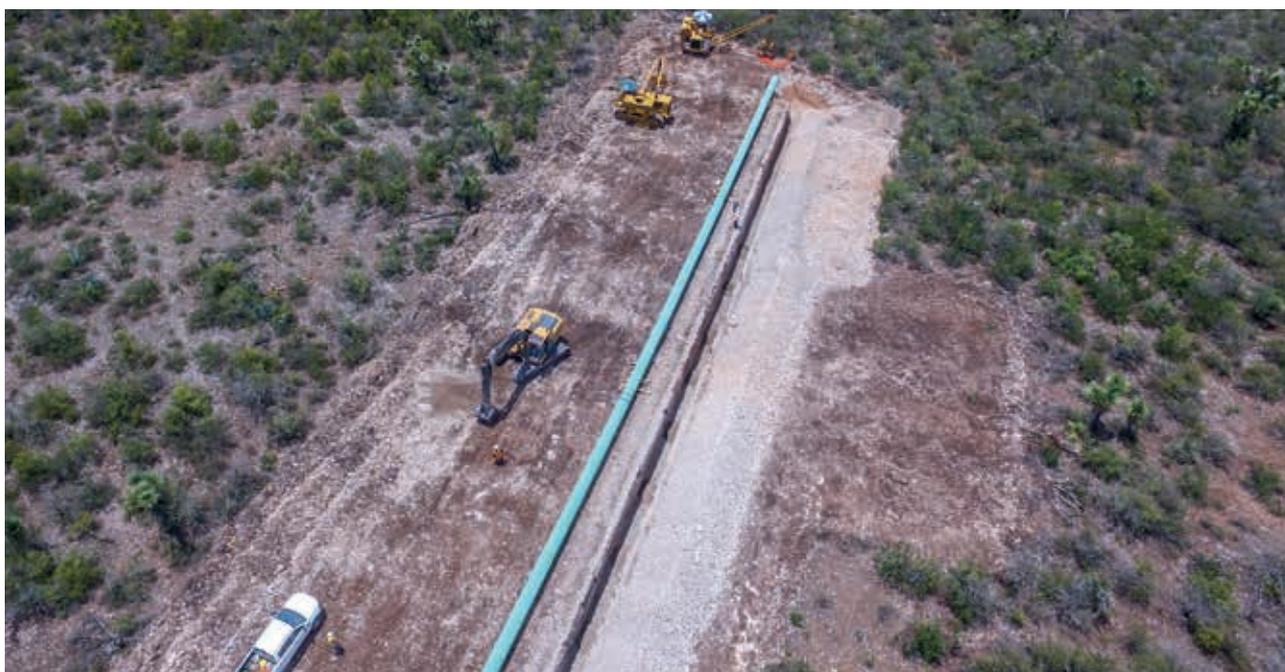


PROJECTS	CLIENT	VALUE CREATION
Maintenance for installations and systems of the Durango-Mazatlán Motorway (Durango and Sinaloa).	Private	Preventive and corrective maintenance of the devices and systems installed inside the intelligent and conventional tunnels, powerhouses, control centres, and the fibre optic network of the motorway.
Preventive and corrective maintenance of the ITS Mexico-Acapulco Motorway Systems (Mexico City-Morelos).	Private	Maintenance of ITS, fibre optics, control centre equipment at the collection points, and the telematics area of the road section at 362 km.
México-Irapuato maintenance, installations, and section systems (Guanajuato).	Private	Modernization of the ITS preventative maintenance service, fibre optics, control centre equipment at the collection points, and the telematics area of the road section at 362 km.

INSTALLATIONS AND MAINTENANCE



PROJECTS	CLIENT	VALUE CREATION
New Era section 2 gas pipeline (Nuevo León).	Private	Construction and installation of pipelines for natural gas at 133 km in length.



PROJECTS	CLIENT	VALUE CREATION
Hotel Resort & Spa Facilities, Cancun (Quintana Roo).	Private	Execution of civil works, structure, telecommunications, electrical and plumbing installations, detection and alarms, fire protection, piping, millworks, and HVAC installation in existing buildings, remodelling work in the large areas of the hotel, as well as modernization works for the machine room.
Automotive industrial plant (San Luis Potosí).	Private	Execution of earthworks and foundations, metal structures, land system, industrial floors, masonry, and drainage in two warehouses and annexed buildings with a built area of 38,000 m ² , as well as complete urbanization on a 143,000 m ² plot.
Supply, installation and commissioning operation of electric elevators and escalators (Jalisco).	Secretariat of Communications and Transportation (General Management of Railway and Multi-modal Development)	Supply, installation and commissioning of electrical elevators and escalators, their systems, and the necessary electromechanical equipment, hardware, and software devices that make them, in underground and elevated stations in the expansion of the urban electric train system in the metropolitan area of Guadalajara (Line 3 of the light rail in Zapopan, Guadalajara, and Tlaquepaque).
Sports stadium facilities, Mexico City.	Private	Supply and installation of the electrical, hydraulic, sanitary, air conditioning, and fire protection specializations.

TRANSMISSION LINES



PROJECTS	CLIENT	VALUE CREATION
2020 CE transmission lines and high-tension underground lines (Veracruz).	Federal Electricity Commission (CFE)	Works for the construction and installation of six transmission lines, five high voltage underground lines of 115 KV, a circuit with a length of 16,003 km-C and overhead recalibration work on high-voltage lines of 115 KV with a length of 9.323km-C.

ENERGY GENERATION PROJECTS



PROJECTS	CLIENT	VALUE CREATION
Wind farms (Yucatán).	Private	Installation of 30 2.0 MW wind turbines in two stages in Two wind farms; interior distribution medium voltage lines (underground), two collector substations, electric transmission lines (overhead), the construction of access roads, drainage ditches, and work platforms for equipment manoeuvres.

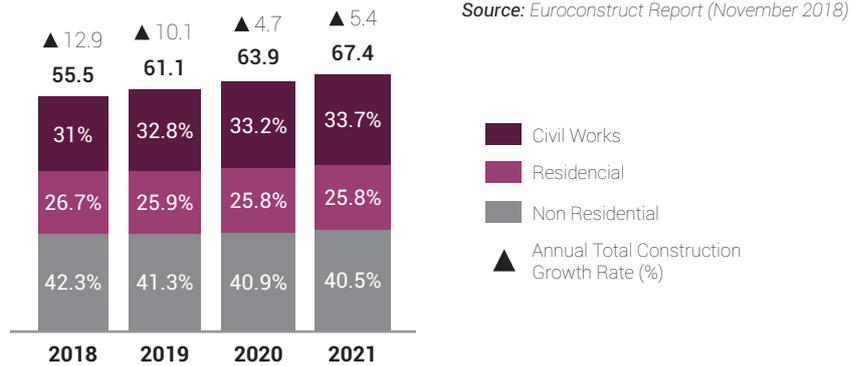
PROJECTS	CLIENT	VALUE CREATION
Wind farm in Arriaga (Chiapas).	Generadores Eólicos de México, S.A. de C.V.	Turnkey project for the construction, installation, and start-up of a 20 MW wind farm.
Wind farm in El Mezquite - EPC (Nuevo León).	Private	Wind park construction for the installation of 100 wind turbines (250 MW).
Photovoltaic plant in Viborillas (Jalisco).	Private	Construction of a solar energy generating plant.
San Ignacio solar energy plant (Yucatán).	Private	Construction of a solar energy plant.
El Tuli Solar Plant (Zacatecas).	Private	Construction, engineering, and acquisitions for the solar plant at Generation of electricity (150 MW).
Photovoltaic plant in Guajiro BOS Atlas, Nogala de Villagran (Hidalgo).	Private	Construction of a photovoltaic plant.



POLAND

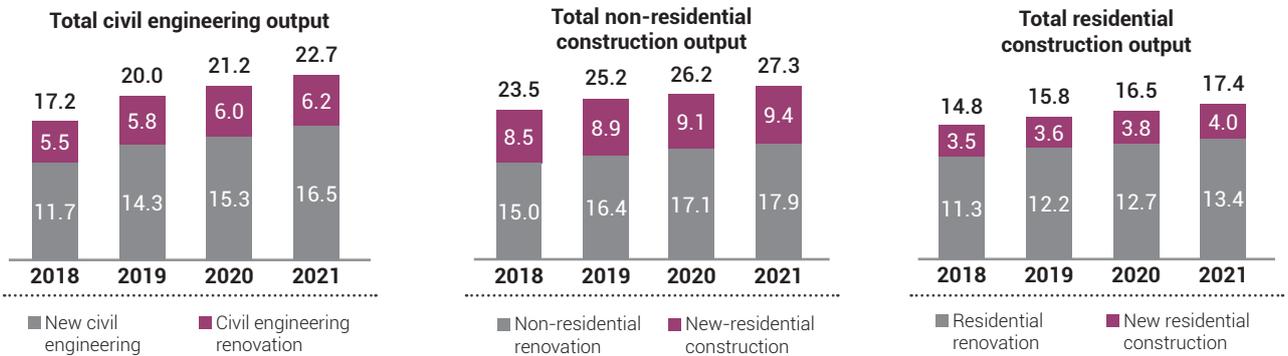
SECTORIAL TRENDS

TOTAL CONSTRUCTION OUTPUT (€bn). ESTIMATE



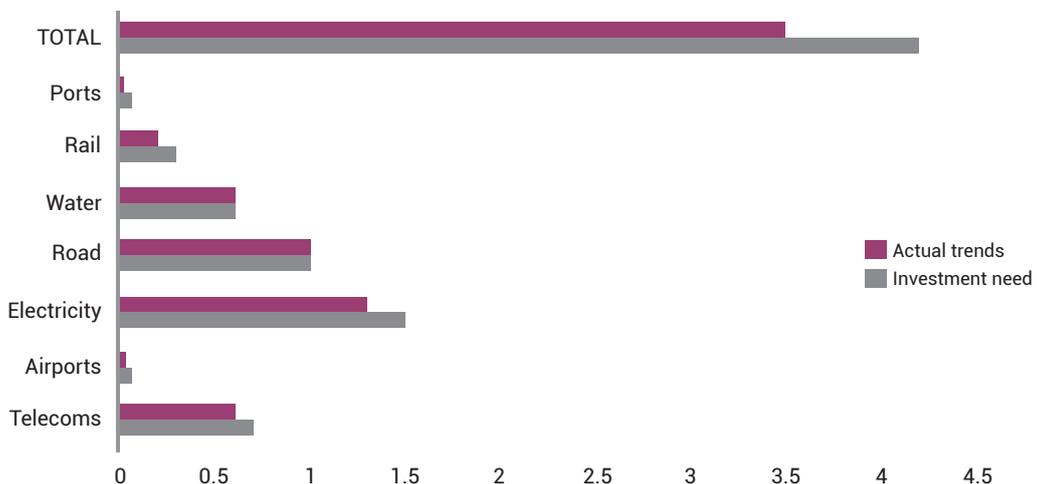
CONSTRUCTION INDUSTRY BY SEGMENT (€bn). ESTIMATE

Source: Euroconstruct Report (November 2018)



INFRASTRUCTURE SPENDING NEEDS, 2016-2040 PERIOD (% GDP)

Source: Global Infrastructure Hub



POLAND

ACTIVITY REPORT

CONSTRUCTION

RAILWAY WORKS



PROJECTS	CLIENT	VALUE CREATION
Gdansk Tram (Pomerania).	Dyrekcja Rozbudowy Miasta Gdanska	Track and tram system with a total length of 7.8 km of track to be replaced, as well as 14 platforms, 17 level crossings, sidewalks, and bike lanes. The contract includes the replacement of affected services, the renovation of existing urban lighting and traffic lights. The new stops will be equipped with an information system for passengers and connected to the TRISTAR traffic management system.

ROADS AND MOTORWAYS



PROJECTS	CLIENT	VALUE CREATION
S19 Lublin Węglin - Niedzwcica Duża Motorway stretch (Lublin).	Generalna Dyrekcja Dróg Krajowych i Autostrad (GDDKiA)	Construction of one of the sections of the S19 motorway between Lublin and Krasnik, which will form part of the international Via Carpathia route, specifically the stretch between Lublin Węglin and Niedzwcica Duża, with a length of 12 km.
S19 Motorway Stretch 3, Krasnik bypass (Lublin).	Generalna Dyrekcja Dróg Krajowych i Autostrad (GDDKiA)	Construction of one of the sections of the S19 motorway between Lublin and Krasnik, which will form part of the international Via Carpathia route, specifically the Krasnik bypass motorway, with a length of 10 km.
Rondo Rataje, Poznan (Greater Poland).	Poznańskie Inwestycje Miejskie	Design and construction of a communication system around the roundabout of Rataje.



RESIDENTIAL BUILDING



PROJECTS	CLIENT	VALUE CREATION
Saperska, Poznan residential building (Greater Poland).	Private	Construction of two residential buildings with heights ranging from three to six floors, which will encompass a total of 126 apartments. They will also have an underground floor to build a garage with 191 parking spaces. The promotion includes large, landscaped common areas with a picnic area and recreational areas. The total area of the project is 15,679 m ² .
Marvipol Homes, Warsaw (Mazovia).	Private	Construction of four seven-floor multi-family buildings With 20,480 m ² of usable area, and will also have parking spaces in the basement.
Nexity Homes, Warsaw (Mazovia).	Private	First stage of construction of a residential complex that will consist of two five-storey buildings and a basement. The usable floorspace of the apartments is around 7,000 m ² . In the common areas, there will be a small private lake for residents, multimedia benches that let them charge electronic devices, and a playground.

NON-RESIDENTIAL BUILDING



PROJECTS	CLIENT	VALUE CREATION
Fit Out hotel, Warsaw (Mazovia).	Private	FIDIC Contract for Plant and Design-Build for the transformation of an office building in a 200-room hostel. The constructed surface area will be 8,000 m ² . The building will consist of a ground floor, eight floors above ground made up of bedrooms, and a basement for facilities.



POLAND

INDUSTRIAL

INSTALLATIONS AND MAINTENANCE



PROJECTS	CLIENT	VALUE CREATION
Plant for the production of automotive parts, Września (Greater Poland).	Private	Construction of a production plant for client who supplies automotive parts for Volkswagen. The total area is 22,403 m ² . The plant is composed of three main areas: upper warehouse (where the process of stamping the pieces is done), lower warehouse (destined for storage of the pieces) and an administrative building.

TRANSMISSION LINES



PROJECTS	CLIENT	VALUE CREATION
400 kV high voltage overhead line Ostrołęka - Olsztyn Mątki.	Polskie Sieci Energetyczne (PSE)	Turnkey construction of a 400 kV double circuit overhead line with a length of 138 km. The works also include the design, the purchase of land, and environmental and town planning procedures.
400 kV high voltage overhead power line Gdańsk Przyjaźń - Żydowo Kierzkowo.	Polskie Sieci Energetyczne (PSE)	Turnkey construction of a 400 kV double circuit overhead line with a length of 120 km. The works also include the design, the purchase of land, and environmental and town planning procedures.
220 kV high voltage overhead line Glinki-Reclaw.	Polskie Sieci Energetyczne (PSE)	Complete modernization in turnkey construction of a 220 kV double circuit overhead line with a length of 32 km, along with a change in the guard cable at a length of 15 km. The works also include the design, the purchase of land, and environmental and town planning procedures.

ENERGY GENERATION PROJECTS



PROJECTS	CLIENT	VALUE CREATION
Karwice wind farm (Western Pomerania).	Private	Turnkey contract, consisting of 16 2.5 MW wind turbines with a total installed power of 40 MW, as well as associated infrastructure and maintenance for the next three years.

2. INVESTMENT ACTIVITIES

CONCESSIONS



PROJECTS	COUNTRY	VALUE CREATION
La Mancha Motorway (Ciudad Real).	Spain	Aldesa is part of Autopista de La Mancha, a company responsible for 19 years of the operation, maintenance, and conservation of the Puerto Lápice-Venta de Cárdenas section (Ciudad Real) of the A-4 motorway, with a length of 107 km.
El Vendrell (Tarragona) and Manresa (Barcelona) courthouses.	Spain	Aldesa holds the Concession of Surface Area Rights, granted by GISA, for their 27-year conservation service of the El Vendrell (Tarragona) and Manresa (Barcelona) Courts. The first, which has an approximate constructed area of 10,100 m ² , brings the seven courts together that were scattered by the municipality of El Vendrell and has an expected expansion of up to twelve courts. The judicial headquarters of Manresa has a total area of 15,058 m ² and is composed of two buildings that house the offices of twelve judicial bodies.
Marina Salinas, Torrevieja (Alicante).	Spain	Aldesa Marina Salinas is entrusted with the operation of the Torrevieja Marina Salinas marina, one of the most complete and modern facilities of the Mediterranean, for a period of 30 years, as well as the commercialization of its more than 700 mooring points, either ceded or rented out, thus responding to the high demand for berths in the Valencian Community.
Toll road in Arriaga-Ocozocoautla and Tuxtla Gutiérrez - San Cristóbal de las Casas (Chiapas).	Mexico	Holder of the federal concession of Arriaga-Ocozocoautla and Tuxtla Gutiérrez-San Cristóbal toll motorways, with a length of 139.5 km, for a period of 30 years. In addition, the project consisted of the construction and exploitation of the 73 km-long Tierra y Libertad- Ocozocoautla section.
Construction and operation of the Circuito 5 circuit corridor (Rocha-Florida-Lavalleja).	Uruguay	Design, construction, operation, and financing of infrastructure which will cross the regions of Rocha, Florida, and Lavalleja, in the south of the country, specifically on Routes No.14 and No.15 in the framework of the "Circuito 5" Road Corridor Project. The awarded concession period is 20 years.

RENEWABLE ENERGY



PROJECTS	COUNTRY	VALUE CREATION
Orrea wind farm, Pontevedra.	Spain	42 MW of power. 21 G114 2.0 MW Gamesa wind turbines. Turnkey construction, operation, and functioning.



PROJECTS	COUNTRY	VALUE CREATION
Mesada wind farm, Pontevedra.	Spain	11 MW of power. 6 G114 2.0 MW Gamesa wind turbines. Turnkey construction, operation, and functioning.
La Coruña wind farm, Xalo.	Spain	45 MW of power. 23 G114 2.0 MW Gamesa wind turbines. Turnkey construction, operation, and functioning.
Sierra de San Jorge photovoltaic plant, Badajoz.	Spain	Turnkey construction, operation, and functioning of the installed 24 MW high power photovoltaic plant. The projected photovoltaic project consists of 71,640 modules, connected in series of 30 panels occupying 55.2 hectares.
Burguillos photovoltaic plant, Badajoz.	Spain	Turnkey construction, operation, and functioning of the installed 24 MW high power photovoltaic plant. The projected photovoltaic project consists of 71,640 modules, connected in series of 30 panels occupying 53.19 hectares.
Palomarejo wind farm maintenance, Écija (Seville).	Spain	Complete maintenance of the wind farm, comprising 15 Gamesa G90 model wind turbines with a total power of 30 MW
La Tella wind farm maintenance, Jumilla (Murcia).	Spain	Complete maintenance of the wind farm, comprising 25 Gamesa G97 model wind turbines with a total power of 50 MW.



REAL ESTATE



PROJECTS	COUNTRY	VALUE CREATION
Fuentes Blancas Homes, Burgos.	Spain	Property development of 123 2,3, and 4 bedroom homes, 123 storage rooms, and 146 parking spaces, with common areas and a pool. The garages and storage rooms are distributed between two basements, and the houses among 14 floors above ground. Promotion to be carried out in 3 phases.
Águilas Homes (Murcia)	Spain	Property development of 138 2,3, and 4 bedroom homes, 138 storage rooms, and 143 parking spaces, with common areas and a pool. The garages and storage rooms are distributed between two basements, and the houses among 6 floors above ground. Promotion to be carried out in two phases.
Villaverde Homes, Madrid.	Spain	This property development consists of 54 homes, with their corresponding storage rooms, and 89 garages distributed on two levels. It has a swimming pool and children's play area, as well as large communal areas with gardens.
Moncada Homes (Valencia).	Spain	The Property development consists of 30 homes, with their corresponding storage rooms, 2 commercial properties, and 55 garages distributed on two levels. It has a swimming pool and children's play area, as well as large communal areas and gardens.
Móstoles Homes (Madrid).	Spain	Property development of 95 1 and 2 bedroom homes, 150 parking spaces distributed in 2 basements, 95 storage rooms, and 4 commercial properties, as well as a Padel tennis court, garden areas, and a playground.
Torrejón Homes (Madrid).	Spain	Property development of 176 1 to 4 bedroom units, 382 parking spaces distributed between 2 basements, as well as 176 storage rooms and 24 commercial premises, developed in a closed block, with large common garden areas, and a pool for children and adults.
Getafe Homes (Madrid).	Spain	The Property development consists of 100 homes, with their corresponding storage rooms, and 176 garages distributed on two levels. It also has large common areas with a swimming pool, Padel tennis court, and children's play area, as well as large communal areas, in a gated community.
Gran Canal Inversiones Offices, Madrid.	Spain	Management of Grupo Aldesa headquarters (4,500 m ² of office space).
Diamante Plaza office building, Krakow (Lesser Poland).	Poland	Class A office building with 10,000 m ² of leasable area, designed to meet the growing demand for modern and well-equipped office spaces by multinational and local companies.

3

CORPORATE SOCIAL RESPONSIBILITY REPORT

Grupo Aldesa is aligned with the principles and action plans of the international ISO standard 26000.

▶ Letter from the Honorary Chairman	50
▶ 1. Governance of the Organization	52
▶ 2. Respect and Protection of Human Right	60
▶ 3. Labour Practices	62
▶ 4. Environment	70
▶ 5. Fair Operating Practices	82
▶ 6. Issues Related to Clients	84
▶ 7. Active Participation and Community Development	94

LETTER FROM THE HONORARY CHAIRMAN

▶ 50 YEARS OF BUILDING TRUST

We celebrate 50 years, five decades, in which we have built trust. Five decades have a lot to offer, especially if we start with how the world looked back then. When ALDESA took its first steps, the photos were in black and white, and not digital like they are now. The engineers, who were not many back then, did everything by hand: calculations, structures, plans, and administrative tasks. Without a doubt, these were great experiences that allowed us to be an active part of the transformation in the infrastructure and civil works of this country.

In these 50 years, not only has the construction sector changed, but the entire business network in Spain has changed. It has not only changed the way of projecting and giving solutions, but also the tools that allow us to optimize time today: plans in paper folders to USB memory, the first desktop computers to tablets, or telephones to smartphones. In spite of this dizzying change, today we continue in this digital and business transformation.

What has not changed in us has been our basic DNA, because we understand that it is not only about knowing how to do things, but also about wanting to do them well. And today, 50 years later, we continue to provide efficient solutions to customers and generate value in the communities where we work, with a commitment to Social Management, which we renew every year. We remain a close company, with the capacity to develop any complex project anywhere in the world, but with close relationships and agile and efficient management.

In this context of changes and the need for adaptation, Aldesa continues to develop a strong team with experience and commitment, creating value in the projects it develops. Within our corporate value generation activities and strategy, we want to generate an impact in the regions where we operate through the promotion of infrastructure development and empowerment with capability development. And so, we will continue working in order to build a better future for all.

Antonio Fernández
Honorary Chairman
Grupo ALDESA



1. GOVERNANCE OF THE ORGANIZATION

▶ THE GROUP AND SOCIAL RESPONSIBILITY

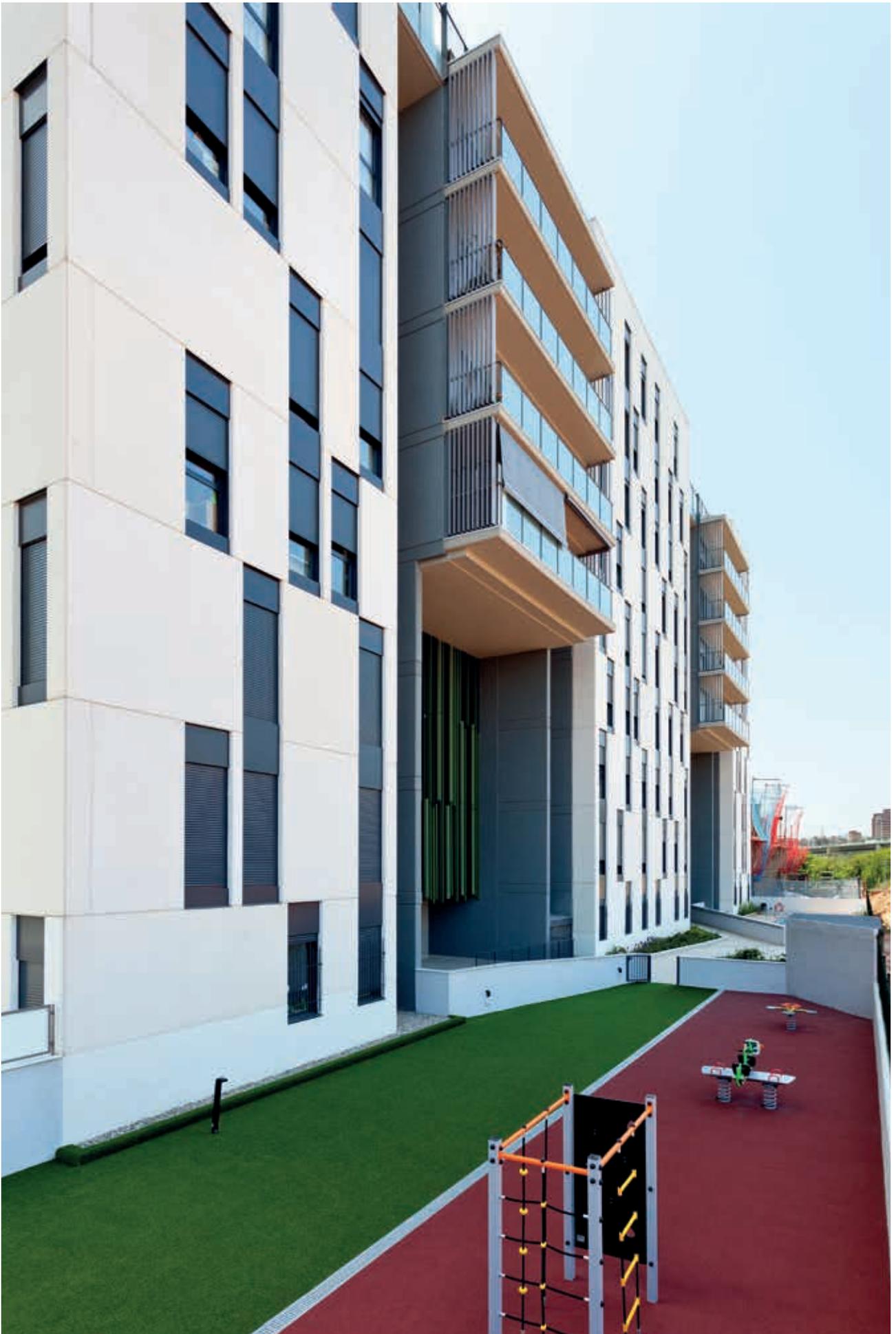
Grupo Aldesa has been working for years to make its economic development compatible with the integration of environmental and social concerns in its management model. The growth and diversification that the Group has experienced in recent years makes it necessary to pay greater attention to the consequences of the activities that are carried out and that have an impact on society.

Thus, Grupo Aldesa set out a series of strategic objectives in the field of Corporate Social Responsibility, ranging from the application of R&D+i projects, aimed at sustainability in civil works, to the decisive investment in renewable energies, going from waste management for reuse, extending the Occupational Safety Plan to employees of subcontracted companies, to participating in cooperation and development projects in the countries where it carries out its activity.

The Group's Corporate Responsibility strategy, which translates into the slogan, "We build trust," is based on a series of corporate values that extend to all levels of the organization and that are intended not only to be its hallmark, but also a true commitment to adhere to for all its stakeholders: customers, employees, investors, partners, suppliers, subcontractors, public administrations, users, and society in general.

All these values are specified in a series of areas and management systems that establish the implementation of the corresponding policies and action plans for the effective fulfilment of all these commitments.

- **Commitment to Highly Qualified Human Resources.** Aldesa is aware that its success has been possible thanks to its human team. The growth experienced by the Group in recent years entails the need for the continuous incorporation of highly qualified professionals with the ability to excel in all areas of the business. For the development of its employees, one of the basic pillars of the Human Resources policy is internal promotion and specialized training.
- **High requirement levels for Safety.** Job safety is a basic pillar in Aldesa to articulate all the activities it carries out, being at the same level of importance as profitability, quality, and production. The Group is seriously committed to safety and the prevention of occupational risks, establishing a series of commitments and guidelines that are reflected in its Health and Safety policy, which all employees must comply with, making them part of our preventive safety management plan.
- **Application of sustainability and new technologies.** Aldesa has the capacity to use the most advanced techniques in the execution of its projects, selectively incorporating the most appropriate technology. The technological possibilities available to improve construction methods are studied, with special emphasis on processes efficiency and sustainability. Advanced technological projects related to electrical engineering and telecommunications have also been worked on.



▪ **Compliance with the most demanding quality requirements.** For over a decade, Aldesa has been certifying its Quality Management, thus ensuring compliance with clients' requirements in terms of degree of satisfaction, as well as legal and regulatory requirements to reduce failures and establish a framework for continuous improvement of the Group's processes. The Aldesa Quality policy has, among its objectives, to become a basic element in the culture of the organization, and to make all personnel familiar with it and sincerely committed to it.

▪ **Strict compliance with the delivery deadlines established.** No detail is omitted in the planning of the work required by each project, and if the periodic control of the partial deadlines shows evidence of even a minimal delay, we expand equipment use and work shifts, thus avoiding unnecessary inconvenience to clients and users.

▪ **Respectful management of environment.** Aldesa's environmental policy places special emphasis on prevention and on the goal of continuous improvement in the Group's environmental performance, with a high degree of involvement on the part of the entire organization. Aldesa has had an Environmental Management Certificate for almost ten years, in accordance with ISO 14.001, which ensures compliance with the applicable environmental legislation and regulations, as well as the use of processes that prevent, reduce, and control pollution.

▪ **Support for initiatives that create value for the community.** Aldesa's social action focuses on the development of projects related to its activity that generate value for the community by satisfying its essential needs. These projects are mainly confined to the promotion of infrastructure development in the poorest regions of the world, so that the population can have access to basic infrastructure services, and to the social integration of underprivileged people in the communities where the Group operates.

With the conviction that it is necessary to maintain a sustainable business model, Grupo Aldesa's Board of Directors assumes the task of approving the policies that affect the different areas covered by Corporate Social Responsibility, so that they are in line with the expectations of its stakeholders and the strategic set of objectives.

.....
▶ **MISSION IN MATTERS OF CSR**

Actively and voluntarily contribute to social, economic, and environmental improvement, thus providing added value in the countries where we operate.

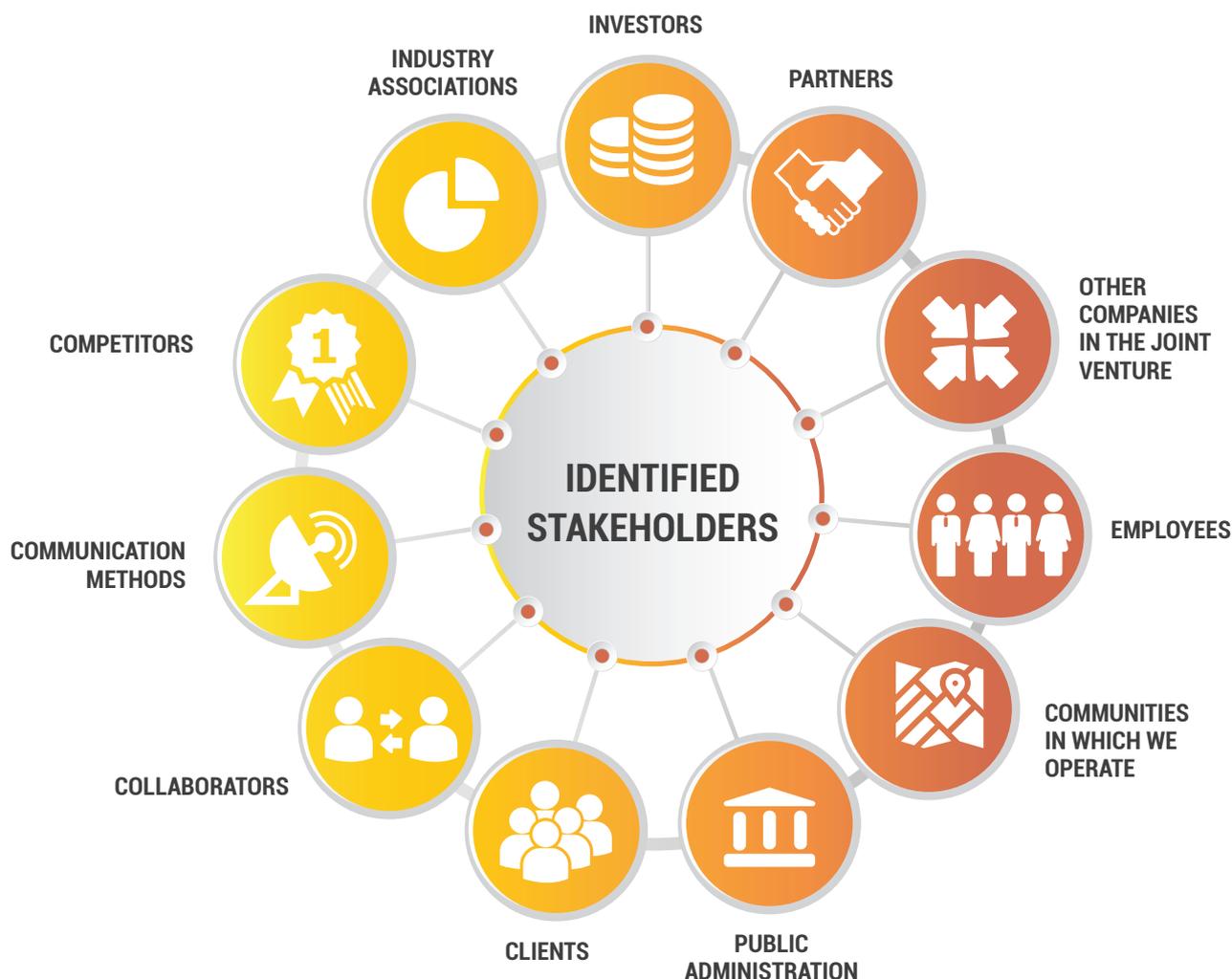


RELATIONSHIP OF TRUST WITH STAKEHOLDERS

Grupo Aldesa is aware that carrying out its activity and the decisions it makes directly or indirectly affect a universe of individuals, entities, or organizations that make up its interested parties or stakeholders.

This knowledge confers a series of attributes on them, such as the legitimacy to demand certain behaviours from the company, being understood as the ability to spark an effect in the same, and diligence in the sense that their demands require immediate attention.

Grupo Aldesa's dialogue with its stakeholders is integrated into its Social Responsibility strategy and its Communication plan, promoting the establishment of trusting relationships. This commitment is specified in a mechanism of dialogue and mutual understanding, so that all the stakeholders are taken into account in the daily operations and it is possible to know their respective expectations. In specific cases of works or projects close to populated areas, direct communication platforms have been established, so that the dialogue is reciprocal and everyone can feel involved in local development process.





ALIGNMENT WITH THE PRINCIPLES OF SOCIAL RESPONSIBILITY

Convinced of being able to contribute to sustainable development through its activity, Grupo Aldesa is aligned with the principles and action plans of the international ISO standard 26000 when it comes to responsibly focusing its operations, as society demands.

Given the multinational nature of the Group, and given the diversity of national standards, which can create confusion, the first truly universal standard of social responsibility has been chosen.

At the same time, in a determined step to advance in matters of transparency and accountability, as of 2017, Grupo Aldesa's Annual Social Responsibility report is structured in accordance with the ISO standard 26000, which offers a global consensus on fundamental matters and issues that should be reported.

INVOLVEMENT IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS

Grupo Aldesa, as part of its operational strategy, is committed to collaborating for the achievement of Sustainable Development Goals (SDGs), measures that aim to end poverty, protect the planet, and guarantee the well-being of people around the globe. They require the collaboration of civil society and the public and private sectors.

In this context, the challenge for companies is contributing to their fulfilment by addressing the goals at the local level. Aldesa has the capacity and the will to contribute to these transformations and position itself as a force of development. This is where our Group can contribute value through its activity, with relevant initiatives both for society and for the company.



Therefore, they have identified, among the 17 SDGs— which include areas such as climate change, economic inequality, innovation, sustainable consumption, and peace and justice,

among others—, three priority objectives to which they reliably contribute and with the minimum impact, with results in 2018 that have been as follows:

7 AFFORDABLE AND CLEAN ENERGY 	Guarantee access to affordable, safe, sustainable, and modern energy for all.		
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Build resilient infrastructure, promote inclusive and sustainable industrialization, and encourage innovation.		
11 SUSTAINABLE CITIES AND COMMUNITIES 	To make cities and human settlements inclusive, safe, resilient, and sustainable.		
610 MW of renewable energy generation in investment projects.	908 MW of renewable energy generation under construction.	357 km of power lines in different projects.	
517.6 million Euro as a result of the turnover in infrastructure.	6 industrial construction projects promoting local development.	6.7 million Euro per year invested in R+D+i.	
6 public transport projects.	14 projects for the efficient management of urban traffic (ITS).	Maintenance of more than 100,000 points of led or low-consumption lighting.	

However, given the interconnected nature of the SDGs, Aldesa has also identified other strategic objectives to which it can contribute as a result of its actions, such as clean water and sanitation, thanks to the quality of the hydraulic infrastructure implemented, or health, thanks to the occupational risk prevention policy that extends the occupational safety plan to employees of subcontracted companies.

PROMOTION OF SUSTAINABLE DEVELOPMENT

During 2018, Grupo Aldesa has carried out internal awareness campaigns on the

need to apply the principles of sustainable development, and has participated in various events, such as congresses, conferences, and seminars, linked both to the promotion of its activity and to Corporate Responsibility, having the opportunity to transfer various aspects related to sustainability to the business fabric. Likewise, the Group's companies actively participate in organizations and associations that promote the responsible development of their respective sectors.

Main associations and entities to which the companies of the Group lend their support

AEC - Spanish Road Association	CAMESCOM - Spanish Chamber of Commerce in Mexico
AECMA - Spanish Association of Construction Management	CMIC - Mexican Chamber of the Construction Industry
AEDIVE - Business Association for the Development and Promotion of Electric Vehicles	CLANER - Andalusian Renewable Energy Cluster
AEE - Wind Business Association	COGENEREA Mexico Civil Association
AENOR Standardization Committees	Construction Labour Foundation
AETOS - Spanish Association of Tunnels and Underground Works	CSIC - Higher Council of Scientific Research
AMDEE - Mexican Wind Energy Association	ITS España - New Transport Technologies Forum
AMF - Mexican Railway Association	ITS Polska - National Association of Intelligent Traffic Systems of Poland
AMIP - Mexican Port, Maritime, and Coastal Infrastructure Association	NFF - Norwegian Tunnel Association
AMIVTAC - Mexican Land Roads Engineering Association	PZPB - Polish Association of Construction Industry Employers
AMITOS - Mexican Engineering Association of Tunnels and Underground Works	Seville Chamber of Commerce
ANCI - National Association of Independent Builders	SNHK - Hispano-Norwegian Chamber of Commerce
APREAN - Andalusian Association of Promoters and Producers of Renewable Energy	UNEF - Spanish Photovoltaic Union
ATC - Technical Roads Association	Valencian Community Chamber of Contractors

CORPORATE GOVERNANCE

Grupo Aldesa is governed, managed, and represented by a Board of Directors in charge of the coordination, monitoring, and control of the organization, operation, and strategy of the different entities that make up the group, in order to achieve the company's business objectives. For all this, it has a leading and multidisciplinary Management Committee with extensive experience in the sector.

Grupo Aldesa has a commitment to good corporate governance, so it carries out policies that ensure a model of ethics, compliance, and transparency of the processes and controls they support through the mission, vision, and the Group's own values, which aim to position to Aldesa as a benchmark in the

sector through the transparent application of best practices.

COMPLIANCE AND CORPORATE POLICIES

The Group has internal tools that prevent corporate malpractice, included in its Compliance Plan and the Code of Ethics. The models and guidelines for professional, ethical, and responsible behaviour are mandatory for all the people that make up Grupo Aldesa, and extend to all its stakeholders.

MISSION

Create value in the construction, industrial, investment, and technological solutions activities by developing quality projects for our clients around the world.

VISION

To be a leader and a specialized group in the different countries in which we carry out our lines of business and activities, offering the best integral solutions in the different projects, as well as increasing profitability by innovating and optimizing management, taking advantage of the synergies generated by the different divisions of the Group in a committed and sustainable manner.

VALUES

Guarantee • Commitment • Trust • Experience • Proximity • Transparency

Grupo Aldesa has developed a series of procedures, models, policies, and manuals that have been approved and used as control measures and supervision of the company's Compliance Policy. Thus, Aldesa has corporate policies on Ethics, Anticorruption, Human Resources, and Corporate Social Responsibility, among others, as well as a policy of structure and Corporate Governance.

The procedures implemented to identify and classify the risks, both operative and legal, and the establishment of measures for their identification, prevention, surveillance and action against them, reduce the company's vulnerability and guarantee both compliance with regulations and ethical behaviour.



2. RESPECT AND PROTECTION OF HUMAN RIGHTS

Grupo Aldesa subscribes to and encourages compliance with these Human Rights and avoids collaborating with those organizations that violate them. That is why it is committed to respecting all the provisions that the International Labour Organization (ILO) and the Global Compact have issued on this matter.

As another significant step in strengthening its socially responsible behaviour, in 2015, Grupo Aldesa signed the letter affirming its union with the United Nations Global Compact. Since then, every year it has renewed its commitment to its membership, becoming firmly involved in the goal of aligning its activities and business strategies with the Ten universally accepted Principles in the areas

of human rights, labour standards, the environment, and the fight against corruption.

This international initiative of the United Nations has joined more than 12,000 signed entities in nearly 150 countries around the world, which is why the United Nations Global Compact is today the largest voluntary initiative for corporate social responsibility in the world.

THE 10 PRINCIPLES OF THE GLOBAL COMPACT

> HUMAN RIGHTS



1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.

> LABOUR



3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.

> ENVIRONMENT



7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

> ANTI-CORRUPTION



10. Businesses should work against corruption in all its forms, including extortion and bribery.

OUR CODE OF ETHICS AS A GUARANTOR OF HUMAN RIGHTS

Grupo Aldesa's Code of Ethics includes the values, norms, and principles reflected in our company culture, explicitly contemplating respect for Human Rights as one of the basic principles of behaviour. In particular, it is pointed out that all of Grupo Aldesa's actions and those of the people that comprise it will maintain a scrupulous respect to the Human Rights and Public Liberties included in the Universal Declaration of Human Rights. The Code of Ethics also requires that, in the same way, all members of Grupo Aldesa will ensure compliance with these provisions, paying special attention to those related to child and forced labour.

Likewise, Aldesa defends in its Code of Ethics that all Group employees have the right of association and the freedom to join a union, in which case it will collaborate with whatever means necessary so that employees can exercise this right, and that all Group employees can hold trade union positions according to the applicable legislation in each case.

Another aspect covered is non-discrimination and equal-opportunity employment. In this sense, Grupo Aldesa does not allow any type of discrimination based on gender, race, sexual orientation, religious beliefs, political opinions, social status, disability, or any other circumstance that could be a source of discrimination. In addition, the people of the Group will promote equal-opportunity principles and will contribute

to the generation of a diverse and integrated work environment.

The Ethical Code of Aldesa also addresses the protection of the environment, committing itself to the protection, respect, and preservation of the natural environment. Said commitment is assumed through the guidelines of its environmental policy. At the same time, it urges the members of Grupo Aldesa to protect and respect minimizing their negative environmental impacts that may be caused by the development of their activity.

A key aspect of the Code of Ethics is the fight against corruption. In a strict manner, Grupo Aldesa states that it will not tolerate or permit any type of corruption. The executives and employees, as well as any external person that lends their services to the Group, should behave in such a way that they do not induce a public official to violate their duties of impartiality or any legal precept in their relations with national public Administrations, third-party countries, or international organizations.

Grupo Aldesa prohibits the performance of any type of behaviour and/or activity aimed at unlawfully influencing the behaviour of a public official with the purpose of adopting or not adopting a decision that favours our company. For this purpose, Grupo Aldesa has compliance policies and specific control procedures in relation to these actions, which may even lead to the imposition of sanctions and which must be made known to all employees and executives of the company.



3. LABOUR PRACTICES

Grupo Aldesa employs almost 3,000 professionals of 24 nationalities in 9 countries and in different lines of business, ranging from construction and the industrial sector to technological solutions and investment activities.

ALDESA'S HUMAN CAPITAL

At Aldesa, we believe that our human team and its knowledge, skills, competences, and commitment are the decisive factors on which the Group's success in the market depends. Therefore, Aldesa seeks to attract, preserve, and develop the best talent available in the market—professionals who demonstrate, in addition to their specific technical skills, highly developed personal skills and great motivation for a job well-done.

At Aldesa, we believe that only highly motivated employees lead to the success of the company. That is why Aldesa makes the motivation of its teams one of its irrevocable objectives, carrying out periodic motivation assessments and creating action plans according to their results in order to constantly improve and maintain indicators of motivation and commitment in the highest standards of each country in our sector.

We aspire to achieve a long-term employment relationship, for which we promote the professional reorientation, continuous education, and mobility of our employees.

We strive to achieve a dynamic, flexible work environment based on trust, in which the

employee feels comfortable and can develop both professionally and personally.

We promote diversity, and do not consider aspects such as the origin, nationality, race, religion, gender, or age of the workers. Our employees are treated exclusively according to their value and commitment.

In line with the aforementioned, Aldesa maintains a collaboration agreement with the Juan XXIII-Roncalli Foundation, dedicated to social assistance for people with intellectual disabilities, of any type and level, as well as their social-labour integration and social inclusion.

Furthermore, in 2018, we have drafted and approved an Inclusion Strategy to favour the integration of people with disabilities into the structure of the company.

During 2018, Grupo Aldesa distributed almost 50,000 hours of training activities to our employees in the different countries where it operates, almost tripling the figure of the previous year.

DEVELOPMENT IN ALDESA

Aldesa's priorities include the professional development of all our workers and the help to



reach their full potential, in order to generate high levels of motivation and performance in them and encourage them to strengthen their respective abilities.

Aldesa makes the detection and development of internal talent at all levels of the structure a priority, so that internal talent can assume motivating responsibilities appropriate to their abilities, putting the development of internal talent above the incorporation of people from outside the company as much as possible.

Every year, professional goals are set that have the dual function of motivating our employees and aligning their personal objectives with those of the company. These objectives will be reviewed by employees and supervisors at the end of the year to specify both the degree of

achievement of the same as well as areas for improvement.

As a result of this evaluation, a development plan is generated with concrete measures and actions that affect both the areas that could use improvement and the objectives that were not achieved.

In this way, various processes and methods are applied to promote the development of workers, among others: training in the workplace, classroom training, e-Learning, rotation of the work positions, performance management, assignment of tasks at an international level, and coaching.

All our actions aimed at professional development have, as their ultimate goal, to respond to future needs in terms of human resources that the strategy of the company will demand.



During the year 2018, we have implemented an ambitious Equality Plan, designed and approved in 2017.

SELECTION IN ALDESA

Recruitment and selection is the fundamental strategy by which Aldesa attracts and incorporates talent into the company, contributing to the proper functioning of the Group and the fulfilment of strategic business objectives.

We know that Aldesa's success depends on the quality of its employees. Therefore, Aldesa seeks to attract and hire the best personnel available in the market according to the needs of the business, considering their training, professional experience, specific technical skills, abilities, and compatibility with our values.

In the selection processes we do not consider aspects such as origin, nationality, race, religion, gender, or age, focusing only on the professional profile of each applicant.

The selection process at Aldesa responds to the strategic objectives of the Group, its operational needs, and to the possibilities of action in accordance with the development of each country. The department is based on four fundamental guiding principles:

- A. Global Management-Local Response.
- B. Actions focused on business needs.
- C. Flexibility of action.
- D. Cost optimization.

LABOUR RELATIONS AND WORKING CONDITIONS

To ensure the long-term success of the company, Aldesa favours communication with all its employees, both individually and collectively, and independently of whether they are represented on a regular basis by a committee; In addition, it promotes negotiation as a vehicle to reach individual labour agreements.

▶ During the year 2018, Aldesa carried out a total of 937 global selection processes distributed as follows:



Aldesa understands that compensation is a priority factor in the consolidation of its human capital, which is why it strives to maintain a differentiated remuneration system compared to its competitors. The principles of action that guide our remuneration system are:

- Favour the attraction, hiring, and retention of the best professionals.
- Maintain coherence with the strategic positioning of the Group and with its development, with its international and multi-cultural reality, and with its objective of excellence.
- Recognize and reward the dedication, responsibility, and performance of all its professionals, in addition to respecting internal equity.
- Adapt to the different local realities in which the different entities of the Group operate.

- To be at the forefront of the market in coherence with the position achieved by the company.

HEALTH AND SAFETY AT WORK

At Aldesa, we believe that the prevention of personal injuries and the protection of health are fundamental values for the recognition of business excellence. The safety and health of the people who work in the Group and the improvement of the conditions in which we carry out the project are priority and fundamental objectives.

All Grupo Aldesa employees are active and responsible elements for the implementation of the Health and Safety Policy. This includes all the people who work for the Group, regardless of whether they are employees or collaborating companies.



For Grupo Aldesa, occupational health and safety is at the same level of importance as profitability, quality, and production. These principles are based on compliance with the following commitments:

- Based on the principle that all accidents, incidents, and occupational diseases can and should be avoided, to achieve a high level of safety at work, complying with current legislation, contractual obligations, and our own rules and procedures and, especially, the criteria of our clients.
- That the line of command will assume and enhance the integration of safety in the daily operation process, establishing as a basic principle that the best development of the activity is achieved with the highest degree of safety.
- To promote the participation and consultation of all workers in matters related to health and safety at work and to inform our workers of all the risks inherent in their work that may compromise their safety and health as a result of our activity.
- To achieve health and safety objectives, to allocate the necessary resources, to appropriately plan their use, in a continuous process of the improvement of working conditions. The establishment and revision of said objectives will be carried out in the different Health and Safety Monitoring Commissions.

The integration of Occupational Risk Prevention is an essential element of Grupo Aldesa's business culture. It is a commitment at all levels of the organization, with the aim of having the best safety conditions at work and high levels of protection for all employees.

Complying with the legal requirements in matters of Occupational Risk Prevention (ORP), the preventive activity in Grupo Aldesa is organized through our Independent Joint Prevention Service, and with the collaboration and support of the rest of the areas and departments of the organization.

In 2018, the companies of Grupo Aldesa in Spain submitted their ORP management to legal and compliance audits of the OHSAS 18001:2007 standard (Occupational Health and Safety Management System), successfully passing them.

In the case of the OHSAS audits, the triannual certification cycle has closed at the beginning of 2019, with the Aldesa Group preparing to be certified during 2020 in a new cycle, this time under the new ISO 45001 standard that replaces OHSAS 18001, making our organization among the leading companies and the first in Spain to face certification under the new health and safety standard.

This system not only satisfies legal requirements, but also establishes the requirements that organizations must meet in order to optimize the performance of their Occupational Health and Safety Management System. From the perspective of the employees, the risks associated with the activity carried out by the company are minimized, thereby obtaining the continuous improvement of working conditions and the getting closer to the objectives of eliminating risks and hazards such as "Zero Accidents."

An effort has also been made in the promotion of the Policy and the management system for our subcontractors and collaborators, demanding their compliance in order to obtain the same level desired by Grupo Aldesa in its collaborations in our work centres. One of the

measures is to include our Health and Safety Policy as a compliance requirement for each subcontractor along with an important effort to communicate the specific risks of each activity to all workers.

During the year 2018, the objectives established in the Prevention Plan have been met. The main actions have consisted of an increase in information and specific training in the works in order to promote compliance with legal requirements. Likewise, a constant and effective inspection of the different works and work centres has been carried out where possible risks were detected and controlled in order to eliminate them and improve working conditions. At the same time, a special follow-up of the corrective actions has been carried out to significantly reduce the time to eliminate them.

One more year, the results of accident rates achieved in 2018 by the Group's companies are below the average levels of the sectors in which they carry out their respective activities.

The specific projects on health and safety management in 2018 are aimed firstly to achieve a safe working environment

and, secondly, to spread Grupo Aldesa's commitment to the prevention of occupational hazards.

In 2018, progress was made in document control through an external document manager with optimal management of the documentary requirements of access to work in relation to risk prevention as well as the access control of the different workers.

In **Mexico**, Aldesa has reached the milestones established in the Action Plan for the Prevention of Occupational Hazards scheduled for 2018, which is undoubtedly the result of the effort and commitment of the organization for the integration of Risk Prevention in all the levels of the organization. This effort has been fundamental to the maintenance of low accident rates, which are always well below those established in the sector. The maintenance of these results is due, to a large extent, to the efforts made by the organization in the



supervision and control of the work in the different centres throughout all departments, ORP, and production.

During the past year the certification of the Occupational Health and Safety Management System under the OHSAS 18001: 2007 standard was successfully passed, since the Management System was certified in 2012, and the standardization in terms of security within the organization was strengthened. During 2019, it will be certified under the ISO 45001 standard which will substitute the OHSAS 18001.

Regarding **Poland**, excellent accident rate data have been maintained by carrying out different actions to strengthen the health and safety standards in the Group's work centres.

Some of these actions have been the revision and improvement of the Risk Prevention Management System, adapting it to the Polish context and legislation and successfully carrying out the communication and monitoring of its compliance in the organization.

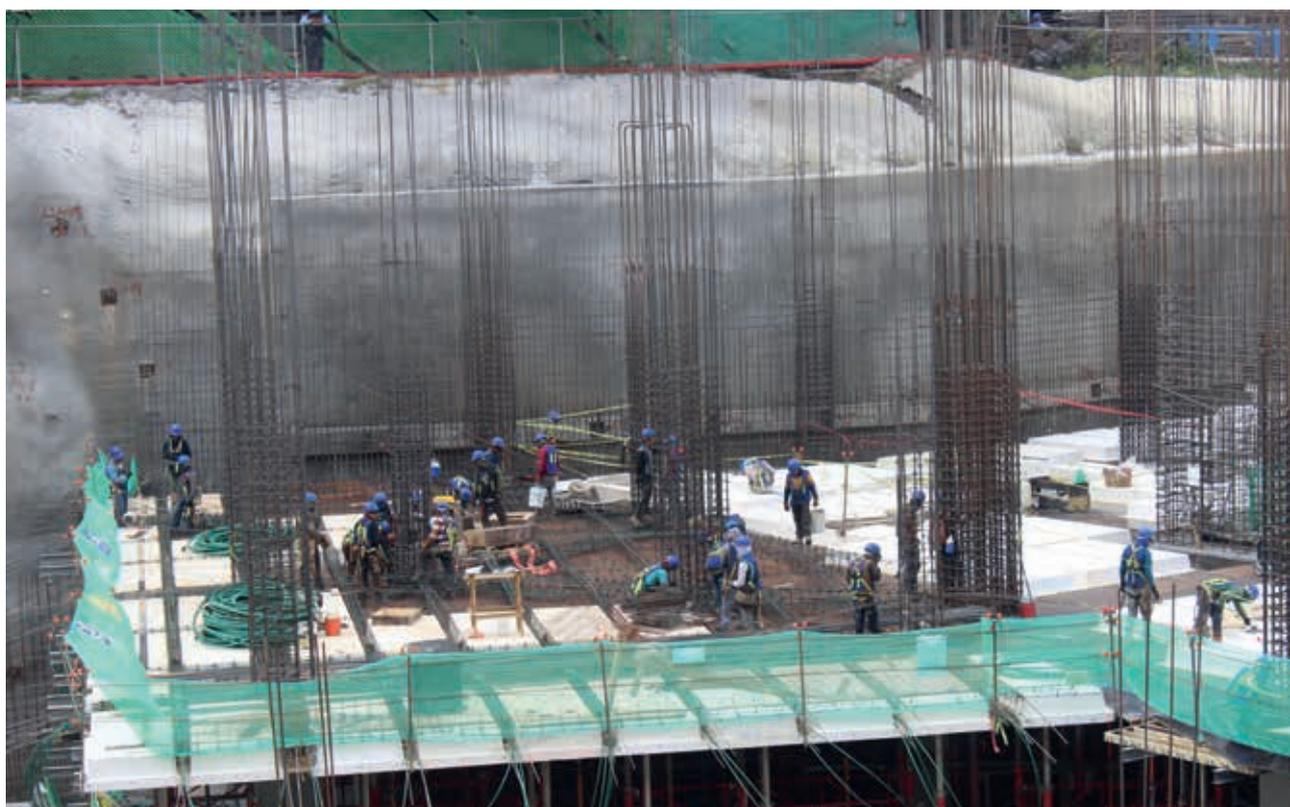
Likewise, it is worth noting the establishment of specific Health and Safety technical procedures,

as well as the implementation of the specific health and safety training plan.

In **Peru**, Grupo Aldesa has worked very effectively in risk control in the diverse activities of the various awarded projects in 2018. In this sense, the certification under the OHSAS 18001: 2007 standard has been successfully passed, which means that all Grupo Aldesa countries are certified under this standard.

Among the main actions carried out by Aldesa in Peru during the past year, it is important to note the consolidation in the implementation, diffusion, and compliance of the Risk Prevention Management System, as well as the establishment and proper functioning of the Central Safety Committee and the Subcommittees in the various projects.

Equally important is the work done in internal training in terms of occupational health and safety training, which has also been extended to subcontracted personnel. Finally, it is observed that the accident rate data have been very positive in line with those obtained in previous years.



4. ENVIRONMENT

It is a tradition for Grupo Aldesa to have an interest in achieving and demonstrating a high commitment of respect toward the environment and to preserve the natural environment is traditional. This commitment assumed by the Group is made public through the guidelines expressed in its environmental policy.

These environmental policy principles are carried out within the framework of an Environmental Management System based on the ISO 14001 standard, which ensures compliance with the applicable environmental legislation and

regulations. The main companies that make up Grupo Aldesa in Spain –Aldesa Construcciones, Proacon, Coalvi, and Acisa– have environmental management systems certified under the ISO 14001 standard.

ENVIRONMENTAL POLICY

› Assume the commitment of environmental protection, including other commitments specific to its surroundings.



› Comply with the applicable environmental legislation and regulations, as well as with the requirements that the company subscribes to.



› Use processes, practices, or materials that prevent, reduce, or control pollution, under the commitment of prevention.



› Continuously reinforce environmental management, to obtain improvements in the environmental performance of the company.



› Establish and regularly review environmental objectives and goals, in accordance with the commitments assumed in this declaration.



› Communicate to and involve the affected personnel about how to develop and apply the environmental management system.





CONTAMINATION PREVENTION

Aldesa systematically establishes Environmental Management Plans in each of its works, in which the following actions are carried out, among others:

- The environmental aspects generated by the activities carried out in the projects (waste, atmospheric emissions, discharges and noise, mainly) are identified and evaluated. The criteria used to perform the evaluation on these environmental aspects are: nature and toxicity, magnitude, impact on the receiving environment, probability of occurrence, and severity of the consequences.
- Subsequently, the applicable environmental legislation is identified (for example, the state laws of the different regions and municipalities of the country), as well as the possible environmental requirements derived from licenses, authorizations, or environmental impact declarations. To facilitate this identification task, a specialized external service is available that punctually provides all the new legislations that are being approved.
- Once the requirements and obligations have been identified, actions are taken to be carried out by the workers and the collaborating companies. To this end, Environmental Inspection Programs

(PIM) are established, which establish the inspections that must be carried out, those responsible for carrying them out, their frequency, and the results.

On a regular basis, environmental improvement actions are also established through the establishment of environmental objectives.

In the **Construction Area**, the main impact of the works is usually the volume of inert waste that is generated. It mainly consists of material from excavations and demolitions, debris, wood, or steel. In this way, and with the commitment of environmental improvement, we work to reduce the volumes generated from these wastes every day so that they do not end up being deposited in landfills. It begins with prevention, properly planning activities, and studying construction alternatives that avoid, reduce, and minimize the generation of waste. For the waste that cannot be avoided, alternatives are sought, such as reuse in the work itself or the shipment to other works that need land to be filled, thus preventing new quarries from being opened.

Another alternative to using a landfill is using the remaining material in the improvement of agricultural farms or environmental restorations. In these cases, restoration and preparation are carried out using the surplus clean earth left over from the works.



Wood, rebar remains, and metallic material are delivered to authorized entities for subsequent recycling. As for hazardous waste - such as empty containers of sprays, paints, resins, foams or silicones, and waste from machinery, such as brake fluids, filters, used oils, etc. -, they are separated and managed in each of the projects and centres through authorized companies.

Likewise, to avoid spills during the works, different retention systems for possible spills are established, as in the case of fuel storage. Other types of discharge, such as those resulting from the cleaning of the concrete mixer gutters or the bentonite slurries usually used in construction sites, are collected at clean points for further treatment.

Regarding the acoustic and atmospheric emissions control, a control of the machinery used in the works is carried out, demanding the correct preventive maintenance, as well as the use of recently manufactured machinery, also making sure that their official technical inspections are valid.

In the **Industrial Area**, similar environmental control guidelines are carried out, adapted to the specific activities and characteristics of this area.

The Recycling Policy at the Group's offices also includes the systematic collection of materials discarded daily, such as paper or toner from printers and photocopiers, through authorized companies for subsequent recycling and reuse, respectively. As telling data, during the year 2018 a total of 10.07 tons of paper and 9,222 kg of WEEE (Waste Electrical Electronic Equipment) were recycled at the headquarters of Grupo Aldesa.

It is worth noting the continued use of IT tools applied to environmental management. Real-

time information on environmental performance is available in all the projects and centres of the Group, and reports are issued that help in making decisions at all levels, facilitating the management of a greater number of environmental indicators.



ENVIRONMENTAL AWARENESS

In order to complete the environmental improvement actions, Aldesa systematically carries out different awareness campaigns, aimed at both their own workers and the workers of the collaborating companies. These include the dissemination of action guidelines for sustainable management in offices and the publication of different best-practice manuals, covering the various activities in construction, machinery, masonry, structures, electrical installations, and finishes.

Aldesa also shares its environmental concern with suppliers and collaborating companies, especially when their activities can have a significant impact on the project, ensuring that its employees have the training and environmental awareness necessary to carry out their activities.

In **Mexico**, throughout the year 2018, the ISO 14001 certifications for the Environmental Management System (Construcciones Aldesem, Proacon, Aldesem Building, Mantenedora y Operadora de Caminos e Ingeniería, and Servicios ADM) with the 2015 update to the regulation.

The activities developed during the past year have focused on interacting more closely with the operation of the different businesses and developing practical tools to ensure compliance with the applicable requirements, specifically by number and type of works.

- Risk analysis is carried out in the start-up, construction, and project completion phases to identify and mitigate the resulting aspects. This analysis is directly related to the identification and evaluation of environmental aspects to determine the operational controls.
- Sources of contamination are identified in each of the projects as well as the waste related to each of its activities.
- Significant sources of contamination are disseminated to control, measure, and reduce electricity and water consumption, as well as to reduce waste.
- Preventive measures have been implemented for the control and management of waste through the improvement of clean points.
- For the handling of Hazardous Waste and hazardous substances, it has been verified that the warehouses comply with the standard required conditions and that said warehouses have the necessary environmental and prevention requirements, such as reports, emergency kits, safety sheets, etc.
- Programs have been carried out to prevent and control environmental incidents. Through the action forms, an emergency plan is included to follow in the event of an environmental accident.



TYPES OF WASTE (tn)

COMPANIES	SOLID WASTE	SPECIAL	HAZARDOUS
Aldesem	361.9	131,438.87	15.39
Proacon México	2.3	283,315.99	14.32
ADM	416.94	5,955	0.09
Concesionaria	3.57	0.059	0.49
Aldesem Home	55.83	378.4	1.04
Aldener	2.20	3,595.2

On the collection and treatment of waste by managers endorsed by local environmental authorities are some of the activities carried out on a regular basis and that require more economic resources. The objective is to properly manage the waste generated during the execution of each project.

During the 2018 period in **Peru**, the Annual Environmental Awareness Programs in our projects were met 100%, involving all Aldesa workers and subcontractors, in order to seek a change in attitude and involvement in good environmental practices and compliance with our Environmental Policy, which includes a training phase. As such, for example, campaigns for organization and cleaning, water and energy saving, and metal waste collection were developed. It should also be noted that during the past year, 5,015.89 hours/person were spent in training in different topics related to the protection and awareness of environmental care.

Likewise, we worked on the implementation of different signage in the different areas of the project, with slogans related to the protection of the environment.

Furthermore, workshops on the Separation of Solid Waste were held for the stakeholders of the area of direct influence, such as educational centres and community nutritional support groups.

In our works we have emergency brigades, trained and capable of dealing with situations such as spills of hazardous chemical products, which is reinforced by practicing drills.

In order to extend the useful life of sanitary landfills and reduce transportation costs and final disposal, in Peru, the recovery of 73% of all total non-hazardous waste in the EO-RS plant was achieved, and only 23% of the total were disposed of in an authorized landfill. The hazardous solid waste generated on site was 100% disposed in an authorized secure landfill. The declaration of hazardous waste was made to the General Directorate of the Ministry of Housing's Environmental Affairs on a quarterly and annual basis as required by law.

TYPES OF SOLID WASTE	Tn
NON-HAZARDOUS SOLID WASTE	1,158.02
Recovered waste	846.1
Waste disposed in landfills	311.92
HAZARDOUS SOLID WASTE	1,180



As for **Poland**, among the main actions carried out by Grupo Aldesa in 2018, it should be noted that cooperation has been maintained with an external company that, as far as contracts are concerned, provides continuous information on changes in regulations, training of all employees, internal audits, participation in conferences, as well as a series of support activities for Grupo Aldesa projects. In 2018, in addition, a series of courses aimed at increasing the environmental awareness of employees has been organized, along with a series of evaluations derived from different aspects that require supervision during the projects, the monitoring of environmental legal requirements to guarantee rigorous compliance of the various projects, and compliance with the requirements established in the environmental impact studies of the projects in execution.

The QHSE plans have continued to be prepared for our clients, investors, and contractual supervisors, which also include the identification and evaluation of the environmental aspects that affect each project, as well as the appropriate implementation of preventive measures to ensure the Group's optimal environmental performance. Aldesa in **Poland** perceives health and safety in construction sites as a priority issue; in other words, this is added value for our customers.

SUSTAINABLE USE OF RESOURCES

Another of the highlights in the commitment to respecting the environment has been the control of the consumption of natural resources, among which are the consumption of water, fuel, and electricity.

In addition to worker-awareness, during the past year in **Spain**, concrete actions have been implemented to optimize the consumption of fuels during the works, as well as to adjust the working hours of generators in those cases in which their use is essential, as well as encouraging the use of more recently manufactured machinery; all this to ensure that the consumption of resources is lower.

▶ **Regarding the consumption of electricity that is usually more important in the offices, various adjustments have been made to reduce and optimize their consumption: power settings, schedule settings for start-up, and temperature adjustments according to the guidelines of the buildings. All this also contributes to the reduction of CO₂ emissions.**

Energy efficiency studies are being carried out at Grupo Aldesa's headquarters, such as the replacement of current lighting with LED lighting, the placement of timers in various common areas, etc., which is expected to contribute to a continuous reduction of CO₂ emissions.

During the year 2018, various awareness campaigns have been carried out in all the work centres in order to raise awareness among employees so that they can make responsible decisions about the consumption of water, fuel, and electricity. Likewise, audio-visual tools are used in order to improve and reinforce the effectiveness of the training provided.

In the case of **Mexico**, the rational use of natural resources is the main basis for the development of each of the projects that will be executed, using as a control the consumption register, the supply source, as is its intended use and/or the final arrangement. As a preliminary control in the impacts and environmental aspects matrix, it is verified that the supply source does not affect third parties.

During the initial stages of a project, the use of resources that will be used will be planned, including the consumption of water and the energy sources necessary for its development. Furthermore, the clients are recommended to follow reduction procedures with high-tech environmental materials to reduce the use of water as much as possible for the reduction of atmospheric emissions.

During the control of solid particle emissions into the atmosphere, daily irrigation is carried out in the projects (mostly in semi-desert conditions) to counteract the emissions of particles derived from the meteorological conditions.

For the promotion of the responsible consumption of materials and resources, an extended responsibility is assumed by the suppliers making an analysis of the life cycle in order to achieve the accurate and sustainable acquisition that ensures that the generated impact is as low as possible.

In each of the projects, effective waste separation is implemented in order to generate on-site reuse and shipment to authorized recycling centres of the susceptible waste according to its characteristics, promoting environmental consciousness for all interested parties.

There are also lists of environmentally friendly materials that comply with LEED standards, raising the levels and standards for the acquisition of raw materials.

Aldesa Construcciones in **Peru** is certified under the ISO 14001:2015 standard, which enhances our management under this international standard. In this country, the sustainable use of resources has focused on the development of the following initiatives:

- Requirement of an authorization from the Water Authority (ANA) in works near water sources that are used for the processes of the project.
- Obtaining the corresponding permits for the proper use of water, accounting for and registering the different amounts.
- To reduce the misuse and inadequate consumption of water, the plan for irrigation ways was implemented, carrying out the planning and control of discharged quantities as part of the production process and dust control.
- Signage and protection of water sources has been carried out, as well as the awareness of workers and residents of their proper use.
- In the various projects that require it, the monitoring of water, soil, and air quality has been carried out as part of our legal and contractual obligations.
- In our works, we have reused the waste materials, such as residual concrete, blocks, partition walls, helmets, and iron for the creation of ornamental plant pots, which are donated to nearby educational centres. Containers for solid waste made with used phenolic compounds have also been manufactured.

- There are measures to reduce CO₂ emissions due to the use of fossil fuels, which means that smaller equipment used in the floor polishing process has had its power supply converted to gas and/or electricity.
- As a measure to optimize the use of resources, campaigns are conducted for all CCMUNA workers and subcontractors through a series of posters located in offices, warehouses, canteens, and in the different sectors of the project, with the aim of raising awareness and informing all workers on the responsible use of resources.

MITIGATION AND ADAPTATION TO CLIMATE CHANGE

Climate change is one of the main environmental problems of today's society. Reducing the emission of carbon dioxide into the atmosphere has become a fundamental concern in Grupo Aldesa, which is why it is one of its priority objectives.

Aldesa continues to promote initiatives and actions to reduce the ecological footprint and minimize the Emission of Greenhouse Gases (EGG), setting up a reporting system.

The Emissions Inventory project aims to provide an accurate idea of the EGG generated in each activity to evaluate their situation against the competition and identify options for improvement.

During 2018, the analysis and measurement of emissions continued, which includes two different scopes:

- **Scope 1:** Direct sources of emission, or those directly associated with the productive activity.
- **Scope 2:** Indirect emissions, or those emissions that are generated in an indirect way, for example, those issued to produce the electric energy that each company consumes.

The growing energy consumption and the increase in the transport sector make it so that CO₂ emissions are now a serious problem to consider, since they are the main cause of global warming. Faced with this situation of environmental deterioration, Grupo Aldesa has strengthened environmental innovation by focusing its efforts on the production of energy from renewable sources:

- More efficient production of electricity from solar sources so that it can replace conventional sources with renewable sources, and the



development of technologies that allow for energy storage.

- Creation of new systems for the production of hydrogen from renewable sources and mechanisms for its efficient storage.
- Implementation of energy efficiency improvements and CO₂ capture.
- Improvement of efficiency in the management of industrial waste.
- Creation of new solutions in the integral water cycle.
- Measurement of the impacts of the activity on the environment.
- Use of photovoltaic energy, for example, a fixed system for charging electric vehicles using rechargeable batteries for the generation of photovoltaic panels, in the central headquarters offices.

▶ **As a result of the commitment to the reduction of CO₂ emissions, Grupo Aldesa has carried out during this year 2018, for the second consecutive year, the Voluntary Carbon Footprint Report. This report has been verified by the accredited Bureau Veritas and has been registered with the Ministry of the Environment.**

During 2018, the initiative to reduce emissions from the Group's vehicle fleet continued, maintaining its position as the main criterion for the selection of vehicles. In this sense, the following actions have been taken:

- Renewal policy for the fleet of vehicles with the lowest level of CO₂ emissions.
- Correct maintenance plan and continuous renewal of the fleet.
- Improve the efficiency of each vehicle through controls and individual revisions.
- Control and monitoring system for the vehicle fleet's fuel consumption, as well as their routes and the subsequent processing of information.

Grupo Aldesa performs different measures with the aim of improving energy efficiency, among which include:

- Awareness of employees through measures such as the creation of a good practices guide, chats at the beginning of a project, signage, communication bulletins, etc
- Efficient lighting equipment, replacing traditional incandescent fixtures with fluorescent or low consumption ones. Analysis of interior and exterior lighting technology used in the offices of the group companies and replacement of said traditional lighting by LED light technology.

COMPANY EMISSIONS 2017								
t CO ₂ eq	ACISA	ALDESA CONSTRUCCIONES	ALDESA HOME	PROACON	ALDESA RENOVABLES	COALVI	GRUPO ALDESA	TOTAL
SCOPE 1 (Diesel Consumption)	822.0782	1,593.4236	14.1187	524.8672	5.9817	773.8842	68.3825	3,779.63
SCOPE 2 (Electric Consumption)	185.7077	600.0822	0	13,1976	240.6979	12.5354	0	1,014.2331

- Installation of the centralized control of lighting installations, installing presence detectors and modifying the start-up of the lighting circuits.
- Revision of the connection contracts and the maximum powers installed.
- Maintenance plan, review of refrigeration systems avoiding possible coolant losses as a result of the application of reduction measures, maintenance in each branch.

As a result of the Company's commitment to energy efficiency, during this year 2018, the implementation of the ISO 50.001 Energy Efficiency Standard has been started in the buildings of the corporate headquarters and in the vehicle fleet in Spain.

During the year 2018, new building construction projects were executed and will obtain BREEAM (Building Research Establishment Environmental Assessment Methodology) certification. This certification encourages a more sustainable construction that represents economic, environmental, and social benefits for all people linked to the life of a building (developers, owners, tenants, and/or users) while transferring the Corporate Social Responsibility of the company to the society and to the market in an unambiguous and easily perceivable way. In this aspect, training actions have also been carried out on this environmental certification, given by the BREEAM Spain entity, to the

different areas of the Group: Quality and Environmental Technicians, Construction Managers, Production Managers, Delegates, and Technicians in the areas of Studies and Offers.

In **Mexico**, the most relevant initiatives during the year 2018 related to the mitigation of climate change have been:

- During the construction of projects based on a LEED model, the required guidelines regarding materials and construction processes have been followed and complied with, thus avoiding damage to the environment and environmental impact with emissions to the atmosphere.
- The executed projects were kept in line with the environmental management system, where emissions to the atmosphere are controlled through registers.
- During the construction phase, all service and material suppliers are informed and requested that all vehicles and machinery must have verification and maintenance for free access to the projects.

In **Peru**, we comply with a set of programs focused on the prevention and mitigation of negative environmental impacts, which are consistent with the fulfilment of the commitments assumed in the instruments or licenses and environmental and contractual legislation.

It is worth mentioning that fossil fuel consumption has been reduced by 79% in the generation of energy through connection to the public electricity network, thus reducing CO₂ emissions.

Through the monitoring of noise, water, and air quality, we measure the impacts that our activities can generate on the environment. These are compared with the Environmental Quality Standards (ECA) established by the MINAM (Ministry of the Environment) setting the maximum allowed values of contaminants in the environment.

PROTECTION OF THE ENVIRONMENT, BIODIVERSITY, AND RESTORATION OF NATURAL HABITATS

Grupo Aldesa ensures the preservation of the environments in which it carries out its services and works. For this purpose, it carries out a preliminary analysis of those environmental aspects that could interact with the environment, thus establishing the necessary preventive and protective measures.

These measures are included in the actions of the environmental management plans that are established in each of the works, including, as necessary, the corresponding environmental monitoring programs.

Particularly noteworthy are the actions associated with works that are carried out in areas of great environmental interest, especially those located in **Mexico**.

- Measures are implemented to preserve threatened or endangered native species, through compliance with terms and conditions of environmental policies.
- The areas that are not established as an environmental management unit (UGA) are diagnosed, with conservation criteria, to minimize possible environmental impacts on the decisions of land use.
- Ecosystem restoration actions are carried out, through reforestations, drainage works, and filtering dams in impacted soils degraded by water and wind erosion.
- During the year 2018, it participated in the execution of projects located in areas of high ecological value in which the main objective before, during, and after the execution was the conservation and protection of flora and fauna, implementing plans and programs with strategies focused on the minimization of the impact it had on the environment.
- During the construction phase, monitoring and compliance with flora and fauna protection programs will be carried out, involving the competent authorities and other interested parties.
- At the final delivery of each project, it is verified that the provisional installations are completely removed, leaving the site the same as its initial state.
- Mitigation measures are implemented to minimize the impact had on the different environmental components –water, flora, fauna, soil, and atmosphere– that make up the ecosystems in which it intervenes.
- Strategies are established to not include surfaces that include channels and protected natural areas during the planning and management of environmental procedures.
- Prior to starting the operations, rescue activities are carried out on the flora found within Nom 059, or on species that have an ecological or cultural value.
- The vegetal species in danger of extinction that are rescued are maintained in rustic nurseries and kept for a later relocation in areas similar to their original location.
- Techniques are carried out to drive away and relocate wildlife through trapping, photo trapping, and noise methods, prior to and during construction.
- According to the mitigation measures laid out in the environmental resolutions, the adaptation of fauna passages in biological corridors is carried out.



5. FAIR OPERATING PRACTICES

Grupo Aldesa has a Compliance and Criminal Risk Prevention Model based on the highest international standards and regulations, which reinforces its corporate values and ethical principles.

In its ironclad commitment to regulatory compliance, it works every day to ensure that its Compliance Model generates an authentic ethical business culture among its governing bodies, its directors and employees, and its stakeholders, publicly expressing its commitment to its principles and values through its Code of Ethics and its Anticorruption Policy, which are accessible on its website in Spanish and English.

Following the principles of its Compliance Policy, an annual assessment is made of the risks to which the company may be exposed in the exercise of its activity, and of the effectiveness of the controls implemented to mitigate said risks, planning improvements, strategies, and objectives of the model through an annual work plan.

Likewise, it carries out dissemination and training tasks to the entire chain of the organization, to its governing bodies, managers, and employees, with the firm conviction of the importance of training for the correct and efficient functioning of the Compliance Model.

It also has control tools that serve to detect and prevent any behaviour contrary to its principles and values and, therefore, to the policies and protocols of the business group.

Furthermore, as additional reinforcement, it extends the fulfilment of these values and principles to all its stakeholders, having them

know its Code of Ethics, its Anti-Corruption Policy, and committing itself in its relations and activities to the follow-up and compliance with these principles.

RISK MANAGEMENT

The Compliance Model assesses and detects different risks to which the company may be exposed during the exercise of its activity and has internal processes that mitigate such exposures, in which it performs supervisory and control tasks to verify their effectiveness and compliance.

As proof of all this, in this 2018 exercise it is worth highlighting the implementation of an Anticorruption System based on the most recognized international standards, such as the North American Foreign Corrupt Practice Act, the UK Bribery Act, the OECD's Anti-Corruption Convention, the Australian anti-corruption standards 3806-2006, the UN's Convention against Corruption, the Spanish Penal Code, ISO 19600 and UNE 19601, as well as any other regulations that are applicable to the subject, which prevents and mitigates any risk of public or private corruption to which the business group could be exposed, and which serves as a reinforcement to the controls already in place in the Compliance Model, significantly reducing the exposure to corruption risks, both public and private, in the development of Grupo Aldesa's business activities.

These detected risks can be succinctly grouped into four large groups:

 <p>ECONOMIC RISKS</p>	<p>This includes all risks that may be an economic detriment or deception, such as accounting manipulations, stock exchange, risks of public or private corruption, tax fraud, social security fraud, or fraud to other administrations, money laundering and financing of terrorism, illegal financing of political parties, etc.</p>	
 <p>PERSONAL RISKS</p>	<p>This includes those risks that affect labour risks, privacy rights, safety and health of workers, etc.</p>	<p>To mitigate the exposure to these risks, Grupo Aldesa has protocols for review and planning and internal and external audits, which oversee any economic operation. It has also implemented joint control workflow systems, which prevent any deviation from the company's procedures and policies. Training plans and reminders are made that reinforce compliance with these policies and controls.</p>
 <p>QUALITY, ENVIRONMENTAL, AND TERRITORIAL RISKS</p>	<p>This includes those risks that may involve damage to the environment, quality, or the ordinances of the territory, etc.</p>	<p>It also has internal audit and evaluation control of the correct and effective functioning of all of its procedures and policies.</p>
 <p>BUSINESS RISKS</p>	<p>This includes those risks against the secrecy of company information and confidential, intellectual, and industrial property rights, computer damage, etc.</p>	<p>To this, there is an added certification in OHSAS 18801 and in ISO 9001, 14001 and 19771, being the first Spanish construction company to be certified in SAM asset management.</p>

The internationalization of the model has also been carried out in the different international divisions, such as Peru and Mexico, adapting it to the local legislations.

Procedures and policies have been developed or improved that encourage fair and just competition and that do not allow anti-competitive activities or exploitation in unfavourable contexts, through its Code of Ethics, Compliance Policy, internal procedures for approving offers, or through its committees for the approval of investments, among others.

Training of the Compliance Model has been carried out as part of the training plan and informative notes have been disseminated on the principles and ethical values of the

company, specifically on those aspects that have been considered necessary to reinforce. During 2018, training sessions were also carried out by expert advisors in the field of Data Protection, Prevention of Money Laundering, and Anti-Corruption to the administrative bodies, managers, and other personnel of interest.

With all this, Grupo Aldesa has been able to verify a real establishment of its ethical business culture throughout the company, and its real manifestation before its stakeholders.

6. ISSUES RELATED TO CLIENTS

Aldesa is aware of the importance of its responsibilities with its customers in all areas of their relationship, therefore, it is committed to close and personalized customer service.

TRUST AND COMMITMENT

Its public and private clients trust in Aldesa's experience in the sector committed to innovation, professionalism, and the guarantee of a brand whose motto is: "Your trust, our commitment."

This commitment to continuous improvement and adaptation to customer needs has allowed Aldesa to develop its own label of post-sales services, "CQ Aldesa," guaranteeing quality in each of the residential building projects that it carries out in Spain.

This specialized service has three objectives: controlling all of the execution of the work from the beginning, advising and anticipating possible incidents that could arise after finishing the project; guaranteeing the required level of quality by minimizing the revisions and adjustments necessary to make once the homes are handed over to our customers; and customizing the homes according to the indications given by the buyer, allowing him or her to improve aspects of the future home under a strict monitoring protocol.

For this, CQ Aldesa is based on five phases: control of the execution with the preparation of monthly reports, personalization of homes (under the *YOURway* formula), control of finishes based on the pre-sale list issued by the project management, listings prior to the deed owned by

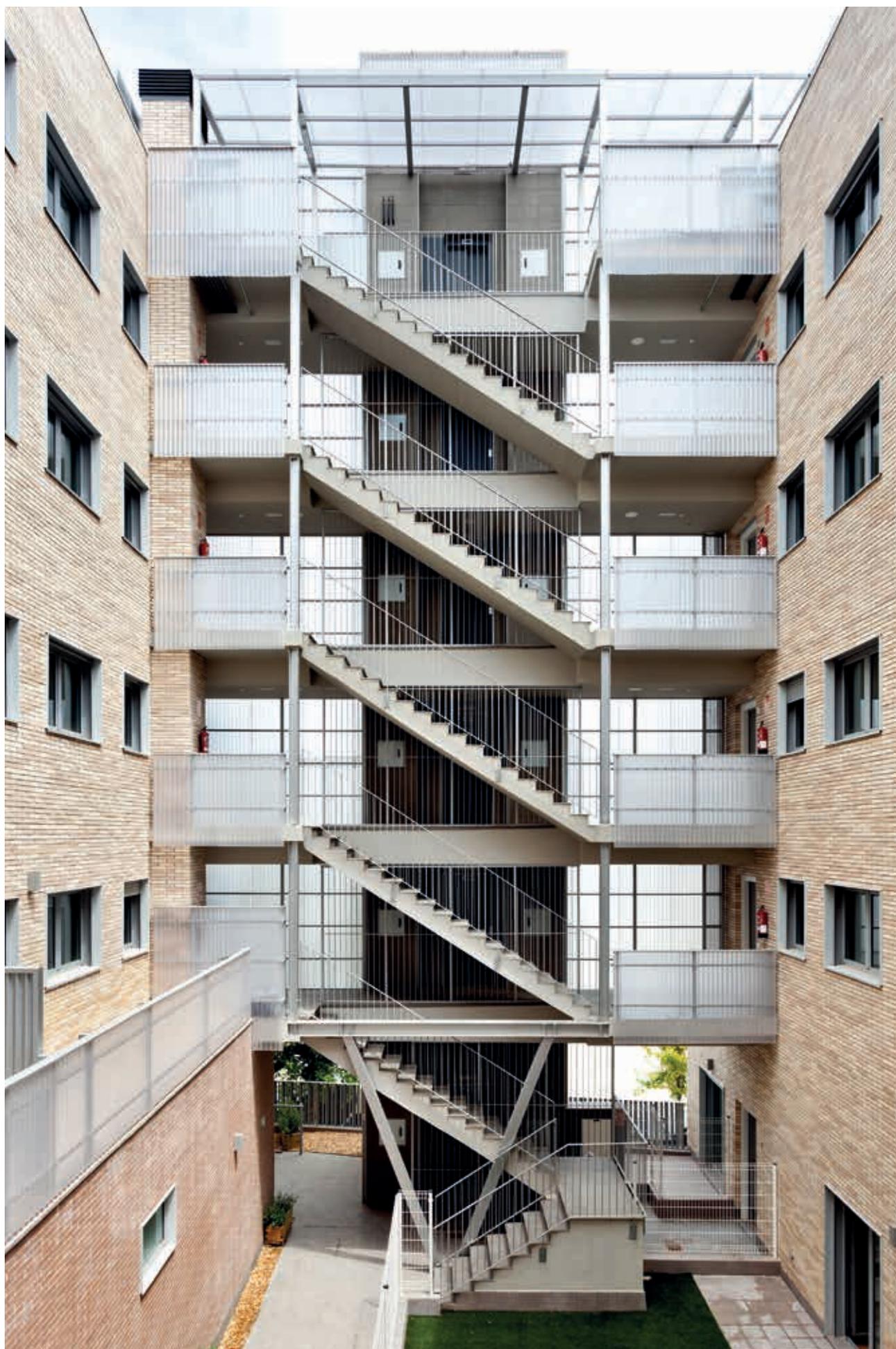
the final client, and finally, service after signing the housing deed.

In this same manner of guaranteeing the **satisfaction of our clients**, one of Grupo Aldesa's main concerns is to understand and measure it. To this end, interviews and direct surveys are carried out periodically in which the client's point of view is gathered regarding the fulfillment of their expectations and the perception of the final quality of the work carried out. This serves as the basis for establishing improvements each year.

The satisfaction of the Group's clients is high, as can be seen from the satisfaction surveys carried out at the end of the contracted works and services. This fact is corroborated by the confidence of the clients when it comes to awarding Grupo Aldesa its principle projects.

During 2018, most of the quality objectives have been met in each of the company's functioning processes, ensuring the continuous improvement of the processes.

Grupo Aldesa also has resources that guarantee the **protection of its clients' data**, safeguarding their privacy while limiting both the collection of personal data, obtaining in any case the same data from the client, and the use of said data, discarding the use of this information for any purpose other than to contact the client or potential client for commercial or project follow-up purposes.



COMMITMENT TO TRANSPARENCY

Communication in Aldesa is infused with the values of the organization, including responsible loyalty to its stakeholders and transparency in the dissemination of information, so that it is adequate, truthful, and verifiable. These values constitute the basis on which the Group's Code of Ethics is based.

Aldesa's Code of Ethics explicitly demands the transparency and accuracy of the information it provides in its market, committing itself to truthfully and completely transmitting information about the company, in a way that allows shareholders, analysts, and other stakeholders to form objective judgments about Aldesa.

Grupo Aldesa carries out its communication and marketing activities in a transparent and responsible manner through tools and procedures that aim to provide clear, objective, and truthful information about its lines of business.

At the same time, both the Group's corporate website and those of the various subsidiaries that comprise it act as a communication channel with its stakeholders, whether potential or current clients, suppliers, investors, or the communities where it operates, thus assuming a commitment to transparency and dialogue with all of them.

In fact, Aldesa has a Communication and Marketing policy with an objective of regulating the quality and quantity of internal and external communication efforts to align them with the Group's business objectives and to ensure that each piece of communication contributes to a better understanding of the business strategy and the level of commitment.

Likewise, it has a policy regarding donations, sponsorship, collaboration agreements, and patronage, applicable to the entire value chain of the Group, which underlines the commitment to the importance of establishing guidelines based on integrity and collaboration. Thus, a series of requirements are required for the event in question so that Aldesa can support it, such as that this event is aligned with the company's Social Action objectives and with the lines of action included in this policy or that there are stakeholders among its audience. Likewise, in no case will those requests that may conflict with the law, Aldesa's Code of Ethics, or other Group policies be addressed.



TRUSTWORTHY PROJECTS

Grupo Aldesa has a traditional commitment to providing high quality products and services that it develops to its customers, which is transferred

to their consumers or users. This commitment is made public through the Quality Policy, which guarantees that the final product is safe, reliable, and complies with all applicable specifications, standards, and codes.

GENERAL OBJECTIVES OF THE QUALITY POLICY

- › Consolidating quality as a basic element in the culture of Grupo Aldesa companies.
- › Strengthen the recognition and sincere commitment of all staff with the Quality Policy.
- › Strengthen the management of participatory quality that takes advantage of the capabilities of the entire workforce.
- › Permanently optimize the overall business process.

QUALITY POLICY

- › Ensure that the products and services provided to our Customers are safe, reliable, and meet the specifications, standards, legislation, and applicable codes.
- › Reduce failures.
- › Establish actions aimed at prevention, and not only at detection.
- › Supply products and services with a quality/price ratio that meets the expectations of our Clients.
- › Maintain permanent contact with Clients, collaborating on the improvement of our products and services.
- › Instruct, motivate, and involve all personnel in the management and development of the implemented Quality System.
- › Maintain the commitment to continuous improvement of the Quality Management System.

Grupo Aldesa believes that Quality Management Systems are essential to achieving the objectives set by the company, generating added value that facilitates compliance and exceeding the initial expectations of its customers.

In **Spain**, the different companies that make up Grupo Aldesa have Quality Management Systems implemented in all their work centres. Aldesa Construcciones, Proacon, Coalvi, and Acisa are certified under the ISO 9001:2015 standard,

including the execution of all types of projects, as well as the different activities carried out in the Industrial area.

We must also highlight the unification and integration of the Quality Management Systems of Grupo Aldesa's companies, which have allowed us to combine criteria, establishing a single work system within the Group's companies and a more effective and efficient methodology in the analysis of data, favouring feedback of the System and, therefore, its improvement.

QUALITY ASSURED IN EACH PROCESS AND SERVICE

Grupo Aldesa establishes Quality Assurance Plans (PAC) in each work and service. Said plans contemplate, among other aspects:

- › Review of the project for the detection of possible deficiencies, lack of definition, proposal of improvements, etc.
- › Strict control of the documents used (necessary plans and technical documentation).
- › Carrying out inspections documented in the receipt of the materials and their subsequent traceability, and controls and inspections at the beginning, during, and at the end of the execution of each work unit, or during the provision of each service, to ensure that they meet all the requirements set by the customers, as well as the legal and regulatory requirements of the application.

Likewise, each Plan includes the preparation and execution of tests through the main approved laboratories, where the materials used are controlled and the relevant final tests are carried out to ensure that the requirements of the project are met. A program of calibrations and verifications of the different measuring equipment used in the works is established to ensure that their measurements are correct. The optimal state of the machinery, the auxiliary means used, and of the collaborating companies are controlled and monitored.

It also ensures that all personnel the intervene in each of the phases of work, or in the provision of the service, have the qualification and skill in terms of training and experience necessary, and establishes a methodology for the evaluation of suppliers and subcontractors. All this guarantees that each and every one of the requirements of the project, the contract, and the expectations of the clients are met. Informative videos are also produced in order to improve and reinforce the effectiveness of the training that is given to the Group's workers about this matter.

QUALITY-ORIENTED IT APPLICATIONS

Grupo Aldesa has IT tools applied to Management that provide added value, with which it achieves:

- To manage and streamline Quality Systems through IT tools via the Internet.
- Real-time availability of information related to Quality of all works and centres of Grupo Aldesa.
- To guarantee the archiving of records by electronic means to avoid losses.
- To generate reports that help in decision-making at all levels and the management of a greater number of Indicators.
- To eliminate the use of paper to a large extent and minimize administrative tasks.
- To have a common platform applicable in all Grupo Aldesa companies.
- To have a solid and exportable solution with the possibility to grow and add new functionalities.

All these actions allow Grupo Aldesa to maintain a high degree of competitiveness within the respective sectors in which it operates, thereby continuously improving and meeting customer expectations.

INVOLVEMENT OF SUPPLIERS AND SUBCONTRACTORS

Grupo Aldesa considers it a priority to involve its suppliers and subcontractors in the goal of continuous improvement. That is why the management of purchases and subcontracts is a basic pillar within its Quality Management System.

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▶ **A specific system is available that marks the steps that must be followed for the adequate management of purchases. It begins with an initial evaluation of the suppliers in which their capacity to supply products and services is analysed in accordance with the requirements demanded by Grupo Aldesa. They evaluate, among other aspects, the human and material resources available to them, the products or services certified by accredited entities, as well as their commitment to respecting the environment.**

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This initial approval allows its incorporation into the database of the Group's approved suppliers, in which a specific activity group as well as an initial score are assigned.

When each of the contracted jobs is completed, a reassessment is carried out in which aspects such as compliance with deadlines, quality levels, environmental guidelines, and legal obligations are assessed, assigning a score. In this way, a classification of the suppliers is obtained according to the merits or demerits accumulated by the different works carried out.

A minimum threshold is also set, below which the supplier is excluded as an approved supplier and is not again admitted until it credibly demonstrates that it has improved in those aspects. This database of approved suppliers is digitized, and its use and consultation are obligatory in all purchasing processes. Currently, the figure of 39,000 evaluated suppliers divided into four categories has been exceeded.

Through an IT tool, the evaluation of suppliers is managed through Internet access so that all projects and work centres can transfer the information on the performance of each provider instantly and in real time, making the results of the evaluation take effect from the moment it is carried out in each work centre.



Regarding **Mexico**, during 2018, the Integrated Management System for quality, the environment, and occupational health was re-certified in accordance with the ISO 9001, 14001, in its most recent 2015 update, and the OHSAS 18001 standard.

We have carried out the monitoring of the implementation of an Efficient Quality System that covers the needs of the businesses while also satisfying the requirements of the standards to which we adhere.

▶ **During the past year, the Quality System has sought maturity in all the businesses looking for plans and procedures to be implemented in each of the projects of the different businesses. The generation of new controls has served as a greater control within the construction processes and made those responsible for the construction involved in the Quality processes.**

For reviewing the effectiveness of the system's implementation, a constant evaluation has been launched in the projects, which yields a rating that indicates the effectiveness of the implementation.

Aldesa also successfully completed the audits and external certification processes and complied in detail with the approved internal audit program.

Among the actions carried out last year, the following milestones stand out:

- Outputs of products or materials that are not in accordance with their requirements are identified and controlled to prevent their use or delivery.

- Use of appropriate means to identify raw materials in order to guarantee the compliance of the product.
- The preservation of the product is ensured once it arrives at the work site, since by having identification of its status, the quality personnel knows its state of conformity.

Regarding **Peru**, among the main actions carried out by Grupo Aldesa in 2018, the following stand out:

- Certification of the Quality Management System according to the International Standard ISO 9001: 2015 with "Zero Non-Conformities".
- Identification of risks and opportunities that may affect the quality management of Aldesa projects.
- Obtaining accreditation of the Quality Management System by INACAL (National Quality Institute of Peru).
- Execution of weekly Quality Inspections in order to verify compliance with the Quality Plan.
- Monthly inspections by the Department of Occupational Risk Prevention, Quality of the Environment with a Work Plan that allows for finding opportunities for continuous improvement and coordination of the Work Command Line.
- Establishment and fulfilment of Strategic Objectives of Quality Management according to ISO 9001.
- Satisfaction Evaluation of our clients during and at the end of our projects, adopting measures in order to continuously improve our clients' perception.
- Establishment of increasing satisfaction as a quality objective, obtaining an average ≥ 3 .
- Establishment of Process Indicators that allow for mediation of the objectives of each one of the areas of Aldesa Peru.
- Monitoring of certification of ISO 9001:2008 Standard, "Quality Management System."

- Review of the Quality Plans according to what is established in our quality management system.

As for **Poland**, it is worth noting that work has continued in accordance with the procedures implemented and the company's internal processes, along with the development and continuous improvement of quality standards. Among other things, for example, through customer orientation in a process-based approach, improving the efficiency and flexibility of the organization in general, and the work continues in a system of planned and coordinated activities aimed at meeting and satisfying the requirements of the user while maintaining the necessary level of cost.

Furthermore, as a result of Grupo Aldesa's strong commitment to continuous improvement, the awareness and commitment of the management of all teams has increased, so that the quality of the projects meets the requirements and expectations of our clients.

DEVELOPMENT OF SUSTAINABLE SOLUTIONS

Grupo Aldesa's vocation is to continue to be a solid reference for its clients in their commitment to R&D+i, investing each year in technical and human resources, as an activity essential to responding to the constant demand for new technologies and products based on sustainable processes.

At Grupo Aldesa, R&D+i is understood as a differentiator and driver of the activities and competences of the organization, guaranteeing the optimization of resources and improving both the quality and the efficiency of the services, for which it represents a strategic focus within the company's management model.

Due to the current situation of an increasingly globalized market and high competitiveness, innovation is a vital form of business growth. Grupo Aldesa, as a company that operates in sectors that demand products or services from strong R&D+i activity, it is convinced of the need to transfer knowledge and use progress and technology towards new international markets, being able to introduce innovations or launch new



products within their potential priority business areas, thus increasing the competitiveness of the Group's companies on the international level, positioning itself at the forefront of the European and global technological vanguard.

▶ **The culmination of the numerous R&D projects certified within Grupo Aldesa has generated a broad and innovative know-how that is currently being applied as a differentiating element of the organization, allowing the client to offer a technological leap in all countries in which it operates.**

During 2018, Grupo Aldesa, through its Technological Solutions division, has diversified and opted for more specific lines of business that respond to the current needs of customers by developing a range of proprietary solutions and advanced services with high added value in technology, which allow for the resolution of more critical issues and improve the processes, efficiency, profitability, and differentiation.

MAIN ACTIVITIES AND PROJECTS

A centralized monitoring of R&D&i activities, in accordance with the progressive but forceful task of coordination, detection, and promotion of innovative initiatives in all areas of the Group's activity, has fostered the effective management of technological projects related to sustainable construction, engineering, and telecommunications activities, along with an exhaustive work of improving documentation, which is reflected in the large number of projects qualified by accredited entities.

Grupo Aldesa currently has more than 80 outstanding certified projects, expecting a 10% increase in 2019. Many of these projects have also been supported by a multitude of organizations, such as the Centro de Desarrollo Tecnológico Industrial (Centre for Industrial Technological Development) (CDTI), the Junta de Andalucía, the Community of Madrid, and the Ministerio de Industria, Energía y Turismo (Ministry of Industry, Energy, and Tourism) (MINETUR).

▶ **The projects that Aldesa promotes range from the research of new construction processes for the improvement of technical performance and sustainability in unique works, including an independent and unattended control system for railway deviations that allows for the optimization of the maintenance process.**

In 2018, the Construction division focused its innovative activity on novel projects to optimize the execution of large civil works, the mitigation of environmental impact, sustainable building, and energy efficiency.

Aldesa Construcciones, in its desire to promote knowledge through the fostering of innovation and research in the construction sector, has established a Collaboration Framework Agreement with the Spanish National Research Council (CSIC) in order to join forces –mutual advice, mutual counselling, and continuous monitoring– in the sustainable development of construction activities, mainly in the fields of building and urban and interurban transport infrastructures.

In 2018, the company has begun two new projects:

- **Independent and unattended control system for railway deviations.** Design and development of a fully functional prototype of an independent and unattended system for the inspection and real-time control of geometry in the most critical points (grooves) of railway deviations.
- **New technological developments for optimization of design processes, sizing, and methods for the execution of works.** Construction/rehabilitation system based on mixed techniques that will allow the automated generation of multilayer enclosures capable of capturing, accumulating, and managing solar energy on the surface of structures thanks to new materials and the integrated management of high-efficiency energy flows.

The start of new projects coincides in 2018 with the successful culmination of two ambitious projects, which, like the projects described above, were supported by the Centre for Industrial Technological Development (CDTI): on the one hand, the design of energy systems for unique buildings based on critical sustainability criteria, and on the other, the design and implementation of solutions based on the use of solar energy within a self-sufficient transport system.

URBAN DEVELOPMENTS BASED ON SUSTAINABILITY

The synergies between the Industrial Divisions and Technological Solutions, the main technological areas of the Group, have allowed the development of projects related to the intelligent management of traffic and transportation, industrial process engineering, and telecommunications, security, and control systems, with an important pillar of the company in recent years being innovation in Smart Cities, researching diverse topics, such as the integration of services related to urban mobility, the environment, and security in the realm of cloud computing, the generation of patterns through BigData analysis, sustainability, geolocation, and digital trust.

ACISA, as the main technological company, has addressed the development of the following projects during the last year, which have obtained the support of the Centre for Industrial Technological Development (CDTI) through the Operational Program, FEDER, of Andalusia and Madrid:

- **Interoperable urban management platform for the primary services of a smart city.** The present project is aimed at the design and development of integrated architecture in a smart city ecosystem that allows for the homogenization of different control systems in a single application, with the aim of centralizing, monitoring, and storing all the information available in different software elements in one only administrative unit.
- **R&D of new control technologies with applications in new generation photovoltaic parks.** This innovative project makes it possible to develop a totally intelligent system that increases the efficiency and performance of one or more photovoltaic and windmill plants through a platform of control, supervision, and integrated management of the different components, simplifying and unifying all the data acquisition under the same system.

▶ **In 2018, ACISA has successfully completed the final stretch of the project "Advanced e-mobility management system for Smartcities-ITS," an initiative that covers the different technological needs detected in the field of electric vehicles and smart cities.**



7. ACTIVE PARTICIPATION AND COMMUNITY DEVELOPMENT

In the current economic environment of sustainability, the company must set goals that exceed the attainment of maximum benefit and establish not only an economic objective, but also a social objective.

The relationship of Aldesa's commitments with its stakeholders is laid out in its **Social Action Program**, which confirms the Group's will to generate a benefit for society, allocating resources that contribute to reducing social inequalities. This plan was designed to link the corporate strategy with the social and economic needs of the community.

Aldesa's social action focuses on the development of projects related to its activity that create value in the communities where we are present, being able to contribute more than the mere execution of the project.

These projects are limited to two areas of activity: the promotion of infrastructure development in the poorest regions of the world and the social integration of people prone to discrimination in the communities where it operates.

The main strategic lines of action in this regard are the following:

- Access to basic infrastructure services that can generate value and improve quality of life.
- Development of initiatives aimed at training, development, and local or community employment in those countries where Grupo Aldesa operates.
- Active participation in education, sports, empowerment, and social community actions that generate value. Likewise, Aldesa supports cultural and sports development with the sponsorship of events that take place in the communities closest to the areas of activity where it conducts its business.
- Sustainable management of natural resources, health, and the environment.

GENERATING SOCIAL TRUST IN THE COUNTRIES IN WHICH WE OPERATE

In **Spain**, Aldesa carries out different campaigns among its employees aimed at promoting collaboration with projects promoted by different NGOs.

For the ninth consecutive year, the blood donation campaign organized by the *Cruz Roja Española* (Spanish Red Cross) in other businesses was



launched at Aldesa headquarters, encouraging all employees to participate in it and facilitating the use of a mobile unit from the Donation Centre.

Another traditional campaign in Aldesa is the "Armario Solidario" (Solidarity Cabinet), which takes place in the central offices on two occasions (May and October), coinciding with the change of season, in order to collect clothing and other belongings. Everything donated by the employees of the Group is sent to Cáritas Diocesana Sevilla, which has a used clothing collection project that makes it possible to raise awareness of responsible and sustainable consumption models and to reuse donated clothing with the criteria of dignity and transparency while promoting an initiative of economic solidarity.

As part of the Involvement in the local community where the building works are carried out, Aldesa also performs donations. So, in 2018, we had the opportunity to donate material, tools, and furniture left over from the housing project carried out in Las Rozas (Madrid) to the San Agustín Los Negrales school, and delivered merchandising material to collaborate in the "El Día de las Familias" (Family Day) organized by the ADEMO Foundation, a NGO from Madrid that supports people with intellectual disabilities and their families.

Aldesa is convinced that it is because of its activity in infrastructures and energy, that it can contribute to improving the quality of life of people in the most

disadvantaged areas of the planet. In the past year, 20 solar panels were donated from Spain to the Dilaya Foundation (www.fundaciondilaya.org), which will provide home electricity for children in difficult situations in La Misericordia de Mbujimayi, in the Democratic Republic of the Congo, one of the poorest countries in the world. The solar installations will directly benefit the 75 children in the orphanage, the 450 students in their school, and the 300 patients who come monthly to the annexed health centre, which is the neighbourhood's centre of reference, and which will indirectly contribute to improving the lives of about 100,000 people.

In order to formalize the solidary collection of plastic caps in the headquarters, in 2018, Aldesa signed a collaboration agreement with the SEUR Foundation, supporting the *Tapones para una nueva vida* (Caps for a New Life) project, which consists of the delivery of plastic caps to a recycling plant to help children with health problems. During the past year, 0.36 cubic metres of plastic was collected at the Madrid headquarters.

Tapones para una nueva vida®

FUNDACIÓN SEUR



In the Christmas campaign last year, the Group once again chose the *Tarjeta Solidarias* (Solidarity Cards) platform to send digital Christmas greetings, solidifying the provisions to the Medicus Mundi NGO.

Regarding employee-oriented activities, various actions have also been implemented in 2018 that seek to aid in different personal areas, be it family, health, etc. During the annual medical examination, employees were given a leaflet with a decalogue of advice on healthy habits. It is also intended to encourage employees to participate in popular races, such as the one organized by the Butarque Neighbourhood Association in Madrid, by paying the registration fee for all those who wish to participate. Another initiative is making the magazine for parents, *Sapos y Princesas* (Toads and Princesses), available to all employees in the central headquarters, with the goal of building family plans, helping with

articles of experts in education, practical ideas, outdoor activities, etc.

Another recent initiative has been to offer the Randstad Foundation's personalized service to answer questions about the disability of employees and their families. The technicians of the Foundation help them to obtain the corresponding disability certificate, guiding them through the procedures and informing them of the resources and benefits in their area.

As part of the Corporate Social Responsibility Plan, Aldesa has set, among other objectives, to help people with difficulties finding work, encouraging that their incorporation into the labour market is of high quality, always based on their abilities and not on their limitations.

Grupo Aldesa's headquarters in Madrid once again welcomed the Solidarity Market of the Capacis Foundation, whose mission is the



social and labour integration of people with disabilities, while also integrating other social and environmental concerns. The employees of the Group had the opportunity to purchase donated products and others made by the students themselves in their workshops. The money collected was used to finance the *Aula Laboral* (Work Classroom) project, where the Foundation provides training adapted to people with disabilities, enhancing their social skills for their incorporation into the professional world.

Aldesa also maintains a collaboration agreement for the contracting of services with the Juan XXIII-Roncalli Foundation, dedicated to social assistance for people with intellectual disabilities, of any type and level, as well as their social-labour insertion and social inclusion.

At the same time, as part of Aldesa's collaboration agreements with several Spanish universities in order to participate in the training of future professionals in the sector, students

have visited from the Universidad Tecnológica de Monterrey in coordination with the faculty of the Escuela Politécnica Superior de Edificación de Barcelona from the Universitat Politècnica de Catalunya. The goal of this visit was that the students could see first-hand the activities and controls that integrate the subject of Building Quality and what Aldesa carries out within its Integrated Management System of Prevention, Quality, and the Environment. In this same vein of supporting future professionals, it is worth noting the grants of scholarships for the students with the highest scores on their end-of-studies projects from the Escuela Técnica Superior de Ingeniería Civil at the Universidad Politécnica de Madrid.

For the youngest, for the first time in 2018, the workshops for young immersion have been implemented in the company, developed in the central offices and intended for high school students in order to know the day-to-day reality in the company and to be able to guide them in their future work.



Aldesa also develops a program in Madrid to recruit currently-unemployed masonry professionals, in collaboration with the Public State Employment Service (SEPE), Infojobs, Manpower, and the Norte Joven association. This program is intended for the long-term unemployed or those over 45 years old, as well as for vulnerable groups. In this first call, the objective was to hire a group of 40 masons. The collaboration with the SEPE also extends to an agreement with its Training School in order to make the Professionally Trained masons practice their trade in our works.

Since the beginning of its operations in **Mexico**, Aldesa has been involved in local communities

through development cooperation projects, focusing on access to basic services and dignified infrastructure. In this way, it supports construction projects and rehabilitation of infrastructures, buildings, and facilities located in the towns affected by the works in execution. Among the projects executed in 2018, given their social relevance at the local level, the following stand out:

- Rehabilitation and urban improvement in Atizapán de Zaragoza (State of Mexico), consisting of paving and placing asphalt in avenues, building a park with furniture and a playground, a new chapel, a social plaza in the centre of the community, and the construction and rehabilitation of sidewalks and the offices of the Citizen Participation Council.
- Rehabilitation of the Church of Santo Toribio de Astorga in Papalotla (State of Mexico) through the restoration of fractures and cracks in walls, façades, and domes, restoration and construction of the perimeter fence of the property and atrium of the church, rehabilitation of the main gate, supply and application of limewash, as well as totally waterproofing the domes of the church.



- Reconstruction of the playground and local sports area of the Plan de Ayala community in Felipe Puerto Carrillo (Quintana Roo). The reconstruction of the base of the game house, reparation of the tarp, tree pruning, and the clearing of weeds and waste in the park's vicinity were carried out.
- Donation of a basic civil protection team for the community of Ojuelos de Jalisco (Jalisco) and construction material, such as pallets, cardboard, and wood. At the same time, tasks of relocation, rescue, and reforestation of the region's flora and fauna were carried out.
- Urbanization and rehabilitation of the area adjacent to the work made up of workshops and garages of of Guadalajara's line 3 of the light rail system (Jalisco) thanks to different projects –sanitary, hydraulic, and landscaping–, earthworks and public lighting.
- Reparation of the neighbourhood road, main street, and streets near the school and reparation and expansion of the community waste deposit in Mazapil (Zacatecas).

The environment has been the focus of Aldesa's interest since it began its journey in Mexico.

Autopistas del Sureste Concessionaire (CAS) maintains its commitment in this regard by participating in the various annual Reforestation Campaigns that are held within the functions of Worldwide Earth Day. Thousands of trees of different autochthonous species have been donated, which are planted by company volunteers, local authorities, and the local population in the lands adjacent to the operative highway: the Arriaga Ocozocoautla-Tuxtla Gutiérrez San Cristóbal highway. Thus, the most recent data that show these types of campaigns are the following:

- In 2018 CAS, the reforestation of the Quintana Roo region was carried out in the municipality of Jiquipilas (Chiapas), having donated 2,000 plants to reforest the area's central park, and for the fences of the inhabitants. The event brought together approximately 60 inhabitants and staff of the concessionaire accompanied by their relatives, who received technical advice for the planting and care of the donated plants.
- That same year, the 7th Social Reforestation Campaign was carried out in coordination with CONANP, with the donation of 2,100 plants of different species. The event was attended by personnel from CAS, CONANP, SEMANH, and CONAFOR, as well as the Tiltepec community



producers and high school students. The *San José de Tierra y Libertad* property of the Municipality of Jiquipilas was reforested with 600 plants. The rest was given to producers who are inside the *La Sepultura Biosphere Reserve* to reforest the banks of the Tiltepec River.

In the area of training and job placement, Aldesa is present in the most representative forums on employment, such as the fairs organized by the National Autonomous University of Mexico (UNAM), which aim to facilitate the interaction of its undergraduate and graduate students with the main companies of employment in the country. In addition, Aldesa, through its Engineers in Training program, recruits recent graduates from university majors related to the business and includes them in this internal talent development program, which has a total duration of two years. Since the beginning of the program in 2011, 57 professionals have been recruited, with no need for previous experience, thus becoming the company's top employer. Likewise, Aldesa has granted scholarships to eleven young people from the regions of Buctotz (Yucatán) so that they can continue their academic studies.

Among the sector's events committed to sustainability, mention should be made of Aldesa's already traditional active participation in Mexico Wind Power-ExpoWindPower, the exhibition and

programme of international conferences on the most important wind energy in the country, and the Seminar of Road Engineering, AMIVTAC ExpoVías, where the challenges and solutions of large transport infrastructure projects were addressed, from significant technical situations to the relevant social contexts.

It should especially be noted that within the framework of the activities held during the Mirec Week Congress and Exhibition, Grupo Aldesa received one of the 2018 Mirec Awards as a Champion Company in Mexico in the solar sector for contributing to the development of the solar industry in the country. MIREC Week is the main annual clean energy and mobility event in Mexico, where the news of national and international companies in this market is presented, recognizing companies from different sectors for their contribution to this matter.



In **Poland**, Aldesa has been an active part in the country's energy transformation. For this reason, it has always opted for conducting educational campaigns on the power and properties of electricity, consisting of workshops for fifth grade students in schools near the layout of the power lines that the Group builds. These practical workshops were completed with another series of initiatives on energy—the participation of Aldesa at various levels in conferences organized in collaboration with local or regional authorities, where the challenges and opportunities that arise with the upgrade of the electric lines executed by the company, involving all the agents involved in this public investment.

In 2018, initiatives related to energy projects in Poland have involved the organization of various leisure activities for children, such as a Children's Day festival on the playground in Koniewo (Western Pomerania), as part of Aldesa's involvement in the area affected by

the construction of the Glinki-Reclaw power line, and the Aldesa team's co-organization of the Family Day picnic in Poznan (Greater Poland), working on a construction project in this zone.

During the past year, Aldesa and its employees had the opportunity to help Red Noses Clowndoctors Polonia, an organization that cares for sick children in hospitals with visits from groups of professional clowns. In this way, thanks to the joy and entertainment provided, the time of hospital admission is made more bearable for the small patients.

Among the events in the sector that promote sustainable solutions, it is worth mentioning that the involvement of Aldesa in the Smart City Forum, where every year it exposes its experience in urban developments based on sustainability, and other forums committed to sustainability, such as the International Road Congress, organized by the World Road



Association (PIARC), and the General Directorate of National Roads and Highways. This event has, among its goals, to discuss the strategic objectives related to providing sustainable and effective road services, as well as Intelligent Transport Systems (ITS) and the incidence of climate change.

Aldesa has supported the local quarry in this country since the beginning, giving job opportunities to future talent. One way to do this is by participating in the Technological University of Warsaw's Employment Fair every year, offering students and graduates in engineering the opportunity for paid internships.

The event is organized by BEST Warsaw (Board of European Students of Technology), an international student organization that connects 94 technical universities in 32 European countries. At the same time, Aldesa participated in the employment fairs of the University of Gdansk and the Lublin University of Technology, presenting their job offers related to various construction projects underway.

Aldesa employees in Poland participate in different team careers, fostering self-confidence and trust among their colleagues. In 2018, the ALDESpeed team has participated in such tough competitions as the Runmageddon (Gliwice) and the Ekiden marathon relay race (Warsaw).

Aldesa has focused its efforts in **Peru** on the close involvement in the local communities where it carries out its activity, especially in rural areas. The most relevant project was the involvement in the community surrounding the upgrades and rehabilitation works of the Tacna-Collpa highway, on the border with Bolivia. The actions focused on achieving two objectives: first, generating employment among the population, and second, intensifying the economic development of families dedicated to the sale of food and lodging. Also, in the region of Pachacámac, where the National Archaeological Museum is built, the initiatives focused on the same strategic lines of action.





TACNA-COLLEPA PROJECT	MUNA PROJECT
<p style="text-align: center;">Infrastructure</p> <div style="text-align: right;"></div>	
<ul style="list-style-type: none"> ➤ Conditioning of the building belonging to the Comunidad Campesina de Alto Peru, including bathrooms, bedrooms, and work areas. ➤ Donation to this community of the facilities used during construction by Aldesa upon completion: <ul style="list-style-type: none"> ➤ Four igloo-style tents with their corresponding hygienic services, including 18 metal cabins with their respective mattresses and blankets in each of them, which were distributed among the population according to need through the Municipality of Alto Peru. ➤ Drywall module used as a warehouse with two water supply tanks between 10,000 and 5,000 litres. 	<ul style="list-style-type: none"> ➤ Deviation of the Lurín river resulting from its growth due to climatic phenomenon, El Niño, benefiting the entire river zone of the Lurín district, where around 120 families live. ➤ Provision of potable water to families in the Fundo Mamacona Human Settlement after the wells in the area had dried up. ➤ Provision of non-potable water via cisterns to fill the lagoon belonging to the Universidad del Pacífico, thereby preserving the area's diverse animal species.
<p style="text-align: center;">Professional development</p> <div style="text-align: right;"></div>	
<ul style="list-style-type: none"> ➤ Hiring labourers from rural communities affected by the project (Tacna region). ➤ Hiring services from entities from the Comunidad de Campesinos de Alto Perú for the maintenance and cleaning of facilities. 	<ul style="list-style-type: none"> ➤ Generation of employment among the local population, improving the economic development of the families dedicated to food sales.
<p style="text-align: center;">Community life</p> <div style="text-align: right;"></div>	
<ul style="list-style-type: none"> ➤ Toy donations of at Christmas for the children of the Daniel Alcides Carrión de Hospicio-Palca school, and organization of the First Alto Perú-Ancomarca Christmas Fair, with the objective of encouraging the creativity of the students from the different institutes, benefiting 140 children aged between 2 and 12 years. 	<ul style="list-style-type: none"> ➤ Periodic donation of non-perishable food to the foster home, Caritas Felices Niño Jesús de Praga, which houses about 45 girls, and participation in the cultural activities organized by the Hermanas de la Parroquia Jesús Nazareno Diócesis de Lurín for young people. At Christmas, management and donation of gifts for 400 children with few economic resources of the areas surrounding the project in the Portales Mamacona Human Settlement (Lurín, Lima). ➤ Educational talk at the Colegio Santa María de Lurín (Lurín, Lima) to contribute to the training of sixth grade students (11 years old) in the proper use and handling of solid waste.

In **Norway**, Aldesa focuses its support on the economic and social value of the community of Harstad, in the north of the country, where the Group is constructing a traffic tunnel. The project uses local labour and subcontractors as much as possible. It is estimated that 50% of the employees are local and that approximately two thirds of the work is carried out by subcontractors in the region.

Aldesa has also wanted to support the youth and sports with the patronage of the local Landsås Football Club, made up of 250 players between 5 and 35 years old. In addition, Aldesa has begun discussions with the University of Tromsø (UiT) Harstad Campus on the possibility of students undertaking risk management workshops.



4

DIRECTORY

The strategy of internationalization and diversification is the result of an in-depth analysis of the potential of each market.

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WORKS REFERENCES BY GEOGRAPHIC MARKETS

▶ SPAIN

Cernadilla-Pedralba de la Pradería subsection, belonging to the Zamora-Lubián section of the Madrid-Galicia high-speed railway line	23
Irrigation water supply network, Rivas Vaciamadrid (Madrid)	24
Valdebebas homes, Madrid	26
Vallecas homes, Madrid	28
Services of maintenance of the metropolitan systems (Granada)	30
Photovoltaic plants, Chiprana (Zaragoza)	32

▶ MEXICO

Workshops and garages for the expansion of the Urban Electric Train System of Guadalajara (Jalisco)	34
Construction of New Era section 2 gas pipeline (Nuevo León)	37
Viborillas photovoltaic plant (Jalisco)	39

▶ POLAND

S19 Motorway (Rzeszow)	41
Fit-out office project, Krakow (Lesser Poland)	42





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Madrid
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Seville
Zaragoza
Valladolid
Malaga

MEXICO

Mexico City

POLAND

Warsaw
Krakow

PERU

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